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Application Proof of

HEBEI LIANJI QICHENG INDUSTRIAL PARK OPERATION MANAGEMENT CO., LTD.

河北聯吉啟成產業園區運營管理股份有限公司

(the "**Company**")

(A joint stock company incorporated in the People's Republic of China with limited liability)

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HEBEI LIANJI QICHENG INDUSTRIAL PARK OPERATION MANAGEMENT CO., LTD.

河北聯吉啟成產業園區運營管理股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per [REDACTED] (plus brokerage fee of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, payable in full upon application and subject to refund)**
Nominal Value	**:**	**RMB1.00 per H share**
[REDACTED]	**:**	**[REDACTED]**

Sole Sponsor

Austrax Capital Limited

[[REDACTED], [REDACTED] and [REDACTED]]

[REDACTED]

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Prior to making an [REDACTED] decision, [REDACTED] should carefully consider all the information set out in this document, including the risk factors set out in "Risk Factors".

The [REDACTED] is expected to be determined by agreement between the [REDACTED] (on behalf of the [REDACTED]) and our Company on the [REDACTED]. The [REDACTED] is expected to be on or about [REDACTED] and, in any event, not later than [REDACTED] on [REDACTED]. The [REDACTED] will be not more than HK$[REDACTED] per [REDACTED] and is currently expected to be not less than HK$[REDACTED] per [REDACTED]. Applicants for [REDACTED] are required to pay, on application, the maximum [REDACTED] of HK$[REDACTED] for each [REDACTED] together with brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] should be lower than HK$[REDACTED] per [REDACTED]. If, for any reason, the [REDACTED] (for itself and on behalf of the [REDACTED]) and our Company are unable to reach an agreement on the [REDACTED] by [REDACTED] on [REDACTED], the [REDACTED] will not proceed and will lapse.

The [REDACTED] (for itself and on behalf of the [REDACTED]) may, with our consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] range stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such case, a notice of such reduction will be published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.zjlianji.com**, not later than the morning of the last day for lodging [REDACTED] under the [REDACTED]. Further details are set out in "Structure and Conditions of the [REDACTED]" and "How to Apply for the [REDACTED]".

[REDACTED] of the [REDACTED] should note that the [REDACTED] (for itself and on behalf of the [REDACTED]) is entitled, in its absolute discretion, to terminate the [REDACTED] with immediate effect by giving notice in writing to our Company if any of the events set forth under "[REDACTED]" occurs at any time prior to [REDACTED] (Hong Kong time) on the [REDACTED].

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[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher [REDACTED] risk may be attached than other companies [REDACTED] on the Stock Exchange. [REDACTED] should be aware of the potential risks of [REDACTED] in such companies and should make the decision to [REDACTED] only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated [REDACTED].

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspaper. Accordingly, [REDACTED] should note that they need to have access to the website of the Stock Exchange at ***www.hkexnews.hk*** *in order to obtain up-to-date information on companies listed on GEM.*

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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IMPORTANT NOTICE TO [REDACTED]

This document is issued by our Company solely in connection with the [REDACTED] and does not constitute an [REDACTED] to sell or a solicitation of an [REDACTED] any security other than the [REDACTED] by this document pursuant to the [REDACTED]. This document may not be used for the purpose of, and does not constitute, an [REDACTED] or [REDACTED] in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] or the distribution of this document in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this document to make your investment decision. Our Company, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED] have not authorised anyone to provide you with information that is different from what is contained in this document.

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*The contents of our Company's website at **www.zjlianji.com** do not form part of this document.*

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SUMMARY

This summary aims at giving you an overview of the information contained in this document. Because this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety, including our financial statements and the accompanying notes, before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed "Risk factors". You should read that section carefully before you decide to [REDACTED] the [REDACTED]. Various expressions used in this summary are defined in sections headed "Definitions" and "Glossary of Technical Terms".

OVERVIEW

We are a comprehensive property management service provider, specialised in industrial parks in China. Since our inception in 2019, we have established deep roots in Zhejiang Province, specifically in the Jinhua-Yiwu Area (Yiwu City which is located in Jinhua, Zhejiang Province and its surrounding area), which is recognised as "home to the world's largest small commodities market" by the World Bank and in accordance with the World Investment Report published by the United Nations. We differentiate ourselves through a specialisation in industrial park management, distinguishing us from other competitors who primarily focus on residential properties.

BUSINESS MODEL

We offer a suite of professional services specifically tailored to enterprise occupants across diverse industries, as detailed below:

Basic Property Management Services

We offer a comprehensive suite of basic property management services designed to maintain the safety, functionality, and exterior of the public area of our managed properties. These services cover the full lifecycle of occupancy, from move-in to move-out, and include repair and maintenance, security and safety management, and cleaning and gardening services for all common areas.

We generate revenue for these basic services primarily through a lump-sum fee model. Under this arrangement, we charge property developers, owners and/or tenants a fixed, all-inclusive fee annually through an area-based pricing method, typically quoting fees in RMB per sq.m. per month. We retain the full amount of these fees as revenue but bear the costs incurred in providing our property management services.

Value-added Services

We provide diversified optional value-added services to accommodate the specific needs of property developers, owners, tenants and occupants and to enhance the value of commercial assets of our managed portfolio. We provide value-added services through our own employees or through our network of selected service providers. Our value-added services comprise (i) operational support services; (ii) energy-related services; and (iii) park ancillary services. For further details and revenue model of our value-added services, please see the paragraph headed "Business — Our Business Model — Property Management and Value-added Services — Value-added Services". In general, we receive either (i) shared revenue or profit from service providers we partnered with to provide value-added services or (ii) fees per unit from the users for value-added services provided by us.

Set out below is the revenue breakdown of our property management and value-added services during the Track Record Period:

	FY2024		FY2025		1H2025		1H2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Basic property management services	42,521	59.3	53,402	67.0	25,725	70.9	27,451	68.2
Value-added Services:	29,162	40.7	26,270	33.0	10,570	29.1	12,773	31.8
• *Operational support services*[(1)]	22,503	31.4	16,715	21.0	6,112	16.8	7,902	19.6
• *Energy related services*[(2)]	3,282	4.6	4,574	5.7	2,032	5.6	2,099	5.2
• *Park ancillary services*	3,377	4.7	4,981	6.3	2,426	6.7	2,772	6.9
Total	**71,683**	**100.0**	**79,672**	**100.0**	**36,295**	**100.0**	**40,224**	**100.0**

Notes:

1. Included in operational support services was (i) finance income on the net investment in lease of RMB0.2 million for FY2024, RMB0.4 million for FY2025, RMB6,000 for 1H2025 and RMB35,000 for 1H2026; and (ii) gross rental income from investment property operating leases of RMB20.2 million for FY2024, RMB0.9 million for FY2025, RMB0.4 million for 1H2025 and RMB0.4 million for 1H2026. For details, please see "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue — By type of service — value-added services".

2. Included in energy-related services were finance income on the leased rooftops of RMB1.0 million for FY2024, RMB1.4 million for FY2025, RMB0.7 million for 1H2025 and RMB0.7 million for 1H2026.

OUR MANAGED PROPERTIES

As at 30 June 2026, our property portfolio comprised 22 managed projects, including 21 industrial parks, with a total GFA under management of approximately 3.7 million sq.m.

Geographically, our operations are deeply entrenched in Jinhua-Yiwu Area. As at 30 June 2026, 17 of our managed projects were located in Jinhua-Yiwu Area, and the remaining five projects were located in other areas in Zhejiang Province (four) and in Hebei Province (one).

During the Track Record Period, our Group was dedicated to achieving a balanced project sourcing strategy between the Parent Group and Independent Third Parties. Our Parent Group is one of the established industrial park developers in Jinhua City, according to Frost & Sullivan. The industrial park development market in Jinhua City is fragmented, with numerous market participants and a relatively low overall market concentration. It is a common industry practice for property developers in the PRC to establish management companies to provide property management services for properties developed by them, which enables developers to generate recurring income and maintain the quality and operation of their developments following completion and sale. As advised by Frost & Sullivan, it is therefore customary for property management companies to source projects from their developer shareholders, parent groups or affiliated developers, which also provides a stable source of projects. As an established industrial park developer, the Parent Group has successfully developed multiple industrial park projects primarily serving private enterprises. Zhejiang Panglong, the holding company of our Parent Group was founded by Ms. Liu in 2016, the founder of our Group, an executive Director and the chairperson of our Board. Our Parent Group is principally engaged in industrial parks investment, development and construction in Zhejiang Province. Since 2020, our Parent Group has developed more than ten industrial

parks. All industrial parks developed by our Parent Group are managed by us. During 1H2026, we managed 10 projects from Independent Third Parties, with GFA under management accounted for approximately 52.3% of the total GFA under management, signaling our operational independence. For further details of our managed properties, please see the section headed "Business — Our Managed Properties".

The table below sets forth the movement of our project under management for the year/period or as at the dates indicated:

	For the year ended or as at 31 December 2024		**For the year ended or as at 31 December 2025**		**For the period ended or as at 30 June 2026**	
	Number of projects	**GFA** *(sq.m. '000)*	**Number of projects**	**GFA** *(sq.m. '000)*	**Number of projects**	**GFA** *(sq.m. '000)*
As of the beginning of the year/period	15	2,252	23	3,790	22	3,706
New engagements[Note 1]	8[Note 2]	1,538	2[Note 3]	640	—	—
Termination	—	—	3[Note 3]	724	—	—
As of the end of the year/ period	23	3,790	22	3,706	22	3,706

Notes:

1. Refer to new projects under our management and excludes the renewal of existing projects.
2. Among them, seven projects were sourced from Independent Third Party developers with an aggregate GFA of 1.3 million sq.m.
3. The projects were sourced from Independent Third Party developers.

The table below sets forth the breakdown of GFA under management, revenue, gross profit, gross profit margin and average monthly basic property management revenue by types of property developers during the Track Record Period:

	FY2024								FY2025								1H2026							
	GFA under management[1]	Revenue		Gross profit	Gross profit margin	Gross profit margin — basic property management services	Gross profit margin — value-added services	Average monthly basic property management revenue	GFA under management[1]	Revenue		Gross profit	Gross profit margin	Gross profit margin — basic property management services	Gross profit margin — value-added services	Average monthly basic property management revenue	GFA under management[1]	Revenue		Gross profit	Gross profit margin	Gross profit margin — basic property management services	Gross profit margin — value-added services	Average monthly basic property management revenue
	(sq.m. '000)	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(%)*	*(%)*	*(RMB per sq.m.)*	*(sq.m. '000)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(%)*	*(%)*	*(RMB per sq.m.)*	*(sq.m. '000)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(%)*	*(%)*	*(RMB per sq.m.)*
Projects sourced from																								
Parent Group[2]	1,768	55,939	78.0	23,841	42.6	49.1	35.8	1.36	1,768	50,748	63.7	31,350	61.8	51.9	77.7	1.48	1,768	25,350	63.0	15,687	61.9	50.5	79.1	1.44
Independent Third Parties	2,022	15,744	22.0	2,183	13.9	15.0	5.8	0.91	2,662	28,924	36.3	7,200	24.9	26.4	20.0	0.78	1,938	14,874	37.0	5,459	36.7	33.1	53.2	1.05
Total	3,790	71,683	100.0	26,024	36.3	38.0	33.8	1.17	4,430	79,672	100.0	38,550	48.4	41.4	62.6	1.08	3,706	40,224	100	21,146	52.6	42.8	73.7	1.23

Notes:

1. GFA under management refers to projects which we provide basic property management services and exclude projects which we are engaged to provide value-added services only.
2. Refer to projects developed by Zhejiang Panglong, its subsidiaries and associates. The revenue derived from projects developed by our Parent Group was received from either the Parent Group or Independent Third Parties.

During the Track Record Period, the Group derived a larger portion of its revenue from projects sourced from the Parent Group, accounting for approximately 78.0%, 63.7% and 63.0% of total revenue for FY2024, FY2025 and 1H2026, respectively. The decrease in the revenue derived from projects sourced from the Parent Group was mainly due to reduced revenue from commercial operation services following the substantial cessation of the sublease model. Under the sublease model, the Group recognised primarily gross rental income from tenants as revenue, whereas under the entrusted management services model, only a service fee is recognised, which is significantly lower as it represents the premium of the actual rent paid by the tenants over the designated floor price retained by the property owners. Such decrease was partially offset by increased contributions from energy related services and property sales support services. Revenue from projects sourced from Independent Third Parties, on the other hand, increased substantially, driven by additional projects, higher GFA under management, higher average monthly basic property management revenue and full-year contributions.

Projects sourced from the Parent Group contributed a larger share of gross profit and higher gross profit margins, primarily due to a loss-making subleasing contract sourced from an Independent Third Party and comparatively lower average fee rates for basic property management services for projects sourced from Independent Third Parties due to project-specific factors, including location and preferential fee arrangements. For details, please see "Business — Our Projects". Nevertheless, the contribution from independent third-party projects has been increasing, reflecting the Group's growing capability to serve external clients and diversify its project base.

Overall, while a significant portion of the Group's revenue, gross profit and fees are derived from projects sourced from the Parent Group, the underlying paying customers of these projects are primarily independent third parties.

COMPETITIVE LANDSCAPE

According to Frost & Sullivan, in 2025, the market size of the non-residential property management services market in Zhejiang Province, measured by revenue, was RMB50.3 billion. The property management services are divided into two segments, namely basic property management services and value-added property management services. The property management services experienced a growth in recent years. The total revenue of basic property management services and value-added service in property management services market (including residential properties) in Zhejiang Province reached RMB87.6 billion and RMB31.1 billion in 2025, with a CAGR of 9.1% and 13.0% from 2021 to 2025, respectively. In Jinhua City of Zhejiang Province, the total GFA under management of industrial park property management services market reached approximately 33.9 million sq.m. in 2025, which accounted for 14.1% of the total GFA under management of industrial park property management services market in Zhejiang Province. In terms of the total GFA and revenue of industrial park property management services, our Group accounted for approximately 1.4% and 1.3% in Zhejiang Province respectively. In terms of total GFA under industrial park property management services in Jinhua City in 2025, the top five providers of property management services accounted for approximately 39.6%, among which we ranked second, with a market share of approximately 8.0%. In terms of total revenue of industrial park property management services in Jinhua City in 2025, the top five providers of property management services accounted for approximately 46.0%, among which our Group ranked second, with a market share of approximately 7.9%.

OUR COMPETITIVE STRENGTHS

We believe that our competitive strengths include the following:

- we are a specialised property management service provider dedicated to delivering services for industrial properties;
- with a deep-rooted presence in the Jinhua-Yiwu area, we have a strategic geographical focus on Zhejiang Province with a platform for strategic expansion across key economic regions;
- we benefit from the long-term support of our Parent Group whilst expanding our reach to Independent Third-Party customers;
- we offer a diversified service portfolio with proven operational capabilities; and
- we have an experienced and visionary management team.

For further details of our competitive strengths, please see the section headed "Business — Our Competitive Strengths."

OUR STRATEGIES

Our strategies to foster the development of our Group include:

- Expand our business scale and solidify our market position
- Enhance service quality and customer satisfaction
- Invest in technology development to bolster our technology capabilities and promote our degrees of digitalization and automation
- Continue to attract, recruit and cultivate talents to support business growth

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customer base primarily consisted of property developers, owners, tenants, and occupants within our managed properties. Revenue from our top five customers accounted for 25.9%, 46.7% and 46.3%, respectively, of our total revenue for FY2024, FY2025 and 1H2026. Our Parent Group had been our largest customer in each year/period during the Track Record Period. Revenue from our Parent Group amounted to RMB7.1 million, RMB19.8 million and RMB10.7 million for FY2024, FY2025 and 1H2026, representing 9.9%, 24.9% and 26.7% of our total revenue respectively during the corresponding year/period.

In 2024, our Parent Group was our largest supplier for the provision of leasing service. Apart from our Parent Group, our supplier base primarily consisted of subcontractors, utilities providers, and raw material suppliers. Procurement from our top five suppliers in each year/period during the Track Record Period collectively amounted to RMB16.9 million, RMB18.7 million and RMB8.4 million, accounting for 37.0%, 45.4% and 44.2% of our total cost of sales for FY2024, FY2025 and 1H2026, respectively, and procurement from the largest supplier amounted to RMB10.3 million, RMB10.4 million and RMB4.3 million, representing 22.6%, 25.3% and 22.7% of our total cost of sales for the corresponding year/period, respectively.

Apart from our Parent Group, there were three overlapping customers and suppliers during the Track Record Period. Please see the section headed "Business — Our Customers — Overlapping Customers and Suppliers" for details.

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors". As different [REDACTED] may have different interpretation and criteria when assessing the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to [REDACTED] in our H Shares. Some of the major risks that we face include:

- Our historical results may not be indicative of our future prospects and results of operations;
- There is no assurance we will continue to be engaged by our Parent Group to manage properties developed by them, or that we will be able to supplement any shortfall with properties from Independent Third Party;

- We may fail to secure new or renew our existing property management service agreements on favourable terms, or at all;
- We may not be able to maintain the stable growth of, or make further expansion on, our industrial property management business; and
- we are susceptible to unfavourable shifts in government policies or the business environment in Jinhua-Yiwu Area.

CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, our Company is wholly owned by Zhejiang Panglong, which is in turn held by Ms. Liu and Mr. Zhou as to 70% and 30%, respectively. Ms. Liu is the mother of Mr. Zhou. Accordingly, Zhejiang Panglong, Ms. Liu and Mr. Zhou constitute a group of Controlling Shareholders.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholders will be able to exercise, in aggregate, [REDACTED]% of the voting rights in our Company and therefore will remain as our Controlling Shareholders pursuant to the GEM Listing Rules. For details, please see the section headed "Our Controlling Shareholders".

SELECTED FINANCIAL INFORMATION

The following tables set forth a summary of our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I. The summary of consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this document, including the related notes. Our consolidated financial information has been prepared in accordance with HKFRS Accounting Standards.

Selected Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December		For the six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
REVENUE	71,683	79,672	36,295	40,224
Cost of sales	(45,659)	(41,122)	(21,711)	(19,078)
Gross profit	**26,024**	**38,550**	**14,584**	**21,146**
Other income and gains	4,411	6,287	1,015	215
Selling and distribution expenses	(377)	(2,013)	(867)	(517)
Administrative expenses	(10,854)	(15,610)	(5,645)	(8,643)
Reversals of loss allowance/(impairment losses) on financial instruments, net	410	(1,273)	(4,288)	(2,156)
Other expenses	(39)	(585)	(43)	(187)
Finance costs	(6,975)	(3,734)	(2,928)	(365)
Share of the loss of an associate	—	—	—	(73)
PROFIT BEFORE TAX	**12,600**	**21,622**	**1,828**	**9,420**
Income tax expense	(4,704)	(5,685)	(1,238)	(1,828)
PROFIT FOR THE YEAR/PERIOD	**7,896**	**15,937**	**590**	**7,592**

We recorded a net profit of RMB7.9 million for FY2024, primarily driven by gross profit of RMB26.0 million, representing a gross profit margin of 36.3%, together with other income and gains of RMB4.4 million. Such other income and gains mainly arose from a non-recurring gain related to the early termination of a contract under our commercial operation services, which resulted in the derecognition of investment properties and lease-related balances in accordance with applicable accounting standards. Overall, the gross profit and other income and gains were sufficient to cover our operating expenses, other expenses and finance costs.

Net profit for FY2025 increased significantly to RMB15.9 million by 101.3%, primarily driven by higher gross profit resulting from (i) the expansion of the Group's business scale, as evidenced by the increase in total GFA under management and the number of projects; and (ii) the improved gross profit margins in both basic property management services and value-added services. Other income and gains increased due to gains from the early termination of lease arrangements and the derecognition of investment properties, while finance costs decreased substantially as a result of the repayment of bank borrowings during the year. Net profit for the six months ended 30 June 2026 increased significantly to RMB7.6 million form RMB0.6 million, primarily driven by an increase of 6.6 million in gross profit resulting from the improved gross profit margins in both basic property management services and value-added services.

The following table sets forth the breakdown of gross profit by type of services and their respective gross profit margin for the year/period indicated:

	For the year ended 31 December				**For the six months ended 30 June**			
	2024		**2025**		**2025**		**2026**	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
					(unaudited)			
Basic property management services	16,170	38.0	22,092	41.4	9,466	36.8	11,737	42.8
Value-added Services	9,854	33.8	16,458	62.6	5,118	48.4	9,409	73.7
— Operational support services	5,184	23.0	9,277	55.5	2,159	35.3	5,762	72.9
— Park ancillary services	1,388	41.1	2,607	52.3	927	38.2	1,548	55.8
— Energy-related services	3,282	100.0	4,574	100.0	2,032	100.0	2,099	100.0
Total	26,024	36.3	38,550	48.4	14,584	40.2	21,146	52.6

Our gross profit increased significantly from RMB26.0 million for the FY2024 to RMB38.6 million for FY2025. The increase of RMB12.6 million, or 48.5%, was driven by both our basic property management services and operational support services, which recorded gross profit growth of RMB5.9 million and RMB4.1 million, respectively. The growth in gross profit from property management services was primarily attributable to the increase in the number of projects and GFA under management, while the improvement in operational support services was due to the increase in gross profit from property sales support services. Our gross profit increased from RMB14.6 million from 1H2025 to RMB21.1 million for 1H2026 due to the termination of the loss-making sublease contract, together with the increase in the average monthly property management fee per sq.m. and the termination of less profitable projects. The profitability of projects sourced from Independent Third Parties improved significantly during 1H2026, which increased from RMB0.4 million for 1H2025 to RMB5.5 million for 1H2026, reflecting the Group's strategic efforts to improve the profitability of projects sourced from Independent Third Parties and reduce reliance on the Parent Group.

Selected Items of Consolidated Statements of Financial Position

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Total current assets	214,111	89,706	93,820
Total current liabilities	134,348	50,675	48,358
Net current assets	79,763	39,031	45,462
Total non-current assets	64,145	31,089	32,787
Total non-current liabilities	122,523	15,076	15,613
Total equity	21,385	55,044	62,636

Total equity increased significantly from RMB21.4 million as at 31 December 2024 to RMB55.0 million as at 31 December 2025, primarily attributable to (i) profit and total comprehensive income of RMB15.9 million for FY2025, (ii) capital contributions of RMB3.0 million from Yiwu Lianji Enterprise Management Consulting Co., Ltd, the then shareholder of a subsidiary prior to the Reorganisation, (iii) the increase in registered share capital and (iv) the termination of a financial guarantee contract of RMB8.0 million. The increase was partially offset by the acquisition of Zhejiang Lianji under common control as part of the Reorganisation, as well as the disposal of a subsidiary, Chengde Lianji, which had no material business operations. Our net current assets increased from RMB39.0 million as at 31 December 2025 to RMB 45.5 million as at 30 June 2026, which was mainly due to combined effect of (i) the increase in trade receivables; (ii) increase in cash and cash equivalents; (iii) the decrease in trade payables; and offset by (iv) the decrease in net investment in leases. Our total equity increased from RMB55.0 million as at 31 December 2025 to RMB62.6 million as at 30 June 2026 mainly due to the reason of the increase in net current assets stated above.

Selected Items of Consolidated Statements of Cash Flows

	Year ended 31 December		Six months ended 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash flows from operating activities			
Net cash generated from operating activities	30,972	2,176	4,466
Cash flows from investing activities			
Net cash (used in)/generated from investing activities	(94,862)	123,908	(1,510)
Cash flows from financing activities			
Net cash generated from/(used in) financing activities	69,686	(119,804)	(1,290)
Net increase in cash and cash equivalents	5,796	6,280	1,666
Cash and cash equivalents at beginning of the year/period	3,135	8,931	15,211
Cash and cash equivalents at the end of the year/period	8,931	15,211	16,877

For an analysis of our cash flows, please see "Financial Information — Liquidity and Capital Resources — Cash Flows".

Summary of Key Financial Ratios

	As at/for the year ended 31 December		For the six months ended 30 June
	2024	**2025**	**2026**
Current ratio[(1)]	1.59	1.77	1.94
Liabilities to assets ratio[(2)]	0.92	0.54	0.50
Gearing ratio[(3)]	631.2%	28.9%	25.9%
Return on equity[(4)]	36.8%	41.7%	N/A
Return on total assets[(5)]	3.8%	8.0%	N/A

Notes:

(1) Current ratio is calculated based on our total current assets as at the end of the relevant years/period divided by our total current liabilities as at the end of the corresponding year/period.

(2) Liabilities to assets ratio is calculated based on our total liabilities as at the end of the relevant years/period divided by our total assets as at the end of the corresponding year/period.

(3) Gearing ratio is calculated as the sum of interest-bearing bank borrowings and lease liabilities divided by total equity as at the end of the relevant year/period and multiplied by 100%.

(4) Return on equity is calculated based on our profit for the year divided by the average of our total equity as at the beginning and the end of the corresponding year and multiplied by 100%.

(5) Return on total assets is calculated based on our profit for the year divided by our average total assets as at the beginning and the end of the corresponding year and multiplied by 100%.

For an analysis of our key financial ratios, please see "Financial Information — Summary of Financial Ratio".

[REDACTED]

	Based on the [REDACTED] of the indicative [REDACTED] range of HK$[REDACTED]	**Based on the [REDACTED] the indicative [REDACTED] range of HK$[REDACTED]**
[REDACTED] *(HK$)*	[REDACTED]	[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share of our Company attributable to owners of our Company *(HK$)*	[REDACTED]	[REDACTED]

Notes:

1. The calculation of [REDACTED] and unaudited [REDACTED] adjusted consolidated net tangible assets per Share of our Company attributable to owners of our Company is based on [REDACTED] H Shares that will be issued pursuant to the [REDACTED] and [REDACTED] [REDACTED] that will be converted into H Shares upon completion of the [REDACTED], assuming that the [REDACTED] is not exercised.

2. The unaudited [REDACTED] adjusted consolidated net tangible assets per Share of our Company attributable to owners of our Company was calculated after adjustments as specified in Appendix II to this document.

FUTURE PLANS AND [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK$[REDACTED] million (equivalent to RMB[REDACTED] million), after deducting the [REDACTED] and other estimated [REDACTED] in the aggregate amount of HK$[REDACTED] million (equivalent to RMB[REDACTED] million) paid and payable by our Company in relation to the [REDACTED]. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED]:

- approximately [REDACTED]% of the [REDACTED], or RMB[REDACTED] million, is expected to be used for developing Smart Park System;
- approximately [REDACTED]% of the [REDACTED], or RMB[REDACTED] million, is expected to be used for setting up solar energy power stations;
- approximately [REDACTED]% of the [REDACTED], or RMB[REDACTED] million, is expected to be used for improving our value-added services;
- approximately [REDACTED]% of the [REDACTED], or RMB[REDACTED] million, is expected to be used for establishing joint venture companies; and
- approximately [REDACTED]% of the [REDACTED], or RMB[REDACTED] million, is expected to be used for general working capital.

For details, please see section headed "Future Plans and [REDACTED]".

[REDACTED]

Assuming an [REDACTED] of HK$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] range), the [REDACTED] to be borne by our Group are estimated to be approximately HK$[REDACTED] million (equivalent to RMB[REDACTED] million) (being [REDACTED]% of the gross [REDACTED]), of which RMB[REDACTED] million, RMB[REDACTED] million and RMB[REDACTED] million have been charged to our consolidated statements of profit or loss and other comprehensive income in FY2024, FY2025 and 1H2026, respectively, approximately RMB[REDACTED] million is expected to be charged to profit or loss and other comprehensive income after the Track Record Period, and approximately RMB[REDACTED] million is directly attributable to the [REDACTED] and [REDACTED] of our [REDACTED] and will be deducted from equity upon the [REDACTED]. By nature, our [REDACTED] are composed of (i) [REDACTED] of approximately HK$[REDACTED] million, and (ii) non-[REDACTED] related expenses of approximately HK$[REDACTED] million, which consist of fees and expenses of legal advisers and Reporting Accountants of approximately HK$[REDACTED] million and other fees and expenses of approximately HK$[REDACTED] million. The estimated [REDACTED] are subject to adjustment based on the actual amount incurred or to be incurred.

DIVIDEND POLICY

As at the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. However, subject to the availability of our cash and distributable reserves, investment requirements, our cashflows and working capital requirements and the approval of our Shareholders, our Directors currently intend to declare and recommend dividends amounting to not less than 20% of the annual distributable profit, if any, from ordinary activities starting from the financial year ending 31 December 2027 subsequent to the [REDACTED].

COMPLIANCE

Save as disclosed in "Business — Properties" and "Business — Legal Proceedings and Compliance", our Directors, as advised by our legal advisers of the relevant jurisdictions, confirmed that as at the Latest Practicable Date, we had complied with all relevant laws and regulations in all material respects and had obtained all material licences, approvals and permits from relevant regulatory authorities for our operations.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

We expect to record a decrease in net profit for the year ending 31 December 2026, primarily attributable to (i) an anticipated increase in administrative expenses, mainly due to the recognition of [REDACTED]; and (ii) the absence of other income and gains recorded in 2025, which were non-recurring in nature and arose from the termination of a contract, and are not expected to recur in 2026.

Subsequent to 30 June 2026, we were engaged by an Independent Third Party developer to provide basic property management services for an industrial park with a total GFA to be managed by us of 180,000 sq.m. in Jinhua-Yiwu Area, Zhejiang Province.

Our Directors confirm that, up to the date of this document, save as disclosed above, there has been no material adverse change in financial, operational and/or trading position of our Group since 30 June 2026, and there is no event since 30 June 2026 that would materially affect the information shown in the Accountants' Report in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following words and expressions shall have the meanings set out below. Certain other terms are defined in the section headed "Glossary of Technical Terms".

"1H2025"	the six months ended 30 June 2025
"1H2026"	the six months ended 30 June 2026
"1H2027"	the six months ending 30 June 2027
"1H2028"	the six months ending 30 June 2028
"2H2027"	the six months ending 31 December 2027
"2H2028"	the six months ending 31 December 2028
"Accountants' Report"	the accountants' report from Ernst & Young, the text of which is set out in Appendix I to this document
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the amended and restated articles of association of our Company, which will become effective on the [REDACTED], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix III to this document
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
"CAGR"	compound annual growth rate
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"China" or "PRC"	the People's Republic of China, but for the purpose of this document only and except where the context requires, references in this document to "China" and "the PRC" do not include Hong Kong, the Macau Special Administrative Region and Taiwan of the People's Republic of China
"close associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Hebei Lianji Qicheng Industrial Park Operation Management Co., Ltd. (河北聯吉啟成產業園區運營管理股份有限公司) (formerly known as Hebei Lianji Technology Industrial Development Co., Ltd.* (河北聯集科技產業發展股份有限公司)), a joint stock company with limited liability established in the PRC on 25 December 2024
"Company Law" or "PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented and otherwise modified from time to time
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules, and unless the context requires otherwise, refers to Zhejiang Panglong, Ms. Liu and Mr. Zhou
"core connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets and other securities matters
"Deed of Indemnity"	the deed of indemnity dated [●] and entered into by our Controlling Shareholders with and in favour our Company, details of which are set out in "Statutory and General Information — D. Other Information — 1. Tax and Other Indemnities" in Appendix V to this document
"Deed of Non-competition"	the deed of non-competition dated [●] and entered into by our Controlling Shareholders and our Company, details of which are set out in "Our Controlling Shareholders — Non-competition Undertakings"
"Director(s)" or "our Director(s)"	the director(s) of our Company
"Dongyang Lianji"	Dongyang Lianji Property Management Co., Ltd.* (東陽聯吉物業管理有限公司), a limited liability company established in the PRC on 19 April 2023 and our indirect non wholly-owned subsidiary
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"**[REDACTED]**"	[REDACTED]
"ESG"	environmental, social and governance

"[REDACTED]"	[REDACTED]
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
"[REDACTED]"	[REDACTED]
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent industry consultant commissioned by us to prepare the Frost & Sullivan Report
"Frost & Sullivan Report"	an independent market research report, commissioned by our Company and prepared by Frost & Sullivan
"FY2024"	financial year ended 31 December 2024
"FY2025"	financial year ended 31 December 2025
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Committee"	the GEM Listing Committee of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
"[REDACTED]"	[REDACTED]
"Group," "our Group," "we," "our" or "us"	our Company and, where appropriate, its subsidiaries or, in respect of the period before the Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors, as the case may be
"H Share(s)"	ordinary shares in the share capital of our Company with a nominal value of RMB1.0, which are to be [REDACTED] and [REDACTED] in HK dollars and are to be [REDACTED] on the Stock Exchange
"H-Share Full Circulation"	the conversion of [REDACTED] [REDACTED] in aggregate (representing the entire issued [REDACTED]) held by the H-Share Full Circulation Participating Shareholders upon the completion of the [REDACTED]. Such conversion of [REDACTED] into H Shares has been filed with the CSRC on [●] and CSRC has issued the filing notice in respect of the [REDACTED] dated [●]; and an [REDACTED] for H Shares to be [REDACTED] on the Stock Exchange has been made to the GEM [REDACTED] Committee
"H-Share Full Circulation Participating Share(s)"	a total of [REDACTED] [REDACTED] that will be converted into H Shares upon completion of the [REDACTED]

"[REDACTED]"	[REDACTED]
"Hangzhou Lianji"	Hangzhou Lianji Property Service Co., Ltd.* (杭州聯吉物業服務有限公司), a limited liability company established in the PRC on 17 May 2021 and our indirect wholly-owned subsidiary
"[REDACTED]"	[REDACTED]
"**[REDACTED]**"	[REDACTED]
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Huzhou Lianji"	Huzhou Lianji Industrial Operation Service Co., Ltd.* (湖州聯吉產業運營服務有限公司), a limited liability company established in the PRC on 10 November 2022 and our indirect non wholly-owned subsidiary
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected with our Company or our connected persons as defined under the GEM Listing Rules
"[REDACTED]"	[REDACTED]

"Jinhua Lianji"	Jinhua City Lianji Chuangtong Information Technology Co., Ltd.* (金華市聯吉創通信息科技有限公司), a limited liability company established in the PRC on 24 June 2021 and our indirect wholly-owned subsidiary
"Jinhua Xinlian"	Jinhua Xinlian Industrial Operation Service Co., Ltd.* (金華新聯產業運營服務有限公司), a limited liability company established in the PRC on 22 November 2024 and our associate
"Jinhua Zhilian"	Jinhua Zhilian New Energy Technology Co., Ltd.* (金華致聯新能源科技有限公司), a limited liability company established in the PRC on 27 August 2025 and our associate
"[REDACTED]"	[REDACTED]
"Lanchuang Jicheng"	Lanxi Lanchuang Jicheng Industrial Park Development Co., Ltd.* (蘭溪市蘭創吉成產業園開發有限公司), a limited liability company established in the PRC on 29 September 2019 held by Zhejiang Jicheng as to 34.0%, and an associate of Zhejiang Panglong
"Lanxi Jiuyu"	Lanxi Jiuyu Property Management Co., Ltd.* (蘭溪九聿物業管理有限公司), a limited liability company established in the PRC on 30 December 2025 and our indirect non wholly-owned subsidiary
"Lanxi Lianji"	Lanxi Lianji Property Management Co., Ltd.* (蘭溪聯吉物業管理有限公司), a limited liability company established in the PRC on 5 July 2023 and our indirect non wholly-owned subsidiary
"Latest Practicable Date"	[4 September 2026], being the latest practicable date for the purpose of ascertaining certain information in this document prior to its publication
"Lishui Lianji"	Lishui Lianji Commercial Operation Management Co., Ltd.* (麗水聯吉商業運營管理有限公司), a limited liability company established in the PRC on 16 October 2023 and our indirect non wholly-owned subsidiary
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Mr. Zhou"	Mr. Zhou Chengyang (周程揚), an executive Director and one of our Controlling Shareholders
"Ms. Liu"	Ms. Liu Qiaoling (劉巧玲), the chairperson of our Board, an executive Director and one of our Controlling Shareholders

"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) issued by the CSRC on 17 February 2023, effective from 31 March 2023
"Parent Group"	Zhejiang Panglong and its subsidiaries, excluding our Group
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"PRC GAAP"	generally accepted accounting principles in the PRC

"PRC Government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and organisations of such government or, as the context requires, any of them
"PRC Legal Advisers"	Jingtian & Gongcheng, the legal advisers to our Company as to PRC law in connection with the [REDACTED]
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB"	the lawful currency of the PRC
"Reorganisation"	the reorganisation of our Group in preparation of the [REDACTED], details of which are set out in "History, Development and Reorganisation — Reorganisation"
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SCNPC"	the Standing Committee of the National People's Congress (全國人民代表大會常務委員會)
"SFC"	the Securities and Futures Commission of Hong Kong

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the share capital of our Company, with a nominal value of RMB1.0 each, comprising the [REDACTED] and the H Shares
"[REDACTED]"	[REDACTED]
"Shareholder(s)"	holder(s) of the Share(s)
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"Sole Sponsor"	Austrax Capital Limited, a licensed corporation under the SFO permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Taizhou Lianji"	Taizhou Lianji Caigen Industrial Operation Service Co., Ltd.* (台州聯吉菜根產業運營服務有限公司), a limited liability company established in the PRC on 11 November 2025 and our indirect non wholly-owned subsidiary
"Tongxiang Lianji"	Tongxiang City Lianji Property Service Co., Ltd.* (桐鄉市聯吉物業服務有限公司), a limited liability company established in the PRC on 7 June 2021 and our indirect wholly-owned subsidiary
"Track Record Period"	the period comprising FY2024, FY2025 and 1H2026
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"[REDACTED]"	[REDACTED]
"[REDACTED]"	[REDACTED]
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"[REDACTED]"	[REDACTED]
"VAT"	the PRC value-added tax

"**[REDACTED]**"	[REDACTED]
"Wuyi Lianji"	Wuyi Lianji Property Management Co., Ltd.* (武義聯吉物業管理有限公司), a limited liability company established in the PRC on 30 March 2023 and our indirect wholly-owned subsidiary
"Yiwu Lianji"	Yiwu Lianji Enterprise Management Consulting Co., Ltd.* (義烏市聯吉企業管理諮詢有限公司), a limited liability company established in the PRC on 24 February 2017, which is held by Zhejiang Panglong as to 100.0%
"Yiwu Zhongwei"	Yiwu Zhongwei New Energy Technology Co., Ltd.* (義烏中維新能源科技有限公司), a limited liability company established in the PRC on 9 May 2026 and our indirect wholly-owned subsidiary
"Zhejiang Jicheng"	Zhejiang Jicheng Industrial Co., Ltd.* (浙江吉成實業有限公司), a limited liability company established in the PRC on 25 September 2017, which is held by Zhejiang Panglong as to 100.0%
"Zhejiang Lianji"	Zhejiang Lianji Industrial Development Group Co., Ltd.* (浙江聯吉產業發展集團有限公司), a limited liability company established in the PRC on 7 May 2019 and our direct wholly-owned subsidiary
"Zhejiang Panglong"	Zhejiang Panglong Group Co., Ltd.* (浙江龐隆集團有限公司), a limited liability company established in the PRC on 20 April 2016, which is held by Ms. Liu and Mr. Zhou as to 70.0% and 30.0%, respectively and is one of our Controlling Shareholders
"Zhejiang Zhanxu"	Zhejiang Zhanxu Firefighting Technology Co., Ltd.* (浙江展旭消防科技有限公司), a limited liability company established in the PRC on 13 December 2024 and our indirect non wholly-owned subsidiary

* *For identification purpose only*

Certain amounts and percentage figures included in this document were subjected to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For ease of reference, the names of the PRC established companies or entities, laws or regulations, governmental authorities, institutions, natural persons or other entities have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"AI"	artificial intelligence
"average monthly basic property management revenue"	calculated by dividing the total revenue from property management services for projects charged for the relevant period by the GFA under management for such properties weighted by the duration for which each project was under management for the relevant service period
"commission basis"	a revenue generating model for our property management services whereby our fee income from property management consists only a specified percentage of the total management fees payable by the property owners or property developers while the rest of such fees is exclusively used for expenses agreed in the property management contract, and the property owners or developers enjoy the surplus or assume the loss
"common area(s)"	shared areas and facilities in properties such as lobbies, hallways, stairways, carparks, elevators and gardens
"GFA"	gross floor area
"GFA under management"	the GFA of properties that have been delivered or to be delivered to us, for which we are entitled to collect property management fees in relation to contractual obligations to provide our property management services
"ISO"	The International Organisation for Standardisation, world-wide federation of national standard system
"ISO14001"	environmental management system requirements published by ISO used to prevent adverse effects on the environment
"ISO45001"	occupational health and safety management systems published by ISO, used to help organisation around the world ensure the health and safety of their workers
"ISO50001"	the energy management system published by ISO, used to achieve energy management guidelines and commitments and meet expected energy consumption or usage targets
"ISO9001"	quality management systems model published by ISO for quality assurance in design, development, production, installation and servicing
"IT"	information technology

GLOSSARY OF TECHNICAL TERMS

"Jinhua-Yiwu Area"	Yiwu City located in Jinhua, Zhejiang province, the PRC and its surrounding area in Jinhua, including Lanxi City, Wuyi County, Yongkang City and Dongyang City
"kWh"	kilowatt-hour. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
"lump-sum basis"	a revenue-generating model whereby we charge service fees which represent the "all-inclusive" fees for all of the property management services provided by our employees and subcontractors
"Pearl River Delta Region"	an economic region in China encompassing a network of cities situated within nine prefectures of Guangdong province, namely Guangzhou City, Shenzhen City, Zhuhai City, Dongguan City, Zhongshan City, Foshan City, Huizhou City, Jiangmen City and Zhaoqing City
"renewal rate"	the aggregate number of projects successfully renewed through the signing of new agreements during the entire period divided by the aggregate number of expired contracts during the same periods
"retention rate"	the aggregate number of contracted projects during the entire period minus the number of projects we ceased to manage during the same periods, and then divided by the aggregate number of contracted projects during the entire period
"sq.m."	the measurement unit of square metres
"Smart Park System"	a smart park management cloud platform to be developed in order to centralise control and monitoring of multiple operational aspects to manage industrial parks
"tender success rate"	the aggregate number of tenders we won in a period divided by the aggregate number of tenders we submitted in the same periods
"Yangtze River Delta Region"	economic region which covers Shanghai City, Jiangsu Province, Anhui Province and Zhejiang Province of the PRC
"%"	per cent

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. When used in this document, the words "aim", "anticipate", "believe", "could", "estimate", "expect", "going forward", "intend", "may", "might", "plan", "project", "propose", "seek", "should", "target", "will", "would" and the negative of these words and other similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our business strategies and our operating and expansion plans;
- our objectives and expectations regarding our future operations, profitability, liquidity and capital resources;
- future events and developments, trends and conditions in the industry and markets in which we operate or plan to operate;
- our ability to control costs;
- our ability to identify and successfully take advantage of new business development opportunities; and
- all other risks and uncertainties described in "Risk Factors".

Such statements reflect the current views of our management with respect to future events, operations, profitability, liquidity and capital resources, some of which may not materialise or may change. Actual results may differ materially from information, implied or expressed, in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set out in "Risk Factors" and the following:

- changes in the laws, rules and regulations applicable to us;
- general economic, market and business conditions in the PRC;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices;
- business opportunities and expansion that we may pursue;
- our ability to identify, measure, monitor and control risks in our business, including our ability to improve our overall risk profile and risk management practices; and
- other factors beyond our control.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialise, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realised.

Subject to the requirements of applicable laws, rules and regulations, we do not have any obligation to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties

and assumptions, the forward-looking events and circumstances discussed in this document might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set forth in this section as well as the risk factors set out in "Risk Factors".

In this document, statements of or references to our intentions or those of any of our Directors are made as at the date of this document. Any such intentions may change in light of future developments.

An [REDACTED] in our H Shares involves significant risks. [REDACTED] should read and consider carefully all the information set out in this document, and, in particular, should evaluate the following risks and uncertainties before deciding to make any [REDACTED] in our H Shares. Any of the risks and uncertainties listed below could have a material adverse effect on our business, results of operations, financial condition or on the [REDACTED] of our H Shares, and could cause you to lose all or part of your [REDACTED]. The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as at the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements".

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorised into (1) risks relating to our business and industry, (2) risks relating to conducting business in the country where we operate, and (3) risks relating to the [REDACTED].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our historical results may not be indicative of our future prospects and results of operations, and our future growth may not materialise as planned. If we fail to manage our future growth effectively, this may have a material adverse effect on our business, financial position and results of operations.

We cannot assure you that we can sustain such growth in the future. Our profitability depends partially on our ability to control costs and operating expenses, which may increase as our business expands. Any material or adverse effect brought by the increase in costs and operating expenses may affect our future growth. In addition, we may continue to devote resources in order to develop operational business. If our efforts in developing operational business prove ineffective, resulting in failure to increase our revenue, our business, financial position and results of operations may be negatively affected. Furthermore, we may not be able to sustain our historical growth rate, revenue and gross profit margin for various reasons, as follows:

- changes in the PRC's economic conditions in general and the real estate industry and property management services market in particular;
- any material or adverse effect on the increase in our revenue or profit may affect our future growth;
- failure in market competition and loss in market share;
- failure to renew property management service agreements with our existing customers or procure new property management service agreements;
- failure to maintain the relationship with our business partners;
- increase in labour costs in the PRC; and
- increase in fees payable to third-party subcontractors.

As a result of these and other factors, we cannot guarantee that our future revenue will increase or that we will continue to maintain stable revenue and profit growth rate. Accordingly, [REDACTED] should not rely on our historical results as indication of our future financial or operating performance.

Since our establishment, we have been seeking to expand through increasing the number of property management service agreements entered into and the GFA to be managed in existing and new markets. As at 31 December 2024, 31 December 2025 and 30 June 2026, our total GFA under management was approximately 3.8 million sq.m., 3.7 million sq.m. and 3.7 million sq.m., respectively. For more details, please see the section headed "Business — Our Strategies — Expand our Business Scale and Solidify our Market Position". However, our expansion plans are based upon our assessment of the market prospects. We cannot assure you that our assessment will prove to be correct or that we can grow our business as planned. Apart from factors aforesaid, our expansion plans may be affected by a number of factors, most of which are beyond our control. Such factors include:

- changes in applicable laws and regulations;
- changes in the supply of and demand for property management and value-added services;
- our ability to generate sufficient liquidity internally and obtain external financing;
- our ability to attract, recruit, retain and train employees who meet the job requirements;
- our ability to select and work with suitable third-party subcontractors and suppliers;
- our ability to understand the needs of the property developers, property owners, owners' associations, tenants and occupants where we provide property management and value-added services;
- our ability to adapt to new markets where we have no prior experience and in particular, whether we can adapt to the administrative, regulatory and tax environments and meet the compliance requirements in such markets;
- our ability to leverage our experience and to compete successfully in new markets, particularly against the existing players in such markets who might have more resources and experience than us; and
- our ability to improve our administrative, technical, operational and financial infrastructure.

We cannot assure you that our future growth will materialise or that we will be able to manage our future growth effectively, and failure to do so may have a material adverse effect on our business, financial position and results of operations.

There is no assurance we will continue to be engaged by our Parent Group to manage properties developed by them, or that we will be able to supplement any shortfall with properties from Independent Third Party on terms acceptable to us, or at all.

A substantial portion of our property management projects prior to or during the Track Record Period was related to the properties developed by our Parent Group. We maintained a close relationship with our Parent Group and provide services for various properties developed by our Parent Group. For FY2024, FY2025 and 1H2026, 78.0%, 63.7% and 63.0% of our revenue were attributable to properties developed by our Parent Group, respectively. Any adverse development in the operations of our Parent Group or its ability to develop new properties may affect our ability to procure new property management projects.

We cannot assure you that our Parent Group will engage us as its property management service provider or will prioritise us over other service providers for any properties it developed. If we are not able to supplement any shortfall in business from properties developed by independent property developers, our growth prospect may be materially and adversely affected.

We may fail to secure new or renew our existing property management service agreements on favourable terms, or at all.

We believe that our ability to expand our portfolio of property management service agreements is key to the sustainable growth of our business. During the Track Record Period, we secured new property management service agreements primarily through a tender and bidding process. The selection of a property management company depends on a number of factors, including but not limited to the quality of services, the level of pricing and the operating history of the property management company. Our efforts may be hindered by factors beyond our control, which may include, among others, changes in general economic conditions, evolving government regulations as well as supply and demand dynamics within the property management industry, especially industrial property management service market. We cannot assure you that we will be able to procure new property management service agreements in the future on acceptable terms, or at all. In addition, both termination and non-renewal of property management service agreements could potentially be detrimental to our reputation and brand value and diminish our competitiveness within the market. During the Track Record Period, four property management projects were outsourced to us by a property management company. These outsource arrangements are not in full compliance with the Regulations on Property Management and may be discontinued. For details, please see "Business — Our Customers".

For FY2024, FY2025 and 1H2026, the retention rate for our property management services for projects sourced from our Parent Group reached 100.0%, respectively, while that for projects sourced from Independent Third Parties was 100%, 76.9% and 100.0%, respectively. For FY2024, FY2025 and 1H2026, the renewal rate reached 100.0%, 62.5% and 100.0%, respectively. Some of the service agreements we entered into have fixed terms which shall be renewed upon expiry. During FY2025, three of our managed projects were ceased.

Expiring agreements may be voluntarily terminated or not renewed under the circumstances including but not limited to (i) project handover from the developer to property owners who decided to choose other service providers; (ii) service termination caused by shift in property conditions, such as property renovations and cessation of operations; (iii) the customer becoming to provide services independently; and (iv) temporary needs for property management services coming to an end. Meanwhile, we may choose not to renew some projects due to their financial performance, and the renewal decision of the relevant agreements also lies with the customers. Competitors that offer lower prices may cause our customers to engage in their services. It is also possible that agreements may be terminated for other unexpected causes. We are also unable to guarantee that we will continuously procure new service agreements and expand our service contracts portfolio. In such cases, our business and results of operations may be adversely affected. In addition, either termination or non-renewal of contracts could potentially be detrimental to our reputation and diminish our competitiveness within the industry.

A significant portion of our revenue was generated from our provision of services to industrial properties during the Track Record Period. We may not be able to maintain the stable growth of, or make further expansion on, our industrial property management business.

The majority of our revenue was generated from our provision of services to industrial properties during the Track Record Period. Such revenue amounted to RMB71.3 million, RMB76.3 million and RMB39.5 million, representing 99.4%, 95.8% and 98.1% of our total revenue for FY2024, FY2025 and 1H2026, respectively. However, we may not be able to maintain the stable growth of, or make further expansion on, our industrial property management business which in turn would adversely affect our

gross profit. Furthermore, as a result of our concentration in management of industrial properties, any adverse changes in government policies or the business environment in this segment could negatively impact our business, financial condition, and results of operations.

A significant portion of our operation is concentrated in Jinhua-Yiwu Area, and we are susceptible to unfavourable shifts in government policies or the business environment in this region.

During the Track Record Period, we generated a significant portion of our revenue from operations in Jinhua-Yiwu Area. For FY2024, FY2025 and 1H2026, we derived revenue of RMB54.7 million, RMB59.7 million and RMB30.1 million from Jinhua-Yiwu Area, respectively, which accounted for 76.3%, 75.0% and 74.8% of our total revenue for the respective year. As of 31 December 2024, 31 December 2025 and 30 June 2026, we managed an aggregate GFA of approximately 2.9 million sq.m., 2.9 million sq.m. and 2.9 million sq.m., respectively, in Jinhua-Yiwu Area, which accounted for approximately 76.2%, 78.5% and 78.5%, respectively, of our total GFA under our management of such dates. Jinhua-Yiwu Area will continue to account for the majority portion of our operations in the near future. As a result of this concentration, any changes in provincial government policies or the business environment could negatively impact our business, financial condition, and results of operations, and the above development may be influenced by multiple factors beyond our control, including:

- the economic conditions, the intensity of economic activity, and the pace of city development;
- the prospects for future regional development;
- the government regulations and policies regarding the property management, city planning and real estate development industries; and
- the changes in regional real estate industries.

According to Frost & Sullivan, from 2021 to 2025, the monthly average fee of industrial park property management services market in Jinhua City increased from RMB1.51 per sq.m. to RMB1.64 per sq.m., with a CAGR of 2.1%. In 2030, the monthly average fee of industrial park property management services market in Jinhua City is expected to reach RMB1.80 per sq.m., with a CAGR of 1.9% from 2025 to 2030. However, we cannot assure you that the local economy or the industrial property management sector in Jinhua City will continue to grow at historical or projected rates, or at all. Any material fluctuation or failure of the Jinhua City industrial property market to meet forecasted growth projections could result in a contraction of our profit margins, which would materially and adversely affect our business expansion, financial condition, and results of operations.

A substantial portion of our revenue is generated from property management services provided in relation to projects developed by our Parent Group, and we are susceptible to any adverse development in the business operations and financial condition of our Parent Group.

During the Track Record Period, a significant portion of our revenue from property management services was derived from properties developed by our Parent Group and its associates. For FY2024, FY2025 and 1H2026, revenue generated from property management services provided to projects sourced from the Parent Group accounted for approximately 78.0%, 63.7% and 61.7% of our total revenue from property management services, respectively. Similarly, as at 31 December 2024, 31 December 2025 and 30 June 2026, the total GFA under management for projects sourced from our Parent Group accounted for approximately 46.6%, 47.7% and 47.7% of our total GFA under management, respectively.

We expect that properties developed by our Parent Group will continue to account for a notable portion of our revenue and GFA under management in the foreseeable future. However, we do not have control over our Parent Group's management strategy, nor the macroeconomic or regulatory environment in which it operates. Our Parent Group's business operations may be adversely affected by various factors, including the general industrial property market conditions in the PRC, financing availability, and government policies and regulations affecting the industrial property industry.

Any severe deterioration in the financial condition or business operations of our Parent Group could lead to a delay in the delivery of its property development projects or a decrease in the number of new projects it develops. Furthermore, there is no assurance that our Parent Group will continue to engage us to provide property management services for its new projects upon completion. If our Parent Group ceases to engage us, or significantly reduces the volume of new projects handed over to us, and we are unable to procure comparable business from Independent Third-Party developers to fill the shortfall on a timely basis or at all, our business, financial condition, results of operations, and prospects could be materially and adversely affected.

Our expansion into new geographical markets presents certain risks and uncertainties.

In order to achieve sustainable growth, we will continue to expand our operations into regions in the PRC where we currently have no operations. Our expansion plan includes broadening our geographic coverage in Zhejiang province and expanding into the other major cities in Yangtze River Delta region and Pearl River Delta region in the PRC. For details, please see "Business — Our Strategies — Expand our Business Scale and Solidify our Market Position". However, we acknowledge that our expansion plans may face intense competition from established market players with similar expansion plans, particularly in regions with sufficient growth potential. Due to a lack of local knowledge and experience, we may encounter challenges that we have not previously encountered. Accordingly, we may fail to recognise or properly assess risks or take full advantage of opportunities.

Moreover, our experience in existing markets and our business model may not be readily transferable to and replicated in new geographic regions. The markets in new geographic regions may differ from those in which we currently operate, in terms of the level of local economic and industrial development, local government policies and support, market demand and development cycles. As a result, we may lack familiarity with local governments, business practices, regulations and customer preferences as other local and more experienced service providers in such cities, which may put us in a disadvantageous position. We may also have limited ability to leverage our established reputation in new markets in the way we have done in our existing markets. Furthermore, the administrative, regulatory and tax environments in our target regions may be different and we may face additional tax and regulatory expenses in complying with new procedures there. We may also have to engage new local subcontractors and suppliers for our operations, the quality and credibility of which we are not familiar. We cannot guarantee that we will not experience issues such as capital constraints, construction delays and operational difficulties in new business locations. We may also experience difficulties in expanding our existing business and operations and training an increasing number of personnel to manage and operate the expanded business.

We may be subject to losses and our profit margins may decrease if we fail to control our costs in providing property management and value-added services under a lump-sum basis.

We primarily generated revenue from provision of property management and value-added services on a lump-sum basis. On a lump-sum basis, we charge property management fees at a pre-determined fixed price per sq.m. per month, representing "all-inclusive" fees for the property management and value-added services we provided. These management fees do not change in line with the actual amount of property management costs we incur. We recognise the full amount of property management fees we charge the property owners or property developers as our revenue, and recognise the actual costs we

incur in connection with rendering our services as our cost of sales. For more details, please see "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Cost of Sales".

In the event that the total amount of fees for property management services that we charge on a lump-sum basis is insufficient to cover all the costs for our property management, we would not be entitled to collect additional amounts from our customers to make up for the shortfalls. We also cannot assure you that we will be able to adequately control our costs in the course of providing property management services. As a result, such losses may have a material and adverse effect on our results of operations. If we are unable to raise property management fee to fully cover the property management costs we incurred, we would seek to adopt certain cost-saving initiatives to reduce the loss. However, our cost-saving efforts may not be successful and may affect the quality of our property management services, thereby reducing the willingness of the property owners to pay management fees. Such losses may have a negative effect on our results of operations.

We may not be able to collect property management fees from property developers, property owners, tenants and occupants and as a result, may incur impairment losses on receivables.

We may encounter difficulties in collecting property management fees from property developers, property owners, tenants and occupants. Furthermore, we cannot assure you that our measures to collect overdue property management fees will be effective or enable us to accurately predict our future collection rate.

Our allowance for impairment of trade receivables amounted to RMB1.1 million, RMB4.6 million and RMB6.8 million as at 31 December 2024, 31 December 2025 and 30 June 2026, respectively. Our management's estimates and the related assumptions were made in accordance with information available to us and may need to be adjusted if new information becomes known. In the event that the actual recoverability is lower than expected, or that our past allowance for impairment of trade receivables becomes insufficient in light of any new information, we may need to provide for an additional allowance for impairment of trade receivables, which may in turn materially and adversely affect our business, financial position and results of operations. If we are unable to collect property management fees from property developers, property owners, tenants and occupants or experience a prolonged delay in receiving such fees, our cash flow and our ability to meet our working capital requirements may be adversely affected.

Increase in staff costs and subcontracting costs could harm our business and reduce our profitability.

During the Track Record Period, staff costs and subcontracting costs are the largest cost components of our cost of sales. For FY2024, FY2025 and 1H2026, our staff costs accounted for 48.5%, 37.0% and 38.8%, respectively, of our cost of sales, and our subcontracting costs accounted for 10.9%, 40.4% and 38.1% for FY2024, FY2025 and 1H2026 of our cost of sales for the corresponding years, respectively. To maintain and improve our profit margins, it is critical for us to control and reduce our labour costs as well as other operating costs. We face pressure from rising employee benefit expenses and subcontracting costs due to various factors, including but not limited to:

- *increase in minimum wages*. The minimum wage in the regions where we operate has increased substantially in recent years, directly affecting our direct labour costs as well as the fees we pay to our third-party subcontractors.

- *increase in headcount*. As we expand our operations, the headcount of our property management staff, sales and marketing staff and administrative staff will continue to grow. We will also need to retain and continuously recruit qualified employees to meet our growing demand for talent, which will further increase our total headcount. Moreover, as we continue

to expand our business scale, we will need a growing number of subcontractors. This increase in headcount also increased other associated costs such as those related to training, social insurance fund, housing provident fund and quality control measures.

- *delay in implementing management digitalisation, service professionalisation, procedure standardisation and operation automation.* There is a gap in time between our commencement of provision of property management and value-added services for a particular property and the implementation of our management digitalisation, service professionalisation, procedure standardisation and operation automation measures to that property to reduce labour costs. Before we extensively carry out such measures, our ability to mitigate the impact of increase in labour costs is limited.

We cannot assure you that we will be able to control our costs or improve our efficiency. If we cannot achieve this goal, our business, financial position and results of operations may be materially and adversely affected.

We rely on third-party subcontractors to perform certain property management and value-added services and hence may be held responsible for the substandard services provided to our customers or disputes with such subcontractors.

We outsource certain property management and value-added services, primarily including security, cleaning, and repairs and maintenance services to third-party subcontractors. For FY2024, FY2025 and 1H2026, our subcontracting costs amounted to RMB5.0 million, RMB16.6 million and RMB7.3 million, respectively, accounting for 10.9%, 40.4% and 38.1% of our total cost of sales for the corresponding period, respectively. We may not be able to monitor services provided by them as efficiently as services directly provided by ourselves. They may take actions contrary to our or our customers' instructions or requests, or be unable or unwilling to fulfil their obligations. As a result, we may have disputes with our subcontractors, or may be held responsible for their actions, either of which could damage our reputation, additional expenses and business disruptions and potentially expose us to litigation and damage claims.

We cannot assure you that upon the expiration of our agreements with our current third-party subcontractors, we will be able to renew such agreements or find suitable replacements in a timely manner, on terms favourable or acceptable to us, or at all.

In addition, if our third-party subcontractors fail to maintain a stable team of qualified staff or do not have easy access to stable and qualified staff or fail to perform their obligations properly or in a timely manner, the work progress may be interrupted. Any interruption to the third-party subcontractors' work progress may potentially result in a breach of contract between our customers and us. Any of such events could materially and adversely affect our service quality, our reputation, as well as our business, financial position and results of operations.

Accidents in our business may expose us to liability and reputational risk.

Work injuries and accidents may occur during the course of our business. We provide repair and maintenance services to property owners, tenants and occupants of the properties under our management through our own employees and/or third-party subcontractors from time to time. Repair and maintenance services such as elevator maintenance involve the operation of heavy machinery and are subject to risks of accidents. These occurrences could result in damage to, or destruction of, properties of the communities, personal injury or death and legal liabilities. Working in a dangerous environment presents risks to our employees and third-party subcontractors. In addition, we are exposed to claims that may arise due to employees' or third-party subcontractors' negligence or recklessness when performing repair and maintenance services. We may be held liable for the injuries or deaths of employees, subcontractors, residents or other third parties. We may also experience interruptions to our business and may be

required to change the manner in which we operate as a result of governmental investigations or the implementation of safety measures upon occurrence of accidents. Any of the foregoing could adversely affect our reputation, business, financial position and results of operations.

Negative publicity, including adverse information on the internet, social media and media, about us, our Shareholders, related parties, our brand, management, services provided and customer's complaints may have a material adverse effect on our business, reputation and the [REDACTED] of our H Shares.

Negative publicity about us, our Shareholders, related parties, our brands, management and services provided may arise from time to time. Negative comments on the properties managed by us, services provided, our business operations and management may appear in internet postings and other media from time to time. We cannot assure you that negative publicity will not arise in the future. In addition, our suppliers or subcontractors may also be subject to negative publicity for various reasons, such as customers' complaints about the quality of their products and services or other public relation incidents with respect to such suppliers or subcontractors, which may adversely affect the marketing and promotion for our outsourced services and in turn indirectly affect our reputation. Moreover, negative publicity about our property management services and related services may arise from time to time and cause customers to lose confidence in our services offered. Any such negative publicity, regardless of veracity, may have a material adverse effect on our reputation, our business, financial results and the [REDACTED] of our H Shares.

Our success depends upon the retention of our executive Directors and senior management, as well as our ability to attract and retain qualified and experienced employees, therefore, resignation of any member of our senior management or qualified and experienced employees would affect our operations.

Our continued success is highly dependent upon the efforts of our executive Directors and senior management team who are experienced in property management industries. For more details on our executive Directors and senior management, please see the section headed "Directors and Senior Management". If any of our key employees leaves and we are unable to promptly hire and integrate a qualified replacement, our business, financial position and results of operations may be materially and adversely affected. In addition, the future growth of our business will depend, in part, on our ability to attract and retain qualified personnel in all aspects of our business, including corporate management and property management personnel. If we are unable to attract and retain these qualified personnel, our growth may be limited and our business, financial position and operating results could be materially and adversely affected.

Our insurance may not sufficiently cover, or may not cover at all, losses and liabilities we may encounter.

We cannot assure that our insurance coverage will be sufficient or available to cover damage, liabilities or losses we may incur in the course of our business. Moreover, there are certain loss compensation for which insurance is not available in the PRC on commercially practicable terms, such as losses suffered due to business interruptions, earthquakes, typhoons, flooding, war or civil disorder. If we are held responsible for any such damages, liabilities or losses and there is an insufficiency of insurance or such loss is not covered by the insurance, there could be a material adverse effect on our business, financial position and results of operations. For more details, please see the section headed "Business — Insurance".

We may be involved in legal and other disputes and claims from time to time arising out of our operations.

We have been involved or may, from time to time, be involved in disputes with and subject to claims by our customers, including property developers, property owners, owners' associations, tenants and occupants, to whom we provide property management as well as value-added services. Disputes may also arise if they are dissatisfied with our services. In addition, property owners may take legal initiatives against us if they perceive that our services are inconsistent with the service standards we agreed to. Furthermore, we may from time to time be involved in disputes with and subject to claims by other parties involved in our business, including our third-party subcontractors, suppliers and employees, or other third parties who sustain injuries or damages while visiting properties under our management. All of these disputes and claims may lead to legal or other proceedings or cause negative publicity against us, thereby resulting in damage to our reputation, substantial costs and diversion of resources and management's attention from our business activities. Any such dispute, claim or proceeding may have a material adverse effect on our business, financial position and results of operations.

We are subject to the regulatory environment and measures affecting the PRC property management industry.

We seek to comply with the regulatory regime of the property management service market in conducting our business operations. In particular, the PRC Government promulgates new laws and regulations relating to property management services and property management fees from time to time. The fees charged by property management companies nationwide with respect to residential property are regulated by the price administration department and construction administration department of the State Council pursuant to the government guidance price and market regulated price set for relevant properties taking into consideration the nature and features of such properties. For more details, please see the section headed "Regulatory Overview — PRC Legal Supervision Relating to Property Management Services".

Since the properties under our management are industrial and commercial properties, our property management fees are not subject to price control under the current applicable PRC regulatory framework. We cannot guarantee that the PRC Government will not reverse its policy and impose limits on property management fees for industrial and/or commercial properties. Generally, pricing control policies may negatively impact our profitability as they restrict the amount of property management fees we may charge. We may experience diminished profit margins should our labour, subcontracting and other costs increase but we are unable to raise property management fees accordingly. There can also be no assurance that we would be able to implement cost-saving measures timely and effectively.

Damage to the common areas of the properties we manage or operate could adversely affect our business, financial condition and results of operations.

The common areas of the properties we manage or operate may be subject to damage due to incidents beyond our control, such as natural disasters, accidents or intentional damage. Where the damage is caused by natural disasters such as earthquakes, floods or typhoons, or accidents or intentional harm such as fires, the damage caused may be material and extensive. As the property management service provider, we may be viewed as the responsible party for restoring the common areas. At times, we may need to allocate additional resources to assist the police and other governmental authorities in investigating criminal actions that may have caused damage to the common areas. If the special funds are insufficient to cover all costs, we may need to use our own resources to compensate for the shortfall and repair the damages before we attempt to collect the amount from the property owners, property developers and residents later on. Failure to recover these costs may result in adverse effects on our business, financial condition and results of operations. As we intend to continue to expand our business by managing more properties, the likelihood of any damage to the public areas of

the properties we manage may increase in proportion, particularly if we may expand into markets in areas susceptible to natural disasters. We remain exposed to such risks and failure to manage such risks may have an adverse effect on our business, financial condition and results of operations.

We may be subject to fines for failure to sufficiently contribute to social insurance and housing provident funds in accordance with the relevant PRC laws and regulations in relation thereto.

In accordance with the applicable PRC laws and regulations, we are obliged to contribute to social insurance and housing provident funds for our employees. However, we failed to make full contributions to social insurance and housing provident funds for our employees during the Track Record Period. As at the Latest Practicable Date, we had not received any notice from the local government authorities regarding any claim for the inadequate contribution of our current and former employees.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), if we do not pay the full amount of social insurance contributions as required, the relevant authorities may demand us to pay the outstanding social insurance contributions within the deadline stipulated by them and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. We may be liable to a fine from one to three times the amount of the outstanding contributions if we fail to make such payments within the stipulated period. According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), in respect of outstanding housing provident fund contributions, we may be ordered to pay the outstanding housing provident fund contributions within the time period stipulated by relevant authorities. If payment is not made within such a stipulated time period, relevant authorities may apply to the PRC courts for compulsory enforcement. In the event that we are required to pay the outstanding of social insurance and housing provident fund or be penalised as a result of our failure to make contribution to the social security insurance and housing provident fund in respect of all of our employees by relevant governmental authorities, our business, financial condition and results of operations may be materially and adversely affected.

According to the Interpretation II of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**Interpretation II**"), which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the people's court shall uphold such claim. As advised by our PRC Legal Advisers, the Interpretation II has neither repealed any existing laws relating to social insurance nor expanded the potential risk exposure for the Group's failure to make full payment of the social insurance during the Track Record Period. For details, please see the section headed "Business — Legal Proceedings and Compliance — Social Insurance and Housing Provident Funds".

We may fail to protect our intellectual property rights, which could have a negative impact on our business and competitive position.

As at the Latest Practicable Date, we have registered four trademarks and two domain names in the PRC and registered one trademark in Hong Kong. We consider these intellectual properties to be our crucial business assets and key to our business success and customer loyalty. The success of our business depends substantially upon our continued ability to use our trademarks to increase brand recognition and to further develop our brand. Unauthorised reproduction of trademarks could diminish the value of our brand, our competitive advantages, and our market reputation. For details, please see the section headed "Business — Intellectual Property Rights". We have formulated internal intellectual property management rules and will require employees to sign confidentiality agreements to protect intellectual property rights. However, our measures may provide limited protection, and policing the

unauthorised use of proprietary information can be difficult and costly. Any potential failure to detect unauthorised use of, or take appropriate steps to enforce, our intellectual property rights could lead to a material adverse effect on our business, results of operations and financial condition.

There are uncertainties about the recoverability of our deferred tax assets, which could adversely affect our results of operations.

We recorded deferred tax assets of RMB5,000, RMB58,000 and RMB43,000, respectively, as of 31 December 2024, 31 December 2025 and 30 June 2026. Deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilised. However, there is no assurance that our expectation of future earnings would be accurate due to factors beyond our control, such as general economic conditions and negative development of the regulatory environment, in which case, we may not be able to recover our deferred tax assets which thereby could have an adverse effect on our results of operations.

Our lease agreements have not been filed with the relevant PRC authorities and, as a result, we might be subject to administrative fines.

During the Track Record Period, we leased properties in the PRC. As at the Latest Practicable Date, we had not completed the filings of nine lease agreements we entered. According to applicable PRC regulations, the lessor and the lessee of a lease agreement are required to file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. If the filing is not made, the governmental authorities may require that the filing be made within a stated period of time, failing which they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed. According to applicable PRC regulations, lessors of the related leases need to provide us with certain documents in order to complete the administrative filing. There can be no assurance that the lessors of our leased properties will be cooperative in the process of completing the filings. If we fail to complete the administrative filings within the period required by the relevant governmental authorities and relevant authorities determine that we shall be liable for failing to complete the administrative filings of all the relevant lease agreements, we might be subject to fines. See "Business — Properties."

We may fail to obtain or renew required permits, licences, certificates or other relevant PRC governmental approvals necessary for our business operations.

We are required to obtain and maintain certain licences, permits, certificates and approvals in order to provide property management and certain other services that we currently offer. We must meet various specific conditions in order for the government authorities to issue or renew any certificate or permit. We cannot guarantee that we will be able to adapt to new rules and regulations that may come into effect from time to time with respect to our services or that we will not encounter material delays or difficulties in fulfilling the necessary conditions to obtain or renew all necessary certificates or permits for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our operations, we will not be able to continue with our development plans, and our business, financial position and results of operations may be adversely affected.

Third parties may assert or claim that we have infringed their intellectual property rights, which may disrupt and affect our business.

We may be subject to claims from competitors or third parties alleging intellectual property infringement in our ordinary course of business from time to time. While we have not had any litigation or disputes over intellectual property right as at the Latest Practicable Date, we cannot guarantee that such incidents will not happen in the future. Any claims or legal proceedings brought against us in relation to such issues, with or without merit, could result in substantial costs and divert capital

resources and management attention. In the event of an adverse determination, we may be compelled to pay substantial damages or seek licences from third parties which may impose unfavourable terms requiring us to pay ongoing royalties. In addition, regardless of whether we prevail, intellectual property disputes may damage our brand value and reputation in the eyes of current and potential customers and within our industry. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We are affected by the PRC government regulations on the PRC real estate industry, which may limit our business growth.

We generated most of our revenue from our property management services during the Track Record Period. The performance of our property management services business is primarily dependent on the total GFA and number of industrial and commercial properties that we manage. As such, our growth in the property management services business is, and will likely continue to be, affected by the PRC government regulations on the real estate industry particularly the industrial and commercial segment.

The PRC Government has introduced various restrictive measures to regulate the real estate market. The government exerts direct and indirect influence on the development of the PRC real estate industry by imposing industry policies and other economic measures, such as regulation over the supply of land for property development, regulation of foreign exchange, property financing, taxation and foreign investment. Through these policies and measures, the PRC Government may restrict or reduce property development activities, place limitations on the ability of commercial banks to make loans to property purchasers, impose additional taxes and levies on property sales and affect the delivery schedule and occupancy rates of the properties we service. Any such governmental regulations and measures may affect the PRC real estate industry, thus limiting our business growth and resulting in a material adverse effect on our business, financial position and results of operations.

We are in a highly competitive business with numerous competitors and if we do not compete successfully against existing and new competitors, our business, financial position, results of operations and prospects may be materially and adversely affected.

According to Frost & Sullivan, the PRC property management industry is relatively fragmented. Our major competitors include large and mid-sized property management companies. Competition may intensify as our competitors expand their service offerings or as new competitors enter our existing or new markets. We believe that we compete with our competitors on a number of factors, primarily including business scale, brand recognition, financial resources, price and service quality. Our competitors may have better track records, longer operating histories, greater financial, technical, sales, marketing, distribution and other resources, greater name recognition and larger customer bases. As a result, these competitors may be able to devote more resources to the development, promotion, sale, and support of their services. In addition to competition from established companies, emerging companies may enter our existing or new markets. We cannot assure you that we will be able to continue to compete effectively or maintain or improve our market position, and such failure could have a material adverse effect on our business, financial position and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN THE COUNTRY WHERE WE OPERATE

Failure to respond to development in the economy, government policies, and laws and regulations in the principal place where we operate may have a material adverse effect on our business, financial condition and results of operations.

Our businesses, assets and operations are located in the PRC. Accordingly, our financial condition, results of operations and business prospects are, to a significant degree, subject to the development in the economy, government policies and laws and regulations in the PRC.

The PRC economy has experienced significant growth over the past decades since the implementation of reform and opening-up policy. In recent years, the PRC government has implemented measures emphasising the utilisation of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. Failure to respond to such development may materially and adversely affect our business in the PRC.

The interpretation and enforcement of PRC laws and regulations may change from time to time, which may subject us to non-compliance due to unexpected changes to laws and regulations applicable to us.

The PRC legal system is based on written statutes. In the late 1970s, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly increased the protections afforded to various forms of foreign or private-sector investment in China. Our PRC subsidiaries are subject to various PRC laws and regulations generally applicable to companies in China. However, since these laws and regulations are relatively new and the PRC legal system continues to evolve, the interpretations and enforcement of many laws, regulations and rules are subject to changes from time to time.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, we cannot assure you that local administrative and court authorities will interpret the statutory provisions and contractual terms the same way we do, and it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have. Any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations, and may further affect the legal remedies and protections available to [REDACTED], which may, in turn, adversely affect the value of your [REDACTED].

We may be subject to filing procedure and other requirements of the CSRC or other PRC governmental authorities in connection with our future capital raising activities and future major events.

On July 6, 2021, the relevant PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions enhanced administration and supervision on overseas listing by the PRC-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by the PRC based overseas listed companies.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and five supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improved and reformed the prior regulatory regime for overseas listing of securities of PRC domestic companies, and had regulated both direct and indirect overseas listing of PRC domestic companies' securities by adopting a filing based regulatory regime. Pursuant to the Overseas Listing Trial Measures, domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfil the filing procedure and report relevant information to the CSRC, and in the event of subsequent offering and occurrence of certain major events, domestic companies shall also fulfil relevant filing procedures and report information to the CSRC.

If we fail to meet requirements in connection with our future fund raising activities or other major events as required under relevant laws and regulations promulgated by CSRC or other PRC governmental authorities in a timely manner or at all, we could be subject to sanctions by the CSRC or other PRC regulators authorities. If we are determined not in compliance with the requirements under the Overseas Listing Trial Measures, we may need to postpone or terminate our future fund-raising activities if any. Any uncertainties or negative publicity regarding such filing or other requirements stated above could materially and adversely affect our business, prospects, financial condition, reputation, and [REDACTED] and [REDACTED] of the Shares.

Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on your [REDACTED].

During the Track Record Period, substantially all of our revenues and expenditures were denominated in Renminbi, while the [REDACTED] from the [REDACTED] will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi terms of the [REDACTED] from the [REDACTED]. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend declared or paid by us.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalisation and Renminbi internationalisation, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the future.

To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the [REDACTED] of your H Shares.

Currently, the conversion and remittance of foreign currencies from RMB are subject to PRC foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by the SAFE.

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, the foreign exchange policies regarding payment of dividends in foreign currencies may change from time to time in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements. If we fail to obtain approval from the SAFE to convert Renminbi into any foreign exchange for any of the above purposes, our capital expenditure plans, and even our business, operating results and financial condition, may be materially and adversely affected.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realised on the transfer of our H Shares.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realised on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得税法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realised by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although our business operations are in China, it is unclear whether dividends we pay with respect to our H Shares, or the gain realised from the transfer of our H Shares, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realised through the transfer of our H Shares or on dividends paid to our non-resident [REDACTED], the value of your [REDACTED] in our Shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Payment of dividends is subject to restrictions under PRC laws.

Under the PRC laws, dividends may be paid only out of distributable profits. Our distributable profits represent our distributable net profits less appropriations to statutory surplus reserve, general reserve, and discretionary surplus reserve (as approved by our Shareholders' meeting), each such appropriation based on the unconsolidated net profit determined under PRC GAAP. Our distributable net profit referred to above represents the lowest of (i) our net profit attributable to our equity holders for a period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under PRC GAAP, and (ii) our net profit attributable to our equity holders for the period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under IFRS. As a result, we may not have sufficient distributable profits, if any, to make dividend distributions to our Shareholders in the future, including in respect of periods where we register an accounting profit. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

It may be difficult to effect service of process upon us or our Directors or executive officers who reside in China or to enforce against them in China any judgments obtained from non-PRC courts.

All of our executive Directors and executive officers reside within China, and substantially all of our assets are located within China. Similar to the difficulties faced by most of the countries around the world on effecting service of process and enforcing judgment obtained from foreign countries, it may be difficult for [REDACTED] to effect service of process upon us or our executive Directors and officers inside China or to enforce against us or them in China any judgments obtained from non-PRC courts.

A judgment of a court of another jurisdiction may be reciprocally recognised or enforced in the PRC only if the jurisdiction has a treaty with China or if the jurisdiction has been otherwise deemed by the courts in China to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, China does not have treaties providing for the reciprocal recognition and

enforcement of judgments of courts of some other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

On July 14, 2006, the Supreme People's Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the PRC and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**2006 Arrangement**"). Pursuant to such arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in the PRC, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement. On January 18, 2019, the Supreme People's Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the PRC and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**2019 Arrangement**"), the commencement date of which shall be announced after the Supreme People's Court promulgates judicial interpretations and relevant procedures are completed in Hong Kong. The 2019 Arrangement superseded the 2006 Arrangement and affords greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters.

If we fail to comply with anti-bribery or anti-money laundering laws, our reputation may be harmed, and we could be subject to significant penalties and expenses that could have a material adverse effect on our business, financial conditions and results of operations.

We are subject to the laws governing anti-bribery and anti-money laundering in the PRC. In the PRC, the Anti-Unfair Competition Law, and provisions of the Criminal Law, prohibit giving and receiving money or property (which includes cash, proprietary interests and items of value) to obtain an undue benefit. Further, in the PRC, Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), promulgated by the Standing Committee of the National People's Congress on 31 October 2006 and revised on 8 November 2024, which took effect from 1 January 2025, prohibits money laundering. Our procedures and controls to monitor anti-bribery and anti-money laundering compliance may fail to protect us from reckless or criminal acts committed by our employees. If we fail to comply with applicable anti-bribery laws and anti-money laundering laws, we may be subject to criminal and civil penalties and sanctions or incur significant expenses, and our reputation could be harmed, all of which could have a material adverse effect on our business, financial conditions and results of operations.

RISKS RELATING TO THE [REDACTED]

There has been no prior market for our H Shares.

Prior to the completion of the [REDACTED], there has been no [REDACTED] for our H Shares. The initial [REDACTED] range for our H Shares was the result of, and the [REDACTED] will be the result of, negotiations among us and the [REDACTED] (for itself and on behalf of the [REDACTED]). The [REDACTED] may thus not be indicative of the [REDACTED] at which our H Shares will be [REDACTED] following the completion of the [REDACTED].

We have applied to [REDACTED] and [REDACTED] our H Shares on the Stock Exchange. However, even if approved, there can be no assurance that (i) an active [REDACTED] for our H Shares will develop, or (ii) if it does develop, that it will be sustained following the completion of the [REDACTED] or that the [REDACTED] and liquidity of our H Shares will not be adversely affected.

Liquidity, [REDACTED] and [REDACTED] of our H Shares may be volatile.

The [REDACTED] and [REDACTED] of our H Shares is likely to be volatile and subject to wide fluctuations in response to one or more of the following factors, over some of which we have no control:

- Regulatory and legal developments in our target markets affecting us, our clients or our competitors;
- Announcements of market studies or reports relating to the quality of our property management services or those of our competitors;
- Changes in the financial performance or market valuations of other companies that provide property management services in the form and of the scale comparable to ours;
- Actual or anticipated fluctuations in our financial and/or operating results, as well as changes or revisions of our expected results;
- Actual or anticipated fluctuations in our cash flow;
- Changes in the securities research analysts' estimates or general market perceptions of the financial estimates of us and our competitors;
- Variations in market sentiments driven by economic or political considerations in the PRC and elsewhere in the world that could affect the contemporary as well as prospective competitive landscape of the property management industry;
- Announcements by us or our competitors of the launch of new products and services, changes in pricing or promotion policies, execution of business restructuring (including but not limited to significant acquisitions and dispositions) and other forms of capital commitment plans, establishment of strategic alliances or joint ventures etc.;
- Recruitment or loss of key personnel by us or our competitors;
- Fluctuations in the [REDACTED] or the release and/or expiration of [REDACTED] or other share transfer restrictions on our outstanding Shares or [REDACTED] of additional Shares by us;
- Sales or perceived potential [REDACTED] of our H Shares in the market;
- Valuation of publicly-traded companies that are engaged in business activities similar to ours.

We cannot give assurance as to Shareholders' ability to [REDACTED] their H Shares or to achieve their desired [REDACTED] for, or any profit on, such H Shares. Shareholders may not be able to [REDACTED] their H Shares at [REDACTED] equal to or greater than the [REDACTED] paid for their H Shares in the [REDACTED]. In addition, shares of other companies [REDACTED] on the Stock Exchange with significant operations and assets in the PRC have experienced in the past significant volatility in the [REDACTED] and [REDACTED]. Common to the shares of other [REDACTED] companies, it is possible that our H Shares may equally be subject to changes in [REDACTED] for reasons which are beyond our Group's control and are unrelated or disproportionate to our operational performance.

Our Controlling Shareholders have significant influence over our Company and their interests may not be aligned with the interest of our other Shareholders.

Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the [REDACTED] of our Shares.

Shareholders' equity interests may be diluted.

We may need to raise additional funds in the future to finance, *inter alia*, expansion or new developments relating to our existing operations. If additional funds are raised through the issue of new equity and equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the percentage ownership of the Shareholders in our Company may be reduced and Shareholders may experience dilution in their percentage shareholdings in our Company. In addition, any such new securities may have preferred rights, options or pre-emptive rights that make them more valuable than or senior to the Shares.

[REDACTED] of our H Shares may experience dilution in the net tangible asset book value per Share of the Shares they [REDACTED] if our Company issues additional H Shares in the future at a [REDACTED] which is lower than the net tangible asset book value per Share.

Future [REDACTED] of our H Shares by the Shareholders could materially and adversely affect the prevailing [REDACTED] of the H Shares.

The H Shares beneficially owned by the Controlling Shareholders are subject to certain [REDACTED] periods under the GEM Listing Rules and relevant PRC laws and regulations. There are no assurances that the Shareholders will not [REDACTED] the H Shares held by them following the expiration of the [REDACTED] periods, or any Shares they may come to own in the future. Our Group cannot predict the effect, if any, of any future [REDACTED] of the H Shares by the Controlling Shareholder on the [REDACTED] of the Shares. [REDACTED] of a substantial amount of H Shares by any of them or the issue of a substantial amount of new H Shares, or the market perception that such [REDACTED] or issue may occur, could materially and adversely affect the prevailing [REDACTED] of our H Shares.

There may be a possible fall in [REDACTED] of [REDACTED] below the [REDACTED] when [REDACTED] commences due to the gap of several days between [REDACTED] and [REDACTED] of our [REDACTED].

The [REDACTED] of our H Shares is expected to be determined on the [REDACTED]. However, our H Shares will not commence [REDACTED] on the Stock Exchange until they are delivered, which is expected to be a short period after the date of [REDACTED]. As a result, [REDACTED] may not be able to [REDACTED] or [REDACTED] our H Shares during that period. In view of adverse market conditions or other adverse developments, if any, that could occur between the time of sale and time at which [REDACTED] begins, holders of our H Shares are accordingly subject to the risk that the [REDACTED] of our H Shares could fall below the [REDACTED] when the [REDACTED] commences.

We have no experience operating as a [REDACTED] company, and we may incur increased costs as a result of becoming a [REDACTED] company.

We have no experience conducting our operations as a [REDACTED] company. As a result of the [REDACTED], we may face enhanced administrative and compliance requirements, which may make us incur substantial related costs and expenses that we did not incur as a private company. We expect rules

and regulations applicable to [REDACTED] companies to increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. Our management may be required to devote substantial time and attention to our public reporting obligations and other compliance matters. We will evaluate and monitor developments with respect to these rules and regulations, but we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a [REDACTED] company may place a significant strain on our management, operational and financial resources and systems for the foreseeable future.

In addition, since we are becoming a [REDACTED] company, our management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to [REDACTED] companies, including requirements relating to corporate governance, [REDACTED] standards and securities and [REDACTED] relationships issues. As a [REDACTED] company, our management will have to evaluate our internal controls system with new thresholds of materiality, and to implement necessary changes to our internal controls system. We cannot guarantee that we will be able to do so in a timely and effective manner.

There is no assurance on the accuracy or completeness of certain facts, forecasts and other statistics in this document obtained from official government sources.

This document includes certain statistics and facts extracted in whole or in part from various official government sources. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any of the [REDACTED] or any of our respective directors, affiliates or advisers or any other parties involved in the [REDACTED] and, therefore, none of them make any representation as to the accuracy or completeness of these statistics and facts, as such these statistics and facts should not be unduly relied upon.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information and other matters. The words "aim", "anticipate", "believe", "could", "predict", "potential", "continue", "expect", "intend", "may", "might", "plan", "seek", "will", "would", "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgement of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in the section headed "Risk Factors". Accordingly, such statements are not a guarantee of future performance and [REDACTED] should not place undue reliance.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us and the [REDACTED].

Our Directors wish to emphasise to [REDACTED] that they do not accept any responsibility for the accuracy or completeness of the information contained in any press articles or other media and those information was not sourced from or authorised by us. We make no representation as to appropriateness, accuracy, completeness or reliability of any information contained in press articles or other media. To the extent that any of such information is inconsistent or in contradiction with the information contained in this document, the Directors disclaim it. Accordingly, [REDACTED] should not place reliance on any of the information in the press articles or other media channels.

WAIVER FROM STRICT COMPLIANCE WITH THE GEM LISTING RULES

In preparation for the [REDACTED], we have applied for the following waiver from strict compliance with the relevant provisions of the GEM Listing Rules:

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions, which would constitute continuing connected transactions subject to reporting, annual review, and announcement requirements (i.e. partially exempt continuing connected transactions under Chapter 20 of the GEM Listing Rules) after the [REDACTED]. Details about such transactions together with the application for a waiver from strict compliance with the relevant announcement requirement under Chapter 20 of the GEM Listing Rules are set out in "Connected Transactions".

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

For further information on our Directors and senior management, see "Directors and Senior Management" of this document.

DIRECTORS

Executive Directors

Name	Residential Address	Nationality
Liu Qiaoling (劉巧玲)	Building 105 & 106, Jincheng 2nd District, Houzhai Street, Yiwu City, Zhejiang Province, PRC	Chinese
Zhou Chengyang (周程揚)	Building 105 & 106, Jincheng 2nd District, Houzhai Street, Yiwu City, Zhejiang Province, PRC	Chinese
Chen Qixing (陳琦星)	No. 1101, Building 7, Wenhua Mansion, Yiwu City, Zhejiang Province, PRC	Chinese

Independent Non-executive Directors

Name	Residential Address	Nationality
Bian Yang (卞洋)	10-2-0105, Block B, Yuanyang Wanhecheng, Chaoyang District, Beijing City, PRC	Chinese
Chan Yin Tsung (陳彥璁)	Flat A, 28/F, Block 27, City One Shatin, Shatin, NT, Hong Kong	Chinese
Liu Liwei (劉立偉)	OuJingXiYuan 88-1, ChouJiang Street, Yiwu City, Zhejiang Province, PRC	Chinese

For details with respect to our Directors, please see the section headed "Directors and Senior Management".

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**Austrax Capital Limited** Room 1201–02 and Room 1212, West Tower, Shun Tak Centre, 168 Connaught Road Central, Sheung Wan, Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Legal Advisers to our Company	*As to Hong Kong law* **Jingtian & Gongcheng LLP** Suite 3203–3209, 32/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong *As to PRC law* **Jingtian & Gongcheng** 45/F, K. Wah Centre, 1010 Huaihai Road (M), Xuhui District, Shanghai City, PRC
Legal Advisers to the Sole Sponsor and the [REDACTED]	*As to Hong Kong law* [REDACTED]

	[REDACTED]
	As to PRC law **T&C Law Firm** 11/F, Block A, Huanglong Century Square, No. 1 Hangda Road, Xihu District, Hangzhou City, Zhejiang Province, PRC
Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance* 27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square, No. 1717 West Nanjing Road, Jing'an District, Shanghai City, PRC
Compliance Adviser	**Austrax Capital Limited** Room 1201–02 and Room 1212, West Tower, Shun Tak Centre, 168 Connaught Road Central, Sheung Wan, Hong Kong
[REDACTED]	[REDACTED]

CORPORATE INFORMATION

Registered office and headquarters	Workshop 303, Building 29, Chengde Jicheng Industrial Park (Phase I), Plot J03-14-01, Shangbancheng Development Zone, Chengde City, Hebei Province, PRC
Principal place of business in Hong Kong under Part 16 of the Companies Ordinance	Unit 11, 5/F, Bedford Factory Building, No. 51 Bedford Road, Tai Kok Tsui, Kowloon, Hong Kong
Company's website	**www.zjlianji.com** *(information contained in this website does not form part of this document)*
Company secretary	**Ms. Chan Yuk Wing** (Chartered Secretary, Chartered Governance Professional, and an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute) Unit 11, 5/F, Bedford Factory Building, No. 51 Bedford Road, Tai Kok Tsui, Kowloon, Hong Kong
Authorised representatives	**Ms. Liu Qiaoling** Building 105 & 106, Jincheng 2nd District, Houzhai Street, Yiwu City, Zhejiang Province, PRC **Ms. Chan Yuk Wing** Unit 11, 5/F, Bedford Factory Building, No. 51 Bedford Road, Tai Kok Tsui, Kowloon, Hong Kong
Compliance adviser	**Austrax Capital Limited** Room 1201–02 and Room 1212, West Tower, Shun Tak Centre, 168 Connaught Road Central, Sheung Wan, Hong Kong
Audit Committee	Mr. Chan Yin Tsung (陳彥璁) *(Chairman)* Mr. Bian Yang (卞洋) Mr. Liu Liwei (劉立偉)

CORPORATE INFORMATION

Remuneration Committee	Mr. Bian Yang (卞洋) *(Chairman)* Mr. Chan Yin Tsung (陳彥璁) Mr. Chen Qixing (陳琦星)
Nomination Committee	Mr. Liu Liwei (劉立偉) *(Chairman)* Ms. Liu Qiaoling (劉巧玲) Mr. Bian Yang (卞洋)
[REDACTED]	[REDACTED]
Principal bank	**Zhejiang Jinhua Chengtai Rural Commercial Bank Co., Ltd. Xiaoshun Sub-branch** Building 2, Juxin Mall, Jindong District, Jinhua City, Zhejiang Province, PRC

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

PROPERTY MANAGEMENT SERVICES MARKET IN CHINA AND ZHEJIANG PROVINCE

Definition and Classification of Property Management Services

Property management is the operation, control, and oversight of real estate as used in its most broad terms.

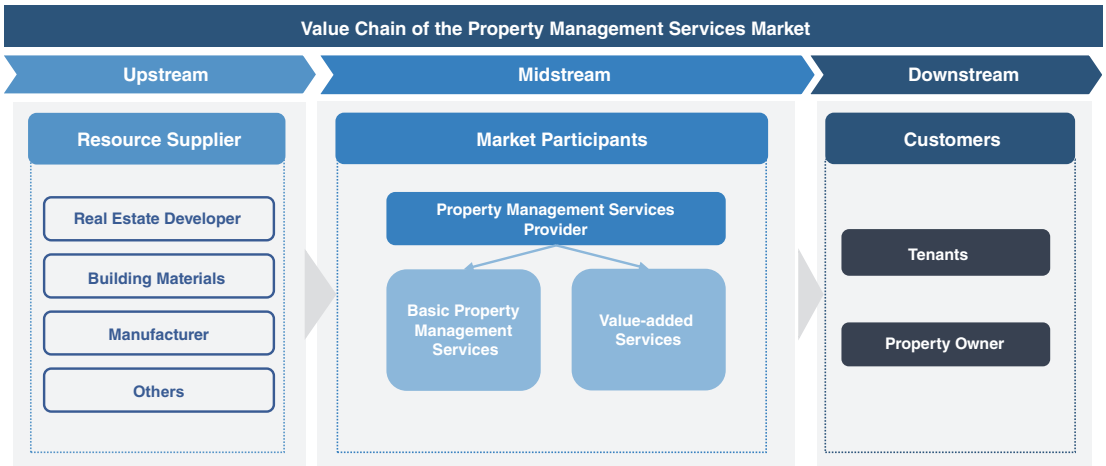
Management indicates the need to be cared for, monitored, and maintained for its useful life and condition. Property management is also the management of personal property, equipment, tooling, and physical capital assets that are acquired and used to build, repair, and maintain end item deliverables. Most Chinese property management services companies provide services for a wide range of properties, including residential properties and non-residential properties such as shopping malls, office buildings, industrial parks, public and other properties.

Property management services companies generally offer these services: (i) basic property management services including security, cleaning, repair and maintenance, gardening and landscaping, and other services; and (ii) value-added services, such as production safety management services, decoration management services, operational support services, park ancillary services, energy-related services, and other services.

Value Chain of Property Management Services Market

The property management services market consists of upstream real estate developer, building materials manufacturer and others; the middle stream is property management services provider; the downstream is property owners and residents. The middle stream property management services is the core of entire value chain as the property management services provider provides additional services to downstream property owners and residents to maintain or increase the value of their property. The property management services industry value chain is in dynamic change, and property management services providers are continuously extending their business range. In this industry, it is common for property owners to make payments to service providers via third parties.

Value Chain of Property Management Services Market

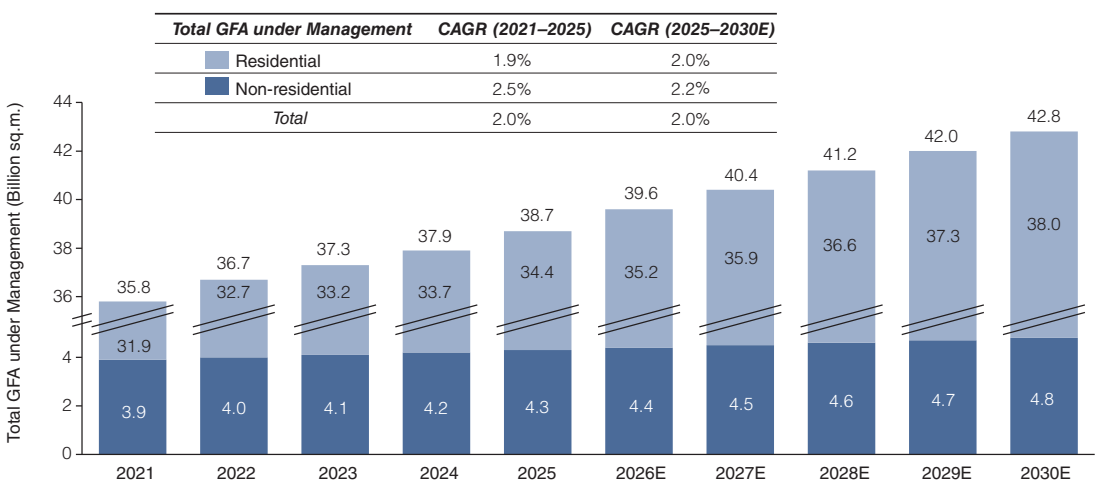


Source: Frost & Sullivan Analysis

Market Size of Property Management Services Market in China and Zhejiang Province

GFA under management refers to the aggregate floor areas of individual units privately owned by property owners or occupied by tenants and the gross floor area of common areas. In China, the total GFA under management of property management services market increased from 35.8 billion sq.m. in 2021 to 38.7 billion sq.m. in 2025, with a CAGR of 2.0%. Specifically, the total GFA under management of the residential and non-residential property management services market in China reached 34.4 billion sq.m. and 4.3 billion sq.m. in 2025, with a CAGR of 1.9% and 2.5% from 2021 to 2025, respectively. In 2030, the total GFA under management of property management services market in China is expected to reach 42.8 billion sq.m., with a CAGR of 2.0% from 2025 to 2030. The total GFA under management of the residential and non-residential property management services market in China is expected to reach 38.0 billion sq.m. and 4.8 billion sq.m. in 2030, with a CAGR of 2.0% and 2.2% from 2025 to 2030, respectively.

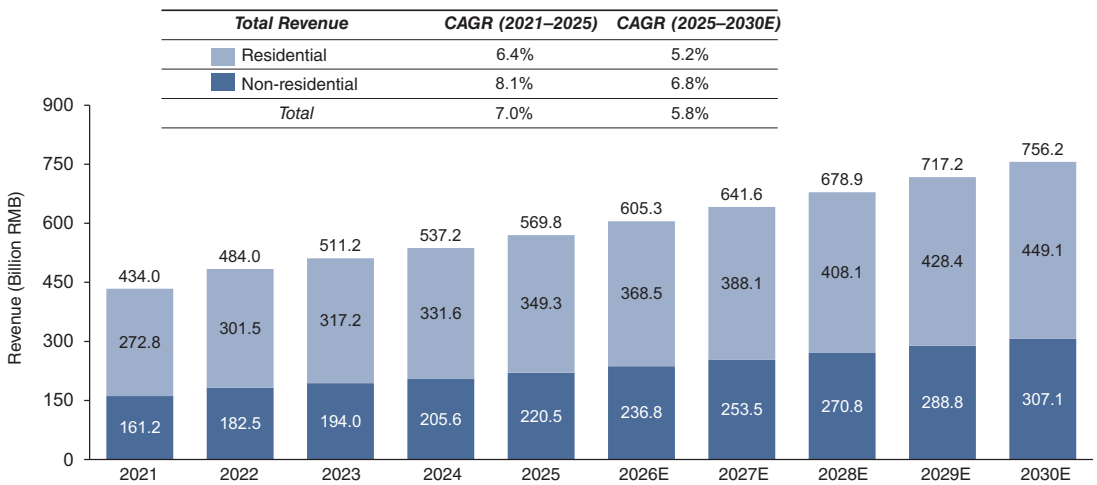
Total GFA under Management of Property Management Services Market by Type (China), 2021–2030E



Source: Frost & Sullivan Analysis

From 2021 to 2025, the total revenue of property management services market in China increased from RMB434.0 billion to RMB569.8 billion, with a CAGR of 7.0%. In 2030, the total revenue of property management services market in China is expected to reach RMB756.2 billion, with a CAGR of 5.8% from 2025 to 2030. Specifically, the total revenue of residential and non-residential property management services market in China reached RMB349.3 billion and RMB220.5 billion in 2025, with a CAGR of 6.4% and 8.1% from 2021 to 2025, respectively. Looking ahead, driven by supportive policies, China's property management services market is expected to maintain steady growth. For instance, in 2025, the Central Committee of the Communist Party of China and the State Council issued the "Opinions on Promoting High-Quality Urban Development" (《關於推動城市高質量發展的意見》), which called for initiatives to enhance the quality of property management services. The document also emphasised unlocking the potential of existing urban resources and accelerating their transformation, thereby creating substantial demand for property management services. In 2030, the total revenue of residential and non-residential property management services market in China is expected to reach RMB449.1 billion and RMB307.1 billion, with a CAGR of 5.2% and 6.8% from 2025 to 2030, respectively.

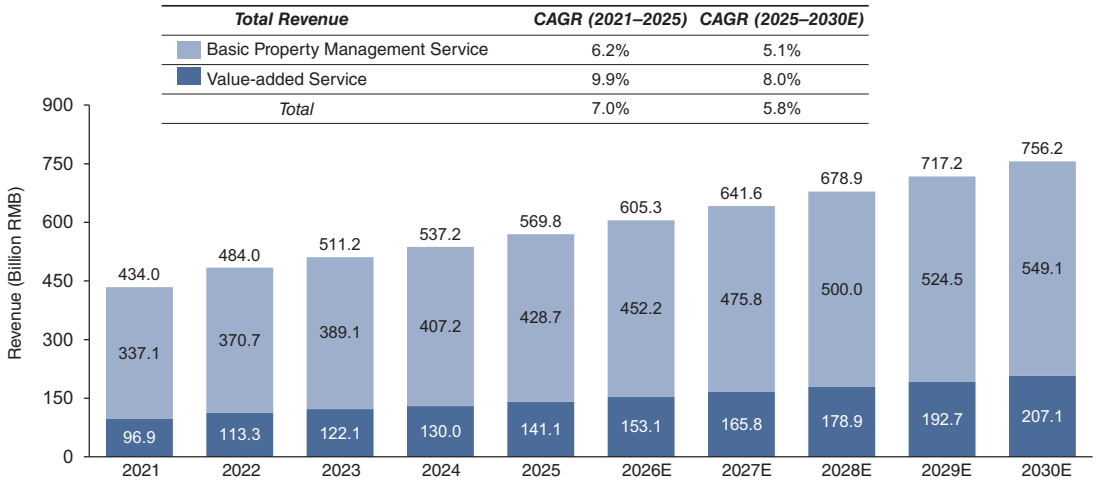
Total Revenue of Property Management Services Market by Property Type (China), 2021–2030E



Source: Frost & Sullivan Analysis

The total revenue of basic property management service and value-added service in property management services market in China reached RMB428.7 billion and RMB141.1 billion in 2025, with a CAGR of 6.2% and 9.9% from 2021 to 2025, respectively. In 2030, the total revenue of basic property management service and value-added service in property management services market in China is expected to reach RMB549.1 billion and RMB207.1 billion, with a CAGR of 5.1% and 8.0% from 2025 to 2030, respectively.

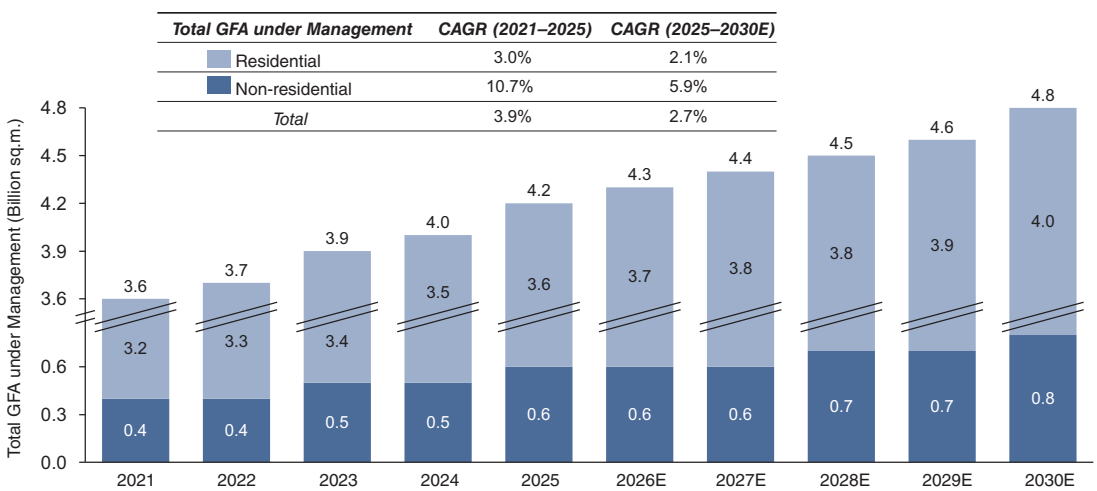
Total Revenue of Property Management Services Market by Service Type (China), 2021–2030E



Source: Frost & Sullivan Analysis

In Zhejiang Province, the total GFA under management of the property management services market increased from 3.6 billion sq.m. in 2021 to 4.2 billion sq.m. in 2025, with a CAGR of 3.9%. Specifically, the total GFA under management of the residential and non-residential property management services market in Zhejiang Province reached 3.6 billion sq.m. and 0.6 billion sq.m. in 2025, with a CAGR of 3.0% and 10.7% from 2021 to 2025, respectively. In 2030, the total GFA under management of the property management services market in Zhejiang Province is expected to reach 4.8 billion sq.m., with a CAGR of 2.7% from 2025 to 2030. The total GFA under management of the residential and non-residential property management services market in Zhejiang Province is expected to reach 4.0 billion sq.m. and 0.8 billion sq.m. in 2030, with a CAGR of 2.1% and 5.9% from 2025 to 2030, respectively.

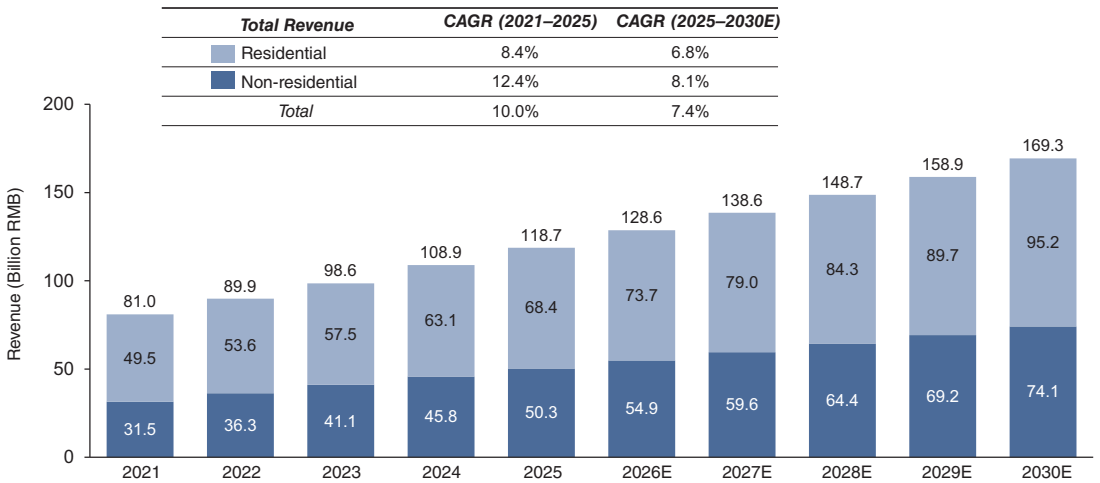
Total GFA under Management of Property Management Services Market by Type (Zhejiang Province), 2021–2030E



Source: Frost & Sullivan Analysis

From 2021 to 2025, the total revenue of property management services market in Zhejiang Province increased from RMB81.0 billion to RMB118.7 billion, with a CAGR of 10.0%. In 2030, the total revenue of property management services market in Zhejiang Province is expected to reach RMB169.3 billion, with a CAGR of 7.4% from 2025 to 2030. Specifically, the total revenue of residential and non-residential property management services market in Zhejiang Province reached RMB68.4 billion and RMB50.3 billion in 2025, with a CAGR of 8.4% and 12.4% from 2021 to 2025, respectively. In 2030, the total revenue of residential and non-residential property management services market in Zhejiang Province is expected to reach RMB95.2 billion and RMB74.1 billion, with a CAGR of 6.8% and 8.1% from 2025 to 2030, respectively.

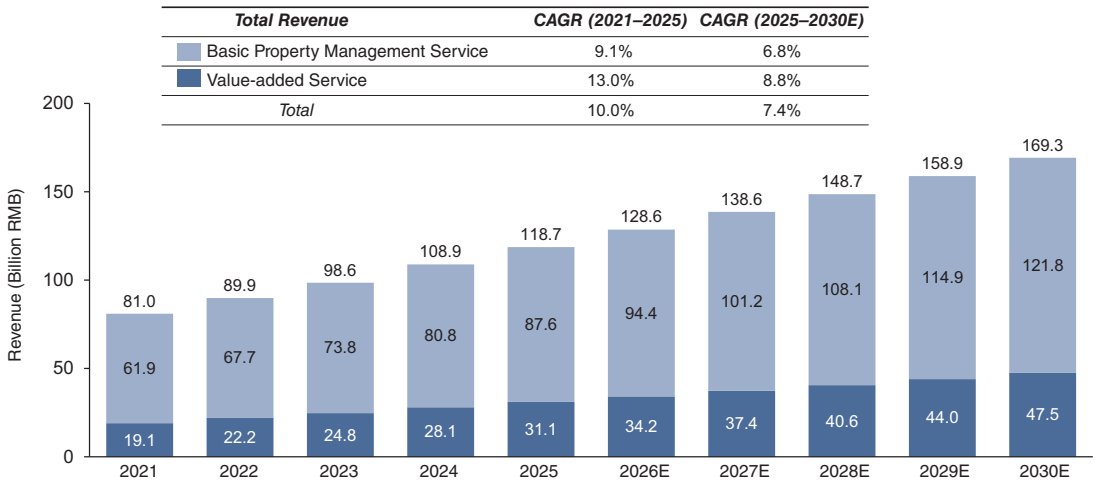
Total Revenue of Property Management Services Market by Property Type (Zhejiang Province), 2021–2030E



Source: Frost & Sullivan Analysis

The total revenue of basic property management service and value-added service in property management services market in Zhejiang Province reached RMB87.6 billion and RMB31.1 billion in 2025, with a CAGR of 9.1% and 13.0% from 2021 to 2025, respectively. In 2030, the total revenue of basic property management service and value-added service in property management services market in Zhejiang Province is expected to reach RMB121.8 billion and RMB47.5 billion, with a CAGR of 6.8% and 8.8% from 2025 to 2030, respectively.

Total Revenue of Property Management Services Market by Service Type (Zhejiang Province), 2021–2030E



Source: Frost & Sullivan Analysis

Market Drivers of Property Management Services Market

Supportive Policies. Supportive supply-side policies are driving the rapid development of the property management services market. In recent years, the Chinese government has introduced numerous policies to encourage supply-side reform in the real estate industry, focusing on affordable housing, urban village renovation, and the development of "dual-use" public infrastructure. For example, the State Council launched the Catalogue for Guiding Industrial Restructuring (2024 Version)《產業結構調整指導目錄(2024年本)》, which emphasises the establishment of a housing system with multi-subject supply and multi-channel support, thereby encouraging the real estate industry as well as property management services market to develop with greater quality and diversity. Against this backdrop, property management service providers, including our Group, may benefit from increasing demand for integrated property management and value-added services, creating opportunities to expand their service scope and customer base. In 2025, the Recommendations of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》 called for the implementation of initiatives to enhance the quality of property management services. As the industry continues to move toward higher service standards, property management service providers, including our Group, may have greater opportunities to leverage their service capabilities and expand value-added services. In the same year, the Ministry of Industry and Information Technology and the National Development and Reform Commission issued the Guidelines for the High-Quality Development of Industrial Parks《工業園區高質量發展指引》, which emphasized strengthening property management service capabilities in industrial parks to promote the high-quality development of the industrial park property management services market. Specifically, this policy highlights the need to improve integrated service functions within industrial parks, including facility management, enterprise services, and smart operation systems, thereby creating opportunities for property management service providers, including our Group, to broaden their service scope and enhance their integrated service capabilities. In addition, the promotion of digitalized and green park management models is expected to drive the upgrading of park operation services, creating additional business opportunities for property management companies. In Zhejiang Province, government further launched several policies to promote the development of property management services market. For example, the Development and Reform Commission of Zhejiang Province launched the 14th Five-Year Plan of Zhejiang Province Housing and Urban-Rural Development

《浙江省住房和城鄉建設"十四五"規劃》, which outlines multiple measures to promote the development of the property management market towards intelligent, standardised and digitalized practices. As a result, property management service providers operating in Zhejiang Province, including our Group, may benefit from improved operational efficiency and service quality arising from the adoption of intelligent and digitalized management practices.

Rising Per Capita Disposable Income and Urbanisation Growth. From 2021 to 2025, the urbanisation rate in China increased from 64.7% to 67.9%, while the per capita annual disposable income increased from RMB35,128 to RMB43,377. Together, urbanisation and rising incomes act as dual drivers, driving the development of high-quality, diverse, and intelligent property management services nationwide. In particular, Zhejiang Province's urbanisation rate reached 76.4% in 2025, with per capita annual disposable income growing to RMB70,240, both significantly above the national indicators. The high urbanisation rate has led to dense population and properties, expanding the market capacity for property management services. Meanwhile, the high per capita income directly increases residents' purchasing power and demand for a better living environment and diverse non-residential properties, which significantly driving the expansion of high-quality and diverse property management services market. Therefore, the accelerated urbanisation and continuous growth of per capita disposable income stimulated the demand for property management services, especially promoting the development of value-added services.

Technology Empowerment. In recent years, information technology has gradually been combined with comprehensive property management. Technological advancement, such as big data, IoT and 5G, plays an increasingly important role in the integration of comprehensive property management, especially for the commercial property management services. By introducing smart facility, such as smart patrol system, gate system, and parking management system, participants in property management services market can be further standardised, automized, and centrally managed, and more efficient.

Involvement in Capital Market. With the wider participation of property management service companies in the capital market. Diversified capital operation methods can accelerate the integration and mergers and acquisitions among property management service providers, which can enable companies to significantly increase market share, form scale management effect, accelerate services quality and increase the brand reputation. Powerful support from capital market is a major driver of property management services market in the past. But with the downturn of real-estate industries, property management services providers slow down the M&A process and more focus on expanding their business segments to non-residential properties.

Future Opportunities and Challenges of Property Management Services Market

Renewal and Transformation of Real Estate Stock Resources Create New Demand for Market. The continued unlocking of real estate stock resources potential is creating new growth opportunities for China's property management services market. In 2025, the Central Committee of the Communist Party of China and the State Council issued the "Opinions on Promoting High-Quality Urban Development" (《關於推動城市高質量發展的意見》), elevating urban renewal, old district transformation, and spatial reutilisation to the level of national strategy. As a result, a vast array of existing residential communities, commercial office buildings, industrial parks, and public spaces will enter a phase of systematic renovation and refined operations. Against this backdrop, property management services providers are expected to play an integral role in the transformation of ageing neighbourhoods, revitalisation of commercial complexes, upgrading of industrial parks, and the operation and management of public spaces. By delivering professional value-added services, these enterprises will help reshape the value of existing assets and promote their efficient utilisation. Consequently, China's property management services market is poised to enter a new era of expansive development.

Diversity Value-added Services. In the future, as downstream clients' demands expand from basic property management services to comprehensive operations, especially in non-residential properties, property management service providers will continuously expand the scopes of value-added services, such as commercial operations, asset management, and space utilisation optimisation. By establishing diversified service systems, property management service companies can transition from single-service management to full-chain operations, enhancing client retention while expanding profit margins. From 2025 to 2030, the CAGR of value-added services in China is projected to reach 8.0%, while the CAGR of basic property management services is projected to reach 5.1%. The diversification of value-added services will become a key driver for the property management service market scaled and high-quality growth.

Application of New Technologies. With the popularisation of information technology, big data, AI and other new technologies in China, the digitalisation and intelligent transformation of property management services market have become one of the main trends in the future. In particular, these technological advancements enable service providers to enhance management efficiency and reduce the management costs. For instance, property management service companies are expected to achieve effective consolidation and distribution of community resources by utilising social media, mobile APPs and other technology tools to enhance business collaborations as well as the expansion of value-added services, such as housekeeping, community elderly care nursing, and consulting services. In commercial property management, the application can not only help property owners understand consumers' needs and improve consumers' stickiness, but also help them operational service providers expand the scope of services, improve the management efficiency, and reduce management costs.

Intense Market Competition. Due to the real estate downturn, competition has shifted from incremental to existing markets, leading the competition to become further intensified. Leading companies still demonstrate strong competitiveness, while the emergence of niche players also threatens established competitors. In the future, as the existing market is gradually divided up, competition in the property management services market will become particularly fierce. Property management service providers need to gain an advantage in service quality, operational efficiency and brand reputation to maintain their future market competitiveness.

Entry Barriers of Property Management Services Market

Brand and Customer Barrier. In the property management services market, well-established and famous brands are more likely to gain residents' recognition and trust. Leading brands have built strong brand awareness and a positive reputation through long-term collaboration with real estate companies and communities, accumulated service expertise, and extensive market promotion. New entrants must invest significant resources in brand development and marketing efforts to effectively acquire customers and build a solid customer base.

Technological Barrier. The property management market is evolving rapidly, requiring companies to align their services with technological advancements. With the empowerment of AI, IoT and 5G technologies, property management services can integrate these technologies into various application scenarios to provide customers with more efficient and comprehensive solutions. New entrants may face significant pressure in technology development and service upgrades, making it challenging to keep pace with industry progress.

Supply Chain Barrier. The property management services industry requires strong supply chain management capabilities for both basic and value-added services, including effective coordination with developers, outsourcing companies, and resource providers. Leading companies in the industry have

established stable and efficient supply chain systems through long-term cooperation and resource integration with upstream and downstream partners, ensuring reliable and high-quality service delivery. However, new entrants face significant challenges in building stable, cost-effective supply chains.

Talent Barrier. The competition for top talent in the property management services industry is extremely fierce, especially for research and development (R&D) talent. Leading companies attract and retain professionals by offering excellent career development opportunities and comprehensive incentive mechanisms, thereby forming a talent barrier. New entrants face significant challenges in attracting and retaining high-level talent due to their lack of brand recognition and mature corporate image.

Competitive Landscape of Property Management Services Market in China and Zhejiang Province

In the China's property management services market, the large property management service providers hold advantages in scaling expansion and brand influence, continually consolidating their leading positions through business expansion and diversified value-added services. Meanwhile, mid-sized property management service providers leverage their strengths in regional focus and specialised services to establish differentiated competition in specific markets. In terms of property types, the residential property management services continue to serve as the foundation for the market development. The non-residential property management services market such as industrial parks, office buildings, commercial complexes, and others has emerged as the key drivers of market growth. The competitive landscape of China's property management services industry in relatively fragmented, as of December 31, 2025, there are over 300.0 thousand property management service providers in the market. In terms of the total GFA under property management services as of December 31, 2025, the top five property management service providers in China accounted for approximately 9.3% of the market, and our Group accounted for approximately 0.01% in China.

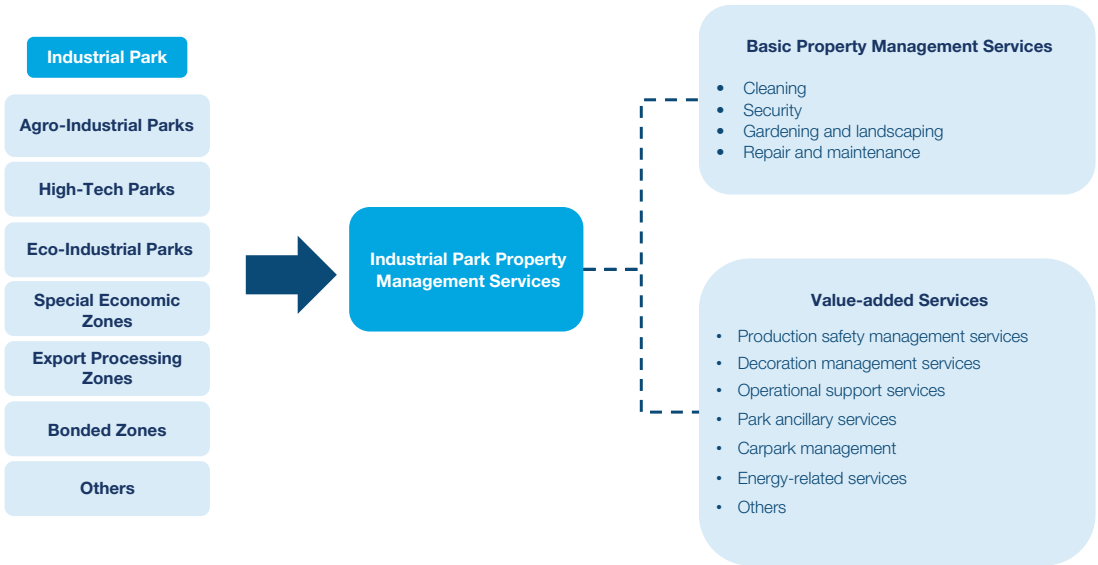
The Zhejiang Province stands as an important province for the development of China's property management services industry, leveraging its robust market foundation, high-quality service standards, policy support, and continuous service innovation. As of 2025, in terms of GFA under management of property management services, Zhejiang Province's property management services market accounted for approximately 10.9% of China's property management services market. The leading property management services providers have secured a dominant position in market share, leveraging their brand strength, scaled operations, and efficient resource integration capabilities. At the same time, numerous small and medium-sized property management service providers have developed distinctive competitive advantages through regional specialisation, niche expertise, and flexible operations, collectively fostering a multi-layered and differentiated industry. As of December 31, 2025, there are nearly 20.0 thousand property management service providers in the Zhejiang Province's property management services market. As of 2025, in terms of GFA under management of property management services in Zhejiang Province, our Group holds a market share of approximately 0.1%.

INDUSTRIAL PARK PROPERTY MANAGEMENT SERVICES MARKET IN CHINA AND ZHEJIANG PROVINCE

Definition and Classification of Industrial Park Property Management Services

Industrial park property management services refer to a comprehensive range of professional services provided under contract and in compliance with relevant regulations. These services focus on the maintenance, management, and operation of public facilities, equipment, and the overall environment within industrial parks. The primary objective of these services is to provide a safe, orderly, clean, and comfortable working environment. To achieve this, services are generally divided into two major categories: basic property management services and value-added services.

Classification of Industrial Park Property Management Services Market



Value Chain of Industrial Park Property Management Services Market

The upstream segment of the industrial park property management services value chain consists of resource suppliers providing equipment, materials and park. The midstream segment is represented by industrial park property management services, encompassing both basic property management services and value-added services. Downstream, the value chain serves enterprises in industrial park across diverse sectors, including chemical, manufacturing, pharmaceutical, technology, logistics, and others.

Value Chain of Industrial Park Property Management Services Market

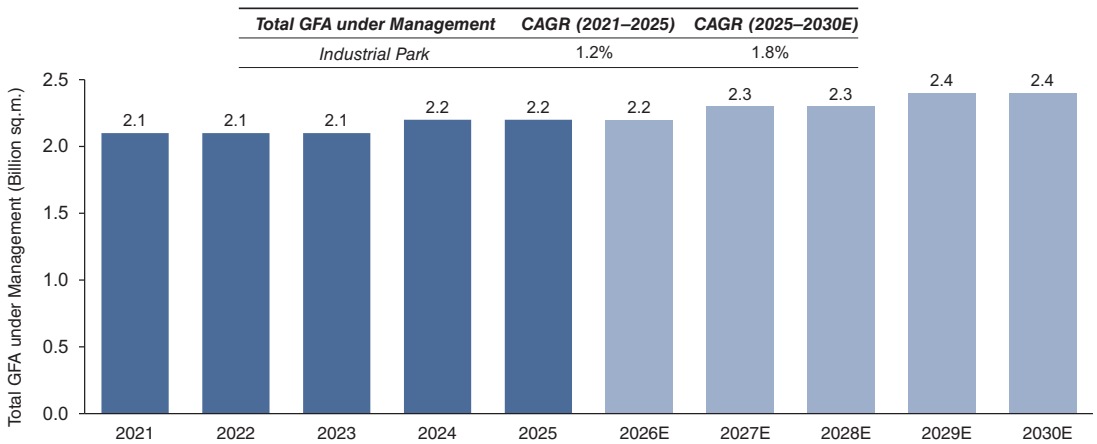


Source: Frost & Sullivan Analysis

Market Size of Industrial Park Property Management Services Market in China and Zhejiang Province

In China, the total GFA under management of industrial park property management services market increased from 2.1 billion sq.m. in 2021 to 2.2 billion sq.m. in 2025, with a CAGR of 1.2%. In 2030, the total GFA under management of industrial property management services market in China is expected to reach 2.4 billion sq.m., with a CAGR of 1.8% from 2025 to 2030.

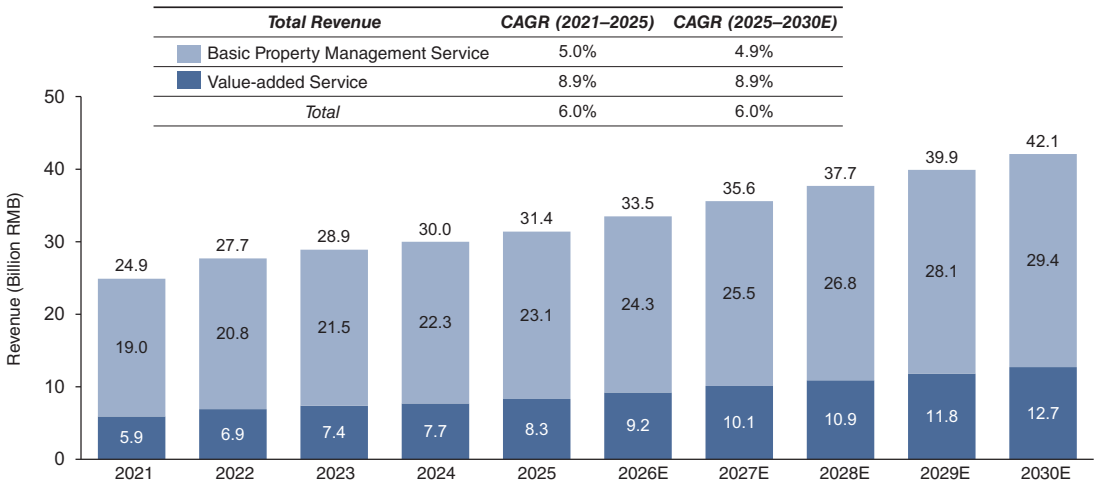
Total GFA under Management of Industrial Park Property Management Services Market (China), 2021–2030E



Source: Frost & Sullivan Analysis

The total revenue of industrial park property management services market in China increased from RMB24.9 billion in 2021 to RMB31.4 billion in 2025, with a CAGR of 6.0%. In 2030, the total revenue of industrial park property management services market in China is expected to reach RMB42.1 billion, with a CAGR of 6.0% from 2025 to 2030. Specifically, the total revenue of basic property management service and value-added service in industrial park property management services market in China reached RMB23.1 billion and RMB8.3 billion in 2025, with a CAGR of 5.0% and 8.9% from 2021 to 2025, respectively. In 2030, the total revenue of basic property management service and value-added service in industrial park property management services market in China is expected to reach RMB29.4 billion and RMB12.7 billion, with a CAGR of 4.9% and 8.9% from 2025 to 2030, respectively.

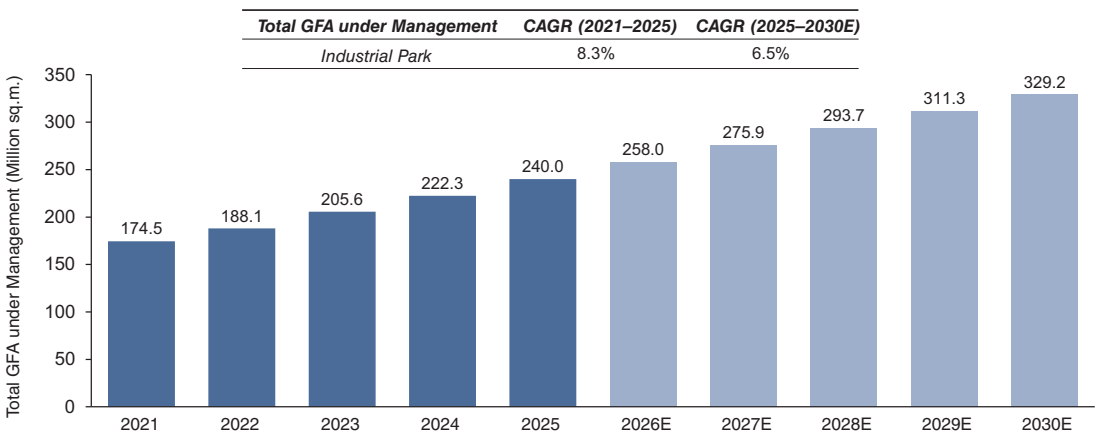
Total Revenue of Industrial Park Property Management Services Market by Service Type (China), 2021–2030E



Source: Frost & Sullivan Analysis

In Zhejiang Province, the total GFA under management of industrial park property management services market increased from 174.5 million sq.m. in 2021 to 240.0 million sq.m. in 2025, with a CAGR of 8.3%. In 2025, the percentage of GFA under management for industrial parks out of the total GFA under management of non-residential properties in Zhejiang Province reached 40.0%. In 2030, the total GFA under management of industrial property management services market in Zhejiang Province is expected to reach 329.2 million sq.m., with a CAGR of 6.5% from 2025 to 2030.

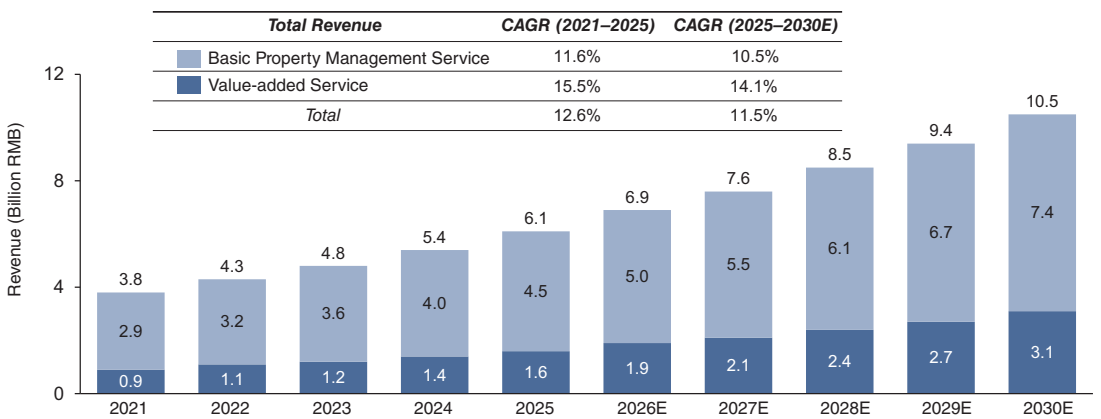
Total GFA under Management of Industrial Park Property Management Services Market (Zhejiang Province), 2021–2030E



Source: Frost & Sullivan Analysis

The total revenue of industrial park property management services market in Zhejiang Province increased from RMB3.8 billion in 2021 to RMB6.1 billion in 2025, with a CAGR of 12.6%. In 2030, the total revenue of industrial park property management services market in Zhejiang Province is expected to reach RMB10.5 billion, with a CAGR of 11.5% from 2025 to 2030. Specifically, the total revenue of basic property management service and value-added service in industrial park property management services market in Zhejiang Province reached RMB4.5 billion and RMB1.6 billion in 2025, with a CAGR of 11.6% and 15.5% from 2021 to 2025, respectively. According to the "Implementation Opinions on Fostering a Favourable Innovation Ecosystem and Establishing a Robust Mechanism for Science and Technology Investment" (《關於營造良好創新生態構建完善科技創新投入機制的實施意見》), issued by the Zhejiang Provincial Government in 2025, the province will focus on developing three strategic innovation hubs: artificial intelligence, life and health sciences, and advanced materials and new energy. Industrial parks dedicated to these sectors typically require higher-quality property management services, which is expected to drive an increase in the average price of industrial parks management services. Consequently, this will accelerate the overall growth of Zhejiang Province's industrial park property management service market. In 2030, the total revenue of basic property management service and value-added service in industrial park property management services market in Zhejiang Province is expected to reach RMB7.4 billion and RMB3.1 billion, with a CAGR of 10.5% and 14.1% from 2025 to 2030, respectively.

Total Revenue of Industrial Park Property Management Services Market by Service Type (Zhejiang Province), 2021–2030E



Source: Frost & Sullivan Analysis

Market Drivers of Industrial Park Property Management Services Market

Upgrading Industrial Structure. According to the Catalogue for the Guidance of Adjustment to Industrial Structure (2024 Version), China's industrial structure is undergoing continuous optimization and upgrading, driving the efficient development of high-tech industries, advanced manufacturing, and modern services, among other sectors. With the steady expansion of industrial categories, the range of enterprises accommodated in industrial parks has become increasingly diverse. As these enterprises grow, they present more specialised and segmented requirements for the parks' infrastructure, supporting services, and operational management. These requirements span from the functional configuration of production and R&D spaces, to the comprehensiveness of residential and business amenities, as well as the standardisation and responsiveness of overall park management. The completeness of facilities, diversity of supporting services, and professionalism of management models have become key considerations for enterprises in site selection. For example, to better serve enterprises, some industrial parks have established one-stop comprehensive service platforms covering five key areas: government

services, policy support, resource allocation, regulatory oversight, and enterprise needs. These platforms enable enterprises to resolve most of their issues through a single access point, thereby improving administrative efficiency. Meanwhile, the continued emergence of industrial clustering effects is driving the expansion of property management services in scale, service offerings, and business coverage within the parks, thereby forming a solid and sustainable demand base that underpins the steady development of the industry.

Integration of Next-Generation Information Technology. The integration of next-generation information technologies such as 5G, artificial intelligence, big data, and the Internet of Things into the daily management and operations of industrial parks is steadily advancing the development of smart parks. Through the adoption of intelligent facilities, including smart security systems, energy management platforms, and parking management systems, park operations have evolved toward standardised, automated, and refined management models, resulting in simultaneous improvements in operational efficiency and service quality. Furthermore, the application of digital technologies enhances the flexibility and transparency of resource allocation within parks, enabling more responsive and data-driven decision-making. These technologies have become a key driver in expanding the industrial park property management services market, fostering both qualitative service upgrades and long-term market growth.

Industrial Clusters Development. The continuous growth of industrial clusters in China has been a driver for the construction and expansion of industrial parks, providing a stable demand base for the industrial park property management services market. Zhejiang Province has developed a number of representative industrial clusters by leveraging its light-industry-oriented economic structure. Yiwu, for example, has become the world's largest small commodity market, building a highly concentrated and internationalised trade. In 2025, Yiwu recorded total import and export of RMB836.5 billion, representing a year-on-year growth of 25.1%. This growth has driven sustained demand for warehousing, logistics and supporting services in industrial parks, thereby driving the expansion of property management services. At the same time, Jinhua has gradually formed distinctive industrial clusters in areas such as new energy vehicle components, advanced manufacturing, and the digital transformation of traditional tool industries. The strong policy support and ongoing improvements in infrastructure reinforce clustering effect, providing solid demand support for the industrial park property management services market.

Future Opportunities of Industrial Park Property Management Services Market

Expansion of Value-Added Service. While meeting the fundamental needs of industrial park property management service, the scope of services in industrial parks is steadily extending into value-added areas such as transportation support, corporate administrative assistance, specialised engineering renovations, and the utilisation of green energy. In particular, commercial operation services, including leasing facilitation, entrustment management, and space operation, have become increasingly important as industrial parks pursue refined asset management and enhanced space efficiency, emerging as a key direction in the extension of the service value chain. These services not only address critical operational requirements for enterprises but also provide convenient support for employees' work and daily life, thereby enhancing the park's overall operational capacity and service value. As enterprise demands become increasingly diverse and differentiated, industrial park property management services continue to enrich their offerings in terms of content, format, and delivery models. By developing value-added service systems that align closely with the park's functional positioning, the industrial park property management service market will be added broader value space.

Industry Park Expansion. With the acceleration of regional economic integration and the extension of industrial chains, industrial clusters are expected to deepen further in spatial layout, industrial collaboration, and resource allocation. In coastal provinces such as Zhejiang, where light industry foundations are strong and industrial chain systems are well-developed, the specialisation and clustering effects of industrial clusters will continue to strengthen. This trend not only indicates the continuous expansion of park quantity and scale, but also signifies a transformation of their functions, from pure production bases toward integrated hubs combining warehousing, office, exhibition, and supporting facilities. As a result, the demand for diversified, specialised, and customised industrial park property management services will increase. This dynamic will drive the industrial park property management service market to advance both in scope and in depth, creating new opportunities for service providers to align with the evolving needs of tenants and regional economies.

Acceleration of Smart Management and Digital Operations. The application of next-generation information technologies within industrial parks continues to deepen, with smart management platforms and digital operation systems increasingly integrated into areas such as security, energy, equipment, and customer services. By combining online systems with offline service delivery, parks are achieving greater automation of workflows, enhanced flexibility in resource allocation, and real-time monitoring of equipment performance. At the same time, the adoption of smart parking, intelligent access control, energy management, and digital customer service is expanding, collectively improving operational transparency and responsiveness. These technological advancements not only optimise management models but also foster innovative service approaches. The ongoing integration of smart and digital capabilities is driving the industrial park property management services sector toward a more information-driven and intelligent future.

Talent Reserves for Professional Service Offerings. The industrial park, especially high-tech parks, have higher requirements for talent of property management services, such as security guards, cleaning staff and maintenance personnel. Therefore, it is a challenge for industrial park property management service providers to have sufficient talent reserve and establish effective training systems.

Entry Barriers of Industrial Park Property Management Services Market

Resource and Client Network Barrier. Established industrial park property management service providers have built extensive and stable networks over years of operation, including long-term partnerships with park enterprises, government agencies, upstream and downstream suppliers, and various service institutions. This multi-party collaborative resource integration enables synergies in investment promotion, supporting infrastructure, and value-added services, while also strengthening client relationship management. New entrants often require longer timeframes and higher investments to accumulate equivalent resources and networks, making it challenging to have competitiveness in the short term.

Brand and Reputation Barrier. When selecting property management service providers, industrial park clients generally place high importance on brand recognition, service reputation, and a proven record of contract fulfilment. Consistently high service quality, experienced management teams, and a portfolio of successfully operated parks significantly enhance market trust and recognition. Building such a reputation and brand equity typically takes years of steady operations, making it difficult for new entrants to gain comparable market credibility quickly.

Talent Barrier. Competition for high-level talent within industrial park property management service market is intense. Leading service providers attract and retain professionals in management, engineering, and safety through comprehensive training programs, career development pathways, and

incentive systems, ensuring operational continuity. In contrast, new entrants face considerable challenges in recruiting and retaining top-tier talent due to limited brand recognition and underdeveloped corporate reputation.

Experience Barrier. Managing an industrial park includes multiple domains, such as engineering and technical services, facility maintenance, safety management, commercial operations, administrative support, and smart park development, requiring strong integrated management and cross-functional coordination skills. Mature service providers usually have well-established service standards, digital management systems, and streamlined operational processes, enabling consistent quality and stability across all functions. Replicating or developing an equally management system within a short timeframe is challenging for new entrants.

Competitive Landscape of Industrial Park Property Management Services Market in China and Zhejiang Province

The industrial park property management services market in China continues to pursue high-quality development. The major market participants include comprehensive property management service providers, state-owned property management service providers, and specialised industrial park property management service providers. The comprehensive property management service providers possess strong brand influence, standardised operational systems, and procurement cost advantages, they are actively expanding into the industrial park property management service. The state-owned property management service providers have a deep understanding of local policies, and undertake roles in industrial cultivation and public service functions. Meanwhile, the specialised industrial park property management service providers focused on the industrial park field pursue growth in niche markets through refined services and tailored solutions. With increasingly intense competition, the focus of market competition has also evolved from basic services toward technology-driven operational efficiency, the development of green and low-carbon, and the provision of value-added services that collectively driving the industry toward higher value creation. As of December 31, 2025, the number of market participants in China's industrial park property management industry reached nearly 100.0 thousand. In terms of the total GFA under industrial park property management services, our Group accounted for approximately 0.2% in China.

The industrial park property management service market in Zhejiang Province demonstrated a diversified competitive landscape, characterised by the development of regionalisation, specialisation, and intelligence. With the accelerated expansion of industries such as the digital economy, high-end manufacturing, and new energy in Zhejiang Province, the demand for property management services in industrial parks has shifted from infrastructure maintenance to comprehensive services, driving the industry toward a model that integrates property management with industrial operations. Leading industrial park property management service providers, leveraging their capital strength and resource advantages, continue to deepen the application of innovative services such as smart management systems and green technologies. Meanwhile, local small and medium-sized enterprises are actively enhancing their specialised service capabilities in niche markets, gaining market share through differentiation strategies. As of December 31, 2025, the number of market participants in Zhejiang Province's industrial park property management services market reached nearly 6,000. In terms of total GFA and revenue of industrial park property management services in Zhejiang Province in 2025, the top five providers of property management services accounted for approximately 32.0% and 32.3% respectively. In terms of the total GFA and revenue of industrial park property management services, our Group accounted for approximately 1.4% and 1.3% in Zhejiang Province respectively.

In Jinhua City, the total GFA under management of industrial park property management services market reached approximately 33.9 million sq.m. in 2025, accounting for 14.1% of the total GFA under management of industrial park property management services market in Zhejiang Province. In terms of total GFA under industrial park property management services in Jinhua City in 2025, the top five providers of property management services accounted for approximately 39.6%, among which our Group ranked second, with a market share of approximately 8.0%.

Top Five Property Management Service Providers in Jinhua City by Total GFA Under Industrial Park Property Management Services in 2025

Ranking	Company Name	Listing Status	Headquarters	Market Share (%)
1	Company A	Listed	Zhejiang Province, China	15.7%
2	**Our Group**	**—**	**Hebei Province, China**	**8.0%**
3	Company B	Unlisted	Zhejiang Province, China	5.5%
4	Company C	Unlisted	Zhejiang Province, China	5.2%
5	Company D	Listed	Zhejiang Province, China	5.2%
Top 5				39.6%

Notes:

(1) GFA refers to the gross floor area under management for industrial park property management in Jinhua City.

(2) Yiwu is a county-level city under the jurisdiction of Jinhua, the industrial park property management service market in Jinhua City includes the corresponding market in Yiwu.

(3) Company A, founded in 1998, is headquartered in Zhejiang Province, China and is listed on The Stock Exchange of Hong Kong Limited. It provides property services, community living services, consulting services and others for customers. In 2025, its GFA under management of industrial park property management services in Jinhua city reached approximately 5.3 million sq.m.

(4) Company B, founded in 1999, is headquartered in Zhejiang Province, China, and is unlisted. It provides property management services, value-added services and others for customers. In 2025, its GFA under management of industrial park property management services in Jinhua city reached approximately 1.9 million sq.m.

(5) Company C, founded in 2024, is headquartered in Zhejiang Province, China, and is unlisted. It provides park property management services, value-added services, technical services and others. In 2025, its GFA under management of industrial park property management services in Jinhua city reached approximately 1.8 million sq.m.

(6) Company D, founded in 1995, is headquartered in Zhejiang Province, China, and is listed on The Stock Exchange of Hong Kong Limited. It provides property management services, value-added services to non-property owners, value-added services and others for customers. In 2025, its GFA under management of industrial park property management services in Jinhua city reached approximately 1.8 million sq.m.

Source: Annual Reports; Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis.

In Jinhua City, the total revenue of industrial park property management services market reached approximately RMB0.8 billion in 2025, accounting for 12.3% of the total revenue of industrial park property management services market in Zhejiang Province. In terms of total revenue of industrial park property management services in Jinhua City in 2025, the top five providers of property management services accounted for approximately 46.0%, among which our Group ranked second, with a market share of approximately 7.9%.

Top Five Property Management Service Providers in Jinhua City by Total Revenue of Industrial Park Property Management Services in 2025

Ranking	Company Name	Listing Status	Headquarters	Market Share (%)
1	Company A	Listed	Zhejiang Province, China	19.1%
2	**Our Group**	**—**	**Hebei Province, China**	**7.9%**
3	Company B	Unlisted	Zhejiang Province, China	6.5%
4	Company D	Listed	Zhejiang Province, China	6.4%
5	Company C	Unlisted	Zhejiang Province, China	6.1%
Top 5				46.0%

Notes:

(1) Yiwu is a county-level city under the jurisdiction of Jinhua, the industrial park property management service market in Jinhua City includes the corresponding market in Yiwu.

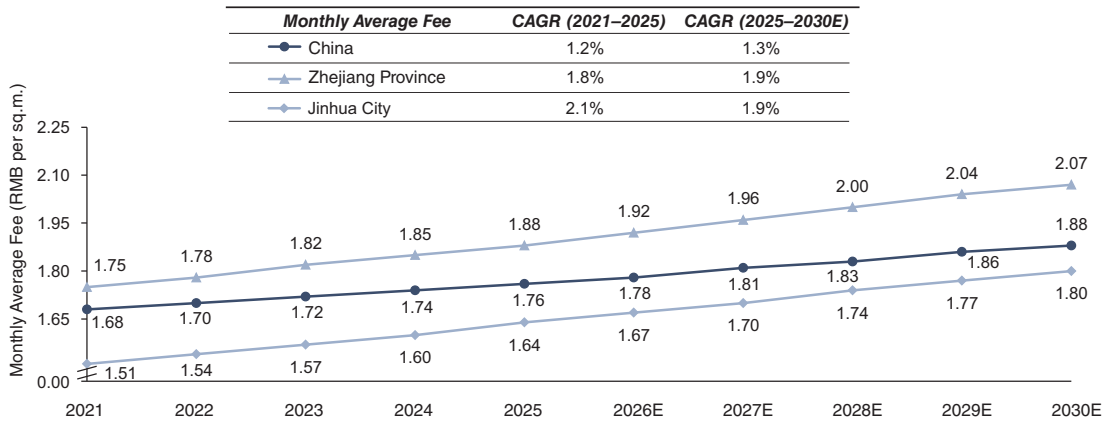
Source: Annual Reports; Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis.

Average Fee of Industrial Park Property Management Services Market

From 2021 to 2025, the monthly average fee of industrial park property management services market in China increased from RMB1.68 per sq.m. to RMB1.76 per sq.m., with a CAGR of 1.2%. In 2030, the monthly average fee of industrial park property management services market in China is expected to reach RMB1.88 per sq.m., with a CAGR of 1.3% from 2025 to 2030. From 2021 to 2025, the monthly average fee of industrial park property management services market in Zhejiang Province increased from RMB1.75 per sq.m. to RMB1.88 per sq.m., with a CAGR of 1.8%. In 2030, the monthly average fee of industrial park property management services market in Zhejiang Province is expected to reach RMB2.07 per sq.m., with a CAGR of 1.9% from 2025 to 2030. From 2021 to 2025, the monthly average fee of industrial park property management services market in Jinhua City increased from RMB1.51 per sq.m. to RMB1.64 per sq.m., with a CAGR of 2.1%. In 2030, the monthly average fee of industrial park property management services market in Jinhua City is expected to reach RMB1.80 per sq.m., with a CAGR of 1.9% from 2025 to 2030. The property management fee charged for industrial parks may vary depending on the nature and composition of the tenant companies within each park, as different types of enterprises have different operational and management requirements. For example, industrial parks with a higher concentration of technology-oriented companies may require more sophisticated property management services, including enhanced infrastructure support, stricter security and access control, higher standards of environmental management and more intensive facility maintenance.

As a result, industrial parks with more complex service requirements generally command higher management fees, whereas parks with more conventional manufacturing or logistics tenants may be charged at a relatively lower rate. In general, industrial park property management service companies find it difficult to adjust their management service fee to tenants and property owners. To achieve revenue growth, management service companies expand their value-added services such as commercial operation service.

Monthly Average Fee of Industrial Park Property Management Services Market (China, Zhejiang Province and Jinhua City), 2021–2030E

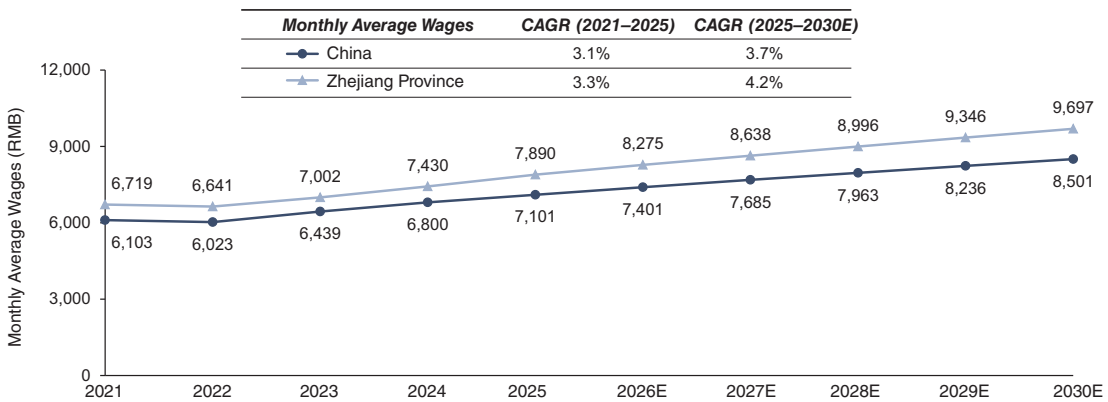


Source: Frost & Sullivan Analysis

Average Wages of Workers in Industrial Park Property Management Services Market

From 2021 to 2025, the monthly average wages of workers in industrial park property management services market in China increased from RMB6,103 to RMB7,101, with a CAGR of 3.1%. In 2030, the monthly average wages of workers in China are expected to reach RMB8,501, with a CAGR of 4.2% from 2025 to 2030. From 2021 to 2025, the monthly average wages of workers in industrial park property management services market in Zhejiang Province increased from RMB6,719 to RMB7,890, with a CAGR of 3.3%. In 2030, the monthly average wages of workers in Zhejiang Province are expected to reach RMB9,697, with a CAGR of 4.2% from 2025 to 2030.

Monthly Average Wages of Workers in Industrial Park Property Management Services Market (China and Zhejiang Province), 2021–2030E



Source: Frost & Sullivan Analysis

SOURCE AND RELIABILITY OF INFORMATION

In connection with the [REDACTED], we engaged an independent market research consultant, Frost & Sullivan, to conduct an analysis of, and to prepare an industry report on the industries where we operate with a commission fee of RMB350,000. Founded in 1961, Frost & Sullivan is an independent global consulting firm that conducts industry research and prepares industry report on a wide range of industries, among other services. The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report with its consent.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the collected data and information, and cross-check each respondent's information and expressions against those of others: (i) detailed primary research, which involved discussing the status of the industry with leading industry participants and industry experts; and (ii) secondary research, which involved reviewing published sources including reports of market participants, independent research reports and data based on Frost & Sullivan's own research database.

Frost & Sullivan adopted the following primary assumptions while making projections for preparing the Frost & Sullivan Report: (i) China's and Zhejiang Province's economy is likely to maintain steady growth in the next decade; (ii) China's and Zhejiang Province's social, economic, and political environment is likely to remain stable in the forecast period; and (iii) market drivers like upgrading industrial structure, integration of next-generation information technology, industry clusters development, and favourable policies, among others.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict, or have an impact on such information.

REGULATIONS RELATING TO CORPORATION AND FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People's Congress of the PRC (the "**SCNPC**") on 29 December 1993 and came into effect on 1 July 1994, and was last amended on 29 December 2023 and became effective on 1 July 2024. The Company Law of the PRC generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed. The Company Law of the PRC shall also apply to foreign invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall apply.

On 1 January 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**FIL**") and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) became effective and simultaneously replaced the trio of prior laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations. The FIL sets out the definition of foreign investment and the framework for promotion, protection and administration of foreign investment activities. On 30 December 2019, the Ministry of Commerce of the PRC (the "**MOFCOM**") and the State Administration for Market Regulation (the "**SAMR**") jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which came into effect on 1 January 2020 and pursuant to which, the establishment of the foreign invested enterprises by foreign investors and establishment through purchasing the equities of a non-foreign invested enterprise and its subsequent changes are required to submit an initial or change report through the Enterprise Registration System.

Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by, amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"), which were promulgated by the NDRC and the MOFCOM on 6 September 2024 and became effective on 1 November 2024 and the Catalogue of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (the "**Encouraging Catalogue**"), which was promulgated by the NDRC and the MOFCOM on 15 December 2025 and became effective on 1 February 2026, listed the categories of encouraged, restricted, and prohibited industries. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. According to the Negative List and the Encouraging Catalogue, as at the Latest Practicable Date, property management service industry does not fall within the scope of the Negative List and is not subject to special management measures.

PRC LEGAL SUPERVISION RELATING TO PROPERTY MANAGEMENT SERVICES

On 28 May 2020, the National People's Congress approved the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "**Civil Code**"), which came into effect on 1 January 2021 and replaced the Contract Law of the PRC (《中華人民共和國合同法》), the Property Law of the

PRC (《中華人民共和國物權法》) and several other basic civil laws in the PRC. The Civil Code, which basically follows the current regulatory principles of property management industry, forms the legal foundation for the property management services in the PRC.

Qualification of Property Management Enterprises

According to the Regulations on Property Management (《物業管理條例》) which was promulgated on 8 June 2003, came into effect since 1 September 2003, and was amended on 26 August 2007, 6 February 2016 and 19 March 2018, respectively, a qualification system for enterprises engaging in property management activities has been adopted.

In accordance with the Decision of the State Council on Cancelling the Third Batch of Administrative Licencing Items Designated by the Central Government for Implementation by Local Governments (《國務院關於第三批取消中央指定地方實施行政許可事項的決定》) promulgated by the State Council on 12 January 2017 and taking effect on the same day, the accreditation of Level 2 and Level 3 qualifications of property management enterprises were cancelled. According to the Decision of the State Council on Cancelling a Batch of Administrative Licencing Items (《國務院關於取消一批行政許可事項的決定》), which was promulgated by the State Council on 22 September 2017 and came into effect on the same day, the accreditation of Level 1 qualification of property management enterprises was cancelled.

In accordance with the Notice of the General Office of Ministry of Housing and Urban-Rural Development on Effectively Implementing the Work of Cancelling the Qualification Accreditation for Property Management Enterprises (《住房城鄉建設部辦公廳關於做好取消物業服務企業資質核定相關工作的通知》), which was promulgated on 15 December 2017 by the Ministry of Housing and Urban-Rural Development ("**MOHURD**") and became effective on the same day, application, change, renewal or re-application of the qualifications of property management enterprises shall not be accepted and the qualifications obtained already shall not be a requirement in any way for property management enterprises to undertake new property management businesses.

On 19 March 2018, the State Council issued Decision of the State Council to Amend and Repeal Certain Administrative Regulations (2018) (《國務院關於修改和廢止部分行政法規的決定(2018)》) (Order of the State Council No. 698), according to which the Regulations on Property Management (《物業管理條例》) was amended. The Regulations on Property Management (2018 revision) (《物業管理條例》(2018年修正)) has removed all the qualification requirements for the property management enterprises.

Appointment of the Property Management Enterprises

According to the Civil Code, a quorum for the general meeting of the property owners to engage or dismiss a property management enterprise shall consist of the property owners who holding more than two-thirds of exclusive areas and representing more than two-thirds of the total number of property owners and shall have affirmative votes of property owners who participate in the voting and hold more than half of the exclusive area owned by the voting owners and who represent more than half of the total number of property owners participating in voting. And the Civil Code clarifies that where the property owners have jointly decided on renewal of appointment pursuant to the law prior to expiry of the term of property management services, they shall enter into a new property management contract with the original property services provider prior to expiry of the contract period. In addition, if property owners do not renew the property management contract or engage a new property service provider upon expiration of the term of property management services and the property service provider continues to provide property services, the original property service contract shall continue to be valid without a fixed term. Each party may rescind the contract by sixty days' advance written notice to the other parties.

According to the Regulations on Property Management (2018 version), a general meeting of the property owners can engage or dismiss the property management enterprise with affirmative votes of owners who exclusively own more than half of the total construction area of the building(s) and who account for more than half of the total number of the property owners. The property owners' association may enter into a property management service contract on behalf of owners with the property management enterprise engaged in the owners' general meeting. Before the engagement of a property service enterprise by property owners and a general meeting of the property owners, a written preliminary service contract should be entered into between the property developer and the selected and engaged property service enterprise. The preliminary property management service contract may stipulate the contract term. However, if the property management service contract entered into by and between the property owners association and the property management enterprise comes into force within the term of the preliminary property management service, the preliminary property management service contract shall be terminated automatically.

In accordance with the Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》) (the "**Government Procurement Law**"), which was promulgated on 29 June 2002 and amended on 31 August 2014, public invitation of bids shall be the principal method of government procurement. Government procurement refers to behaviours of state organs at various levels, undertakings and social organisations that procure with fiscal funds commodities, engineering works and related services within the catalogue made for centralised procurement according to law or procure them in excess of their quotas. According to the Implementation Regulations for the Law of the People's Republic of China on Tenders and Bids (《中華人民共和國招標投標法實施條例》) which was latest amended on 2 March 2019, and taking effect on the same day, where the tender invitation and bidding activities of a project required by law to call for tenders violate the provisions of the Tender Law and these Regulations, and have a substantive influence on the outcome of award of tender, if it is impossible to adopt remedial measures to rectify, the tender invitation, bidding, award of tender shall be void, the tender exercise or bid evaluation shall be organised anew pursuant to the law.

Property Management Service Charges

According to the Regulations on Property Management (《物業管理條例》), the property owners shall pay property management fee based on the property management service contract. As for the properties which have been completed but have not been sold or delivered to the purchasers of the properties, property management fee shall be paid by the developer.

According to the Measures on the Charges of Property Service Enterprise (《物業服務收費管理辦法》) (the "**Measures on the Charges**"), which was jointly promulgated by the NDRC and the Ministry of Construction on 13 November 2003 and came into effect on 1 January 2004, property management enterprises are permitted to charge fees from owners for the repair, maintenance and management of houses and ancillary facilities, equipment and venues and maintenance of the sanitation and order in relevant regions according to the property service contract. Property management service charges shall be priced under the government's guidance and market regulation respectively based on the nature and characteristics of different properties. In what way the charges are priced shall be determined by the competent administrative departments of price under the people's governments of all provinces, autonomous regions and municipalities, in concert with the competent departments of real estate. The property management service fees charged nationwide are supervised and regulated by the competent price administration department and construction administration department of the State Council. The competent price administration department of the local people's governments at or above the county level and the competent construction administration departments at the same level are responsible for supervising and regulating the property management service fees charged in their respective administrative regions.

Dependent on the agreement between the property owners and property management enterprises, the fees for the property management services can be charged either as a lump sum basis or a management remuneration basis. The lump sum basis refers to the charging mode requiring property owners to pay fixed property management expenses and allowing property management enterprises to enjoy or assume the surplus or deficit. The commission basis refers that property management enterprises may collect its service fee in the proportion or amount as agreed from the property management income in advance, the rest of which shall be exclusively used on the items as stipulated in the property management service contract, and property owners shall enjoy or assume the surplus or deficit.

In accordance with the Measures on the Charges, except the circumstance where the government guidance price shall be implemented, the market-based price applies to the property management service fees. The standard of such fees is determined by the property management enterprise and the developer or property owners through negotiation.

According to the Provisions on Clearly Marking the Prices of Property Services (《物業服務收費明碼標價規定》), which was jointly promulgated by the NDRC and the Ministry of Construction on 19 July 2004 and came into effect on 1 October 2004, property management enterprises, during their provision of services to the property owners (including the property management services as stipulated in the property service contract as well as other services requested by property owners), shall charge service fees at expressly marked prices, and display their service items, standards and other related contents. In case there is any change to the pricing standard, the property management enterprise shall adjust the related contents displayed and indicate the execution date of new standards one month prior to the implementation of the new standards.

According to the Property Management Pricing Cost Supervision and Examination Approaches (Trial) (《物業服務定價成本監審辦法(試行)》) which was jointly promulgated by the NDRC and the Ministry of Construction on 10 September 2007 and came into effect on 1 October 2007, the competent price administration departments of people's government shall formulate and regulate the property management service charging standard and conduct pricing cost supervision and examination on relevant property management service enterprises. Property management service pricing cost is determined according to the social average cost of property management services verified by the competent price administration department of people's government. With the assistance of competent real estate administrative departments, competent price administration departments are responsible to organise the supervision and examination of the property management service pricing cost. Property management service pricing cost shall include staff costs, expenses for daily operation and maintenance on public facilities and equipment located at public places, green conservation costs, sanitation fee, order maintenance cost, insurance premiums for public facilities and equipment located at public places of the property and for public liability, office expenses, shared administration fee, fixed assets depreciation and other fees approved by property owners.

According to the Administrative Measures of Zhejiang Province on Property Management Service Charges (Trial) (《浙江省物業服務收費管理實施辦法(試行)》), which was promulgated by the Price Bureau of Zhejiang Province and the Ministry of Construction of Zhejiang Province on 28 March 2005 and came into effect on 1 May 2005, the fees charged by property management enterprises shall be determined with references to the government guidance prices or market prices, which are set based on different situations, including the type of relevant property to which the property management services are provided, the stage of the property management services and the nature and features of the property management services provided. The preliminary property management service charges for ordinary residential properties (excluding high-standard residential properties such as villas) shall comply with government guidance price; the property management service charges for non-residential properties, high-standard residential properties such as villas and ordinary residential properties after the establishment of property owners' associations shall be determined by the market.

Property Management Service Outsourcing

According to the Regulations on Property Management (《物業管理條例》), a property service enterprise may outsource a specific service within the property management area to a specialised service enterprise, but it shall not outsource all the property management business within such area to third parties.

Security and Guarding Service

According to the Regulation on the Administration of Security and Guarding Services (《保安服務管理條例》), which was promulgated by the State Council on 13 October 2009 and became effective on 1 January 2010, and was amended on 29 November 2020 and 29 March 2022, respectively, an entity employing security guards by itself shall, within 30 days after the start of security and guarding services, go through the filing formalities in the public security organ of the people's government of the local districted city.

POLICIES AND REGULATIONS ON THE REAL ESTATE

In August 2020, the People's Bank of China ("**PBOC**") and the MOHURD jointly formulated the "Three Red Lines" policy to monitor the leverage ratio and regulate the ability of the real estate enterprises to incur additional debt. The "Three Red Lines" refer to certain financial metrics of a real estate enterprise: (i) the liabilities to assets ratio after excluding advances received from customers shall not exceed 70%; (ii) the net gearing ratio shall not exceed 100%; and (iii) cash to short-term borrowing ratio shall not be less than one. The real estate enterprises that fail to meet all three ratios shall not increase the amount of interest-bearing borrowings; the real estate enterprises that fail to meet two of the three ratios may only increase the amount of interest-bearing borrowings by 5%. each year; the real estate enterprises that fail to meet one of the three ratios may only increase the amount of interest-bearing borrowings by 10% each year; and the real estate enterprises that meet all three ratios may increase the amount of interest-bearing borrowings by 15% each year. PRC central and local governments also released support measures from time to time, including without limitation, a series of policies adopted since 2023 to boost sales of residential properties, to ensure the steady and orderly growth of real estate financing, to promote a virtuous cycle between finance and real estate, and to improve the macro-prudential management of real estate financing.

Based on our Directors' consultation with the Parent Group and to their best knowledge, as at the Latest Practicable Date, members of the Parent Group had not been required by the competent authorities to submit its financial statements on a regular basis to ensure its compliance with the requirements set forth in the Three Red Lines policy.

Based on the anonymous telephone consultation conducted by the PRC Legal Advisers with local branches of the PBOC in Jinhua, Yiwu and Shaoxing, where are the main locations of our managed projects developed by our Parent Group, the Three Red Lines policy is not in official writing and the implementation of the Three Red Lines policy depends on the individual commercial banks. Based on the consultation with three commercial bank branches which the Parent Group obtained external financing, the ability of the Parent Group to obtain external financing had not been materially adversely affected since the "Three Red Lines" policy was proposed given that the Parent Group principally engages in industrial property development which do not fall within the scope of the "Three Red Lines" policy. As confirmed by our Directors after consulting with our Parent Group, the Parent Group has no financial difficulties during the Track Record Period and up to the Latest Practicable Date and has obtained external financing from banks since the introduction of the "Three Red Lines" policy without submitting its financial statements for the assessment of the "Three Red Lines" policy. As at 30 June 2026, to the best knowledge of our Directors after consulting our Parent Group, it had about six property projects under development or held for development in the PRC.

As at 30 June 2026, 12 of our managed projects were sourced from our Parent Group and 10 of our managed projects were sourced from seven different Independent Third Parties. We had secured projects from a diverse range of property developers and will continue to procure new projects from various property developers. In addition our service agreements of the property management projects to be awarded to the Group from the Parent Group and other independent property developers have not been terminated due to such policies during the Track Record Period.

As advised by our PRC Legal Advisers, based on the forgoing, such policies have not brought or pose material adverse impact on the fulfilment of our service agreements of relevant property management projects during the Track Record Period. Based on the forgoing, our Directors are of the view, and the Sole Sponsor concurs that, the "Three Red Lines" policy has not brought or is not expected to pose any material adverse impact on the property management projects to be awarded to the Group from the Parent Group and other independent property developers with which the Group has material relationships.

REGULATIONS ON THE MANAGEMENT OF LEASE HOUSING

Pursuant to (i) the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on 5 July 1994 and latest amended on 26 August 2019 and took effect on 1 January 2020, and (ii) the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on 1 December 2010 and came into effect on 1 February 2011, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. If the lessor and lessee fail to go through the registration and filing procedures, both lessor and lessee may be subject to fines.

PRC LAWS AND REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Trademark

The Trademark Law of the People's Republic of China (《中華人民共和國商標法》) was promulgated by the SCNPC on 23 August 1982, implemented on 1 March 1983, and most recently revised on 26 June 2026, with implementation from 1 January 2027. The Regulations for the Implementation of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) were issued by the State Council on 3 August 2002, implemented on 15 September 2002, and most recently revised on 29 April 2014, with implementation from 1 May 2014. According to these laws and regulations, the validity period of a registered trademark is 10 years from the date of approval. To continue using a trademark upon the expiry of its validity, renewal procedures must be completed in accordance with the provisions within the 12 months preceding expiration. If renewal procedures are not completed within this period, a six-month extension is allowed. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period. Trademark registrants may authorise others to use their registered trademarks by signing trademark licencing agreements.

Domain Name

The Internet Domain Name Management Measures (《互聯網域名管理辦法》) were issued by the MIIT on 24 August 2017, and implemented on 1 November 2017. According to these management measures, the MIIT is the primary regulatory authority for the management of Internet domain names in

China. Domain name registration is processed through domain name root servers and their operating institutions, domain name registration management institutions and domain name registration service institutions established in accordance with the relevant regulations.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the PRC Labour Law (《中華人民共和國勞動法》), the PRC Labour Contract Law (《中華人民共和國勞動合同法》) (the "**Labour Contract Law**") and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labour Law of the People's Republic of China (《中華人民共和國勞動法》) was promulgated by the SCNPC on 5 July 1994, implemented on 1 January 1995, and most recently revised and implemented on 29 December 2018. The Labour Law of the People's Republic of China stipulates matters related to promoting employment, labour contracts, working hours, rest and leave, wages, labour safety and hygiene, special protection for female and minor workers, vocational training, social insurance and welfare, labour disputes, supervision and inspection, as well as legal liabilities.

The Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) was issued by the SCNPC on 29 June 2007, implemented on 1 January 2008, and most recently revised on 28 December 2012, with the revision taking effect on 1 July 2013. The Implementation Regulation of the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》) were issued and implemented by the State Council on 18 September 2008. According to the aforementioned law and regulation, a written labour contract shall be established when forming a labour relationship. Employers shall not force employees to work overtime and must pay overtime wages according to national regulations if overtime is arranged. Wages must not be lower than the local minimum wage standard and must be paid to employees promptly.

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the "**Social Insurance Law**") issued by the SCNPC in 2010 and latest amended on 29 December 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on 22 January 1999 and most recently amended on 24 March 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

On 31 July 2025, the PRC Supreme People's Court promulgated the Supreme People's Court's Interpretation (Il) on Several Issues Concerning the Application of Law in Labour Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on 1 September 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or

undertaking invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labour contract and claims economic compensation from the employer pursuant to Article 38(3) of the PRC Labour Contract Law, the People's Court shall support such claims in accordance with the law, which clarifies that employees are entitled to request termination of their labour contracts and receive corresponding economic compensation under the PRC Labour Contract Law if the employer fails to make social insurance contributions in accordance with the law.

Housing Provident Fund

Pursuant to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), which was promulgated on 3 April 1999 and last revised on 24 March 2019, employers in Mainland China shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, occupational injury insurance and housing provident fund. Employers who fail to contribute to the above social insurance and housing provident funds may be subject to a fine and ordered to make full payment within a prescribed time period. If an employing entity fails to make the payment towards the social insurance and housing provident funds within a prescribed time limit, an application may be made to a people's court for enforcement.

REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on 29 January 1996, effective on 1 April 1996 and last amended on 5 August 2008, and the Administrative Regulations on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》) promulgated by the People's Bank of China on 20 June 1996 and effective on 1 July 1996, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transactions and their consistency with foreign exchange receipts and payments, but are not freely convertible for capital expenditure items such as direct investment, loans or investments in securities outside the PRC unless the approval of the SAFE or its local counterparts is obtained in advance.

According to the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) announced by SAFE and effective on 9 June 2016, and the Notice of the State Administration of Foreign Exchange on Further Deepening Reform to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) announced and effective on 4 December 2023, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. SAFE may adjust the above proportion in due time according to the balance of payments. While eligible for the discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not, directly or

indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state. Unless otherwise specified, the funds shall not, directly or indirectly, be used for investments in securities or other investments or wealth management other than banks' principal-secured products. The funds shall not be used for the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope. The funds shall not be used for the construction or purchase of real estate for purposes other than self-use (except for real estate enterprises).

According to the Circular on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business by the State Administration of Foreign Exchange (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by SAFE on 10 April 2020, eligible enterprises are allowed to make domestic payments by using receipts under capital accounts, such as their capital funds, foreign credits and the income from overseas listing, with no need to provide the evidentiary materials concerning authenticity on a transaction-by-transaction basis to banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of receipts under capital accounts. Local foreign exchange authorities shall strengthen monitoring analysis and interim and post regulation.

REGULATIONS ON TAXATION

Enterprise Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**") which was promulgated on 16 March 2007 and amended on 24 February 2017 and 29 December 2018, a unified income tax rate of 25% will be applied towards foreign investment and foreign enterprises which have set up institutions or facilities in the PRC as well as PRC enterprises. Under the EIT Law, enterprises established outside of China whose "defacto management bodies" are located in China are considered "resident enterprises" and will generally be subject to the unified 25% enterprise income tax rate as to their global income.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例》) amended by the State Council and became effective on 19 November 2017 and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值税暫行條例實施細則》) amended by the MOF on 28 October 2011 and effective on 1 November 2011, all entities and individuals in the PRC engaging in the sale of goods, the provision of processing, repairs and replacement services, and the importation of goods are required to pay value-added tax. For taxpayers selling or importing goods, the general tax rate shall be 17% unless otherwise specified in the aforesaid regulations.

According to the Notice on the Adjustment to VAT Rates (《財政部、國家税務總局關於調整增值税税率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and the State Administration of Taxation on 4 April 2018, and became effective as of 1 May 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》) (2019 No. 39 of MOF, State Administration of Taxation and General Administration of Customs), promulgated by the MOF, the State Administration of Taxation and the General Administration of Customs on 20 March 2019 and became effective on 1 April 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

On 25 December 2024, the SCNPC promulgated the VAT Law of the PRC (《中華人民共和國增值税法》), which will come into effective on 1 January 2026, and replace the Provisional Regulations on Value-added Tax of the PRC.

Tax on Dividends

For Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), or the Individual Income Tax Law, amended by the SCNPC on 31 August 2018 and effective on 1 January 2019, and the Implementation Rules of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得税法實施條例》) amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC on 7 September 2015 and effective on 8 September 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷税漏税的安排》第五議定書), or the Fifth Protocol, issued by The State Administration of Taxation and effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

For Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), or the EIT Law, amended by the SCNPC and effective on 29 December 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), or the Implementation Rules of the EIT Law, last amended by the State Council on 6 December 2024 and effective on 20 January 2025, a non-resident enterprise is subject to a reduced rate of 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced

income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation and effective on 6 November 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) promulgated by the State Administration of Taxation and effective 24 July 2009 further provides that PRC-resident enterprises listed on Chinese and overseas stock exchanges by issuing stocks (including A shares, B shares and overseas shares) must withhold enterprise income tax at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《所得稅避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification.

Tax related to equity transfer income

For Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realised on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and The State Administration of Taxation and became effective on 30 March 1998, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The State Administration of Taxation does not specify whether to continue to exempt individuals from personal income tax on the income from the transfer of shares in listed company in the newly revised EIT Law and Implementation Rules of the EIT Law.

For Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. The aforementioned income tax payable by non- PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under applicable tax treaties or arrangements.

Stamp Duty

According to the Stamp Duty Law of the People's Republic of China (《中華人民共和國印花税法》), which was promulgated on 10 June 2021 and came into effect on 1 July 2022, the disposal of H Shares by non-mainland China investors outside of the mainland China is not subject to the requirements of the Stamp Duty Law of the People's Republic of China.

REGULATIONS RELATING TO OVERSEAS OFFERING AND LISTING

On 17 February 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and relevant five guidelines, which came into effect on 31 March 2023. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (the "**Overseas Offering and Listing**"), are required to fulfil the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Subject to specific circumstances, the Overseas Listing Trial Measures require that, among other things, (i) initial public offerings or listings on overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas. If a PRC company fails to complete the filing procedure or the filing documents submitted by a PRC company contain misrepresentation, misleading statement or material omission, such PRC company may be subject to order to rectify, warnings and fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly responsible persons may also be subject to fines.

Based on the foregoing, our PRC Legal Advisers are of the view that we need to complete the filing procedures with the CSRC in connection with the [REDACTED] pursuant to the Overseas Listing Trial Measures. We submitted a filing to the CSRC for application of the [REDACTED] and the [REDACTED] on 5 January 2026.

The Overseas Listing Trial Measures also set forth the issuer's reporting obligations in the event of occurrence of material events (the "**Material Events**") after the Overseas Offering and Listing. If the overseas offering and listing has been deemed as indirect Overseas Offering and Listing by PRC domestic enterprises, the issuer shall make a detailed report to the CSRC within 3 working days after the occurrence and public announcement of the relevant event: (i) change in controlling rights; (ii) being subject to investigation, punishment or other measures by overseas securities regulatory authorities or the relevant authorities; (iii) changing listing status or changing the listing board; or (iv) voluntary or compulsory termination of listing. Besides, if any material change in the principal business and operation of the issuer after its Overseas Offering and Listing makes the issuer no longer within the

scope of record-filing, the issuer shall submit a special report and a legal opinion issued by a PRC domestic law firm to the CSRC within 3 working days after the occurrence of the relevant change to provide an explanation of the relevant situation. According to the Overseas Listing Trial Measures, the PRC domestic enterprises engaging in Overseas Offering and Listing activities shall strictly comply with the PRC laws, administrative regulations, and relevant provisions on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interests and the legitimate rights and interests of domestic investors. The PRC domestic enterprise that conducts Overseas Offering and Listing shall (i) formulate its articles of association, improve its internal control system and standardise its corporate governance, financial affairs and accounting activities in accordance with the PRC Company Law, the PRC Accounting Law and other PRC laws, administrative regulations and applicable provisions; (ii) abide by the legal system of the PRC on confidentiality and take necessary measures to implement the confidentiality responsibility, shall not divulge any state secret or the work secrets of state authorities, and shall also comply with laws, administrative regulations and the relevant provisions of the PRC where involved in the overseas provisions of personal information and important data.

In addition, the Overseas Listing Trial Measures also provides the circumstances where the Overseas Offering and Listing is explicitly prohibited, including: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the Overseas Offering and Listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the PRC domestic enterprise, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic enterprise is currently under investigations for suspicion of criminal offences or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

On 24 February 2023, the CSRC together with National Administration of State Secrets Protection and National Archives Administration of China have promulgated the Provisions on Strengthening the Confidentiality and File Management of Domestic Enterprises Related to Overseas Issuance of Securities and Listing (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), according to which, during the overseas offering and listing activities of domestic enterprises, domestic enterprises, securities companies and securities service providers providing corresponding services shall strictly abide by the relevant PRC laws and regulation as well as the requirements of the provisions, enhance legal awareness of guarding state secrets and strengthening the management of archives, establish and complete systems for confidentiality and archives work, employ necessary measures to implement the responsibility for confidentiality and archives management, and shall not divulge state secrets and work secrets of state organs, and shall not harm the interests of state and the public. If domestic enterprises provide or publicly disclose to relevant securities companies, securities service institutions, overseas regulatory agencies and other parties, or provide or publicly disclose documents and materials involving state secrets or state organ work secrets through the issuer, they shall report the matters to the competent authorities for examination and approval, and file them with the department for the administration and management of state secrets at the same level for the record.

FUND MANAGEMENT FOR OVERSEAS LISTING OF DOMESTIC ENTERPRISES

The PBOC and the SAFE promulgated the Notice on Issues Concerning the Management of Funds for Overseas Listing of Domestic Enterprises (hereinafter referred to as "**Circular 252**") on December 24, 2025, which was implemented on April 1, 2026. According to Circular 252, a joint stock limited company registered in the territory that directly issues securities overseas or issues overseas depository receipts ("**Overseas Listing**") upon filing with the CSRC shall, within 30 working days from the first

trading day of its Overseas Listing or upon completion of the over-allotment, take relevant materials to the competent bank at its place of registration to apply for Overseas Listing registration; funds raised from Overseas Listing shall, in principle, be repatriated to the territory in a timely manner. If the funds raised by a domestic enterprise from Overseas Listing are repatriated in foreign currency, they shall be remitted to the capital account — settlement account for deposit and use, and can be settled at its discretion; if repatriated in RMB, they can be remitted to the capital account — settlement account or domestic RMB bank settlement account for deposit and use; the use of funds raised from Overseas Listing shall be consistent with the relevant contents listed in publicly disclosed documents such as the document or corporate bond offering circular, shareholders' circular, resolutions of the board of directors or shareholders' general meeting.

H-share Full Circulation

"Full circulation" means listing and circulating on the stock exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On 14 November 2019, the CSRC issued the Guidelines for the "Full Circulation" Programme for Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》) (the "**Guidelines for the Full Circulation**"), which was partly revised on 10 August 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》).

According to the Guidelines for the Full Circulation, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for full circulation. To apply for full circulation, an H-share listed company shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. After the application for full circulation has been approved by the CSRC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the registration with CSDCC of the shares related to the application has been completed. On 31 December 2019, CSDCC and the Shenzhen Stock Exchange ("**SZSE**") jointly announced the Measures for Implementation of H-share Full Circulation Business (《H股「全流通」業務實施細則》) (the "**Measures for Implementation**"). The businesses in relation to the H-share full circulation business, such as cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. are subject to the Measures for Implementation.

The Guidelines to the Programme for "Full Circulation" of H-shares of Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (《中國證券登記結算有限責任公司深圳分公司H股「全流通」業務指南》) was issued by Shenzhen Branch of CSDC on 20 September 2024, and were revised on 30 June 2025, which are applicable to the business preparation, cross-border share transfer registration and overseas centralised custody, the initial maintenance of details of domestic shareholding and the maintenance of its changes, corporate actions, clearing, settlement and risk management measures. On 20 September 2024, China Securities Depository and Clearing (Hong Kong) Company Limited also issued the H-Share Full Circulation Business Guide of China Securities Depository and Clearing (Hong Kong) Limited (《中國證券登記結算(香港)有限公司H股「全流通」業務指南》), which is applicable to businesses such as share custody and depository, agent service, arrangement for settlement and delivery, and risk management measures.

BUSINESS DEVELOPMENT

Overview

Our history dates back to 2019 when our principal subsidiary, Zhejiang Lianji, was established as a limited liability company under the laws of the PRC. Since then, we have developed our business as a comprehensive property management service provider, specialised in industrial parks in China.

Key Milestones

The following table sets out the key milestones in our business development:

Year	Milestone
2019	• Our principal subsidiary, Zhejiang Lianji (formerly known as Yiwu Lianji Property Service Co., Ltd.* (義烏市聯吉物業服務有限責任公司)), was established.
	• We undertook the property management services of Jinyi Jicheng Small Enterprise Park (金義吉成小微企業園), which marked our first business project for the provision of property management service.
	• We undertook the property management services of Qianjin Jicheng Small Enterprise Park (千金吉成小微企業園), demonstrating our market expansion into Huzhou City, Zhejiang Province.
2020	• We officially obtained the ISO certifications for Quality Management, Occupational Health and Safety Management, and Environmental Management Systems.
2021	• Jinyi Jicheng Small Enterprise Park (金義吉成小微企業園), the digitalisation of which was facilitated and managed by us, was recognised as a provincial-level digital demonstration park (省級數字化示範園區).
	• We undertook the property management services of Lanxi Hongtu Smart Technology Industrial Park (蘭溪市鴻圖智能科技產業園), which marked our first time to operate and manage an external state-owned enterprise project.
2022	• We undertook the property management services of Chengde Jicheng Industrial Park (承德吉成產業園), demonstrating our market expansion from Zhejiang Province to Hebei Province.
	• We cooperated with an external energy technology company and introduced solar energy services into our managed projects.
2023	• We expanded our business from basic property management services to commercial operation services under value-added services. This move brought us steady, long-term business growth and revenue.
	• We were awarded the Property Management Service Enterprise Qualification Level Certificate National Level 1 (物業管理服務企業資質等級證書國家一級).

Year	Milestone
2024	• Our Company was established as a joint stock company in the PRC to act as the holding company of our Group following the Reorganisation.
2025	• We were awarded as one of the 2025 National Top 30 Comprehensive Capacity of Light Asset Service Providers in Industrial Parks (2025全國園區輕資產服務商綜合能力30強).
	• We undertook the property management services of Linxiang Jicheng International Outdoor Leisure Industrial Park (臨湘吉成國際戶外休閒產業園) and Guangdong Yangjiang Jicheng Smart Home Industrial Park (廣東陽江吉成智能家居產業園), demonstrating our market expansion into Hunan and Guangdong Provinces respectively.
	• We entered into a strategic cooperation agreement with a central state-owned enterprise. Together, we won the bid for the full-cycle service of the "Industry 4.0" Innovative Industrial Park ("工業4.0"創新產業園) located in Jiangkou Street, Huangyan District, Taizhou City, which was the first "Engineering, Procurement, Construction plus Operation" project implemented and operated by us.
2026	• Two industrial parks managed by us, namely Houzhai Cultural and Creative Park (後宅文創園) and Pujiang Jicheng Industrial Park (浦江吉成產業園), were awarded as the Provincial Four-Star Small and Micro Enterprise Park (省級四星級小微企業園), and the Provincial Characteristic Industrial Park (省級特色產業園) respectively by the Department of Economy and Information Technology of Zhejiang Province.

IMMEDIATELY PRIOR TO THE REORGANISATION

Shareholding and Corporate Structure Prior to the Reorganisation

Prior to the Reorganisation, Zhejiang Lianji was the holding company of the businesses and assets of our Group. Set out below are the major shareholding changes in Zhejiang Lianji before the Reorganisation.

- On 7 May 2019, Zhejiang Lianji was incorporated in the PRC with the initial registered capital of RMB5,000,000. On the date of incorporation, registered capital of RMB5,000,000 were subscribed by Zhejiang Panglong, which was held by Ms. Liu and Mr. Zhou as to 70.0% and 30.0%, respectively, and Zhejiang Jicheng, which was an indirect wholly-owned subsidiary of Zhejiang Panglong, as to 60.0% and 40.0% respectively.

- Pursuant to the resolution of the shareholders' meetings dated 23 May 2019, Zhejiang Panglong and Zhejiang Jicheng agreed to transfer all their respective equity interest in Zhejiang Lianji to Yiwu Lianji. Upon completion of the said transfer, Zhejiang Lianji was held as to 100.0% by Yiwu Lianji, which was held by Zhejiang Panglong as to 100.0%.

- On 13 February 2023, the registered capital of Zhejiang Lianji was increased to RMB50,000,000 and held as to 100.0% by Yiwu Lianji.

REORGANISATION

We implemented our Reorganisation in preparation for the [REDACTED] to incorporate our Company as the holding company of our Group and the vehicle of the [REDACTED], and to consolidate our business operations under our Company. Our Reorganisation had the following steps:

Incorporation of our Company

Our Company was established as a joint stock company in the PRC on 25 December 2024 with an initial registered capital of RMB3,000,000 to act as the holding company of our Group following the Reorganisation. Upon its establishment, our Company was owned as to 100.0% by Zhejiang Panglong, which was held by Ms. Liu and Mr. Zhou as to 70.0% and 30.0%, respectively.

Acquisition of Zhejiang Lianji by our Company

As part of the Reorganisation, pursuant to an equity gratuitous transfer agreement dated 15 January 2025, Yiwu Lianji transferred 100.0% equity interest in Zhejiang Lianji to our Company in the form of equity gratuitous transfer (股權劃轉) as the shareholding restructuring between our Group and our Parent Group. Upon completion of the said transfer, Zhejiang Lianji was held as to 100.0% by our Company.

Acquisition of Zhejiang Zhanxu

Zhejiang Zhanxu was principally engaged in provision of fire safety and repair services to our Group. To minimise continuing connected transactions and as part of the Reorganisation, pursuant to an equity transfer agreement dated 21 May 2025, Zhejiang Lianji acquired 51.0% equity interest in Zhejiang Zhanxu from Zhejiang Xingchi New Energy Technology Co., Ltd.* (浙江興馳新能源科技有限公司), a company controlled by our Controlling Shareholders, at nil consideration as the shareholding restructuring between our Group and our Parent Group. Upon completion of the said transfer, Zhejiang Zhanxu was held as to 51.0% by Zhejiang Lianji and the remaining 49.0% by Yiwu Lianjie Fire Protection Technology Co., Ltd.* (義烏市聯捷消防科技有限公司), an Independent Third Party (save for its interest in Zhejiang Zhanxu).

Disposal of Chengde Lianji

Chengde Lianji Technology Co., Ltd.* (承德聯吉科技有限公司) ("**Chengde Lianji**") has no material business operations. To simplify our corporate structure and as part of the Reorganisation, pursuant to an equity transfer agreement dated 2 July 2025, our Company disposed the entire equity interest in Chengde Lianji to Zhejiang Jicheng at nil consideration as the shareholding restructuring between our Group and our Parent Group.

Establishment of Taizhou Lianji

For our business development, on 11 November 2025, we established Taizhou Lianji, which will be one of our operating entities for our managed projects. Taizhou Lianji is held as to 70% and 30% by Zhejiang Lianji and Taizhou Caigen Industrial Operation Co., Ltd.* (台州菜根產業運營有限公司), an Independent Third Party (save for its interest in Taizhou Lianji), respectively.

Increase in Registered Share Capital

Pursuant to the Shareholders' resolution on 1 December 2025, our registered capital was increased by RMB33,000,000, with RMB19,000,000 from capitalisation of undistributed profits, RMB7,000,000 from capitalisation of capital reserves, and RMB7,000,000 as a cash contribution. The increase in registered capital was completed on 15 December 2025, and as a result, the registered capital of our Company increased from RMB3,000,000 to RMB36,000,000.

Investment in Lanxi Jiuyu

Lanxi Jiuyu is principally engaged in provision of basic property management and value-added services. As part of our business strategies of formation of corporation with targeted project developers for provision of preliminary management services, Zhejiang Lianji entered into an equity transfer agreement dated 16 January 2026 with Jiuyu (Shanghai) Technology Co., Ltd.* (九聿(上海)科技有限公司) ("**Jiuyu Technology**"), an Independent Third Party (save for its interest in Lanxi Jiuyu), pursuant to which Zhejiang Lianji acquired 55.0% equity interest in Lanxi Jiuyu from Jiuyu Technology at nil consideration as Lanxi Jiuyu was then a newly established vehicle and its registered share capital in the amount of RMB500,000 had not been paid up. Subsequently, Zhejiang Lianji and Jiuyu Technology entered into an investment cooperation agreement dated 26 February 2026 regarding, among others, the contribution of registered share capital in proportion to their shareholdings as well as their respective rights and obligations in relation to Lanxi Jiuyu.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Save as disclosed in "Reorganisation" in this section above and the changes of equity interest in our subsidiaries disclosed in "Our Subsidiaries" in this section below, during the Track Record Period and up to the Latest Practicable Date, we did not conduct any other major acquisitions, disposals or mergers.

OUR SUBSIDIARIES

As at the Latest Practicable Date, our Company has 12 subsidiaries, namely, Zhejiang Lianji, Wuyi Lianji, Tongxiang Lianji, Jinhua Lianji, Huzhou Lianji, Lishui Lianji, Dongyang Lianji, Lanxi Lianji, Zhejiang Zhanxu, Taizhou Lianji, Lanxi Jiuyu and Yiwu Zhongwei.

Name of subsidiary	Place of incorporation	Date of incorporation	Registered capital as at the Latest Practicable Date	Principal business activities	Equity interest held by our Group as at the Latest Practicable Date	Major shareholding changes during the Track Record Period
Zhejiang Lianji	PRC	7 May 2019	RMB50,000,000	Provision of basic property management and value-added services	100.0% by our Company	Pursuant to the equity transfer agreement dated 15 January 2025, our Company acquired the entire issued equity interest in Zhejiang Lianji from Yiwu Lianji. For details, please see "Reorganisation" in this section.

Name of subsidiary	Place of incorporation	Date of incorporation	Registered capital as at the Latest Practicable Date	Principal business activities	Equity interest held by our Group as at the Latest Practicable Date	Major shareholding changes during the Track Record Period
Wuyi Lianji	PRC	30 March 2023	RMB1,000,000	Provision of basic property management and value-added services	100.0% by Zhejiang Lianji	Pursuant to the equity transfer agreement dated 29 July 2025, Zhejiang Lianji acquired 30.0% equity interest in Wuyi Lianji from Zhou Yueping (周月萍), an Independent Third Party (save for her interest in Wuyi Lianji).
Tongxiang Lianji	PRC	7 June 2021	RMB30,000,000	Provision of basic property management and value-added services	100.0% by Zhejiang Lianji	Nil
Jinhua Lianji	PRC	24 June 2021	RMB1,000,000	Provision of basic property management and value-added services	100.0% by Zhejiang Lianji	Nil
Huzhou Lianji	PRC	10 November 2022	RMB20,000,000	No business operations commenced as at the Latest Practicable Date	70.0% by Zhejiang Lianji (and the remaining 30.0% by Min Jianghua (閔江華), an Independent Third Party (save for his interest in Huzhou Lianji))	Pursuant to the equity transfer agreement dated 2 April 2024, Min Jianghua (閔江華) acquired 30.0% equity interest in Huzhou Lianji from Zhejiang Lianji.
Lishui Lianji	PRC	16 October 2023	RMB5,000,000	No any business operations commenced as at the Latest Practicable Date	51.0% by Zhejiang Lianji (and the remaining 49.0% by Lishui Yilai Commercial Operation and Management Co., Ltd.* (麗水易來商業運營管理有限公司), an Independent Third Party (save for its interest in Lishui Lianji))	Pursuant to the equity transfer agreement dated 8 October 2024, Lishui Yilai Commercial Operation and Management Co., Ltd.* (麗水易來商業運營管理有限公司) acquired an aggregate of 49.0% equity interest in Lishui Lianji from Zhejiang Guangtai Intelligent Technology Co., Ltd.* (浙江廣泰智能科技有限公司) and Lishui Cairi Energy Storage Technology Co., Ltd.* (麗水採日儲能科技有限公司).

Name of subsidiary	Place of incorporation	Date of incorporation	Registered capital as at the Latest Practicable Date	Principal business activities	Equity interest held by our Group as at the Latest Practicable Date	Major shareholding changes during the Track Record Period
Dongyang Lianji	PRC	19 April 2023	RMB1,000,000	Provision of basic property management and value-added services	51.0% by Zhejiang Lianji (and the remaining 49.0% by Shanghai Wuning Technology Co., Ltd.* (上海吳寧科技有限公司), an Independent Third Party (save for its interest in Dongyang Lianji))	Nil
Lanxi Lianji	PRC	5 July 2023	RMB1,000,000	Provision of basic property management and value-added services	51.0% by Zhejiang Lianji (and the remaining 49.0% by Zhou Xiaobing (周小兵), an Independent Third Party (save for his interest in Lanxi Lianji))	Nil
Zhejiang Zhanxu	PRC	13 December 2024	RMB10,000,000	Provision of basic property management services, in particular fire safety services	51.0% by Zhejiang Lianji (and the remaining 49.0% by Yiwu Lianjie Fire Protection Technology Co., Ltd.* (義烏市聯捷消防科技有限公司), an Independent Third Party (save for its interest in Zhejiang Zhanxu))	Pursuant to the equity transfer agreement dated 21 May 2025, Zhejiang Lianji acquired 51.0% equity interest in Zhejiang Zhanxu from Zhejiang Xingchi New Energy Technology Co., Ltd.* (浙江興馳新能源科技有限公司). For details, please see "Reorganisation" in this section.
Taizhou Lianji	PRC	11 November 2025	RMB1,090,000	No any business operations commenced as at the Latest Practicable Date	70.0% by Zhejiang Lianji (and the remaining 30.0% by Taizhou Caigen Industrial Operation Co., Ltd.* (台州菜根產業運營有限公司), an Independent Third Party (save for its interest in Taizhou Lianji))	Nil

Name of subsidiary	Place of incorporation	Date of incorporation	Registered capital as at the Latest Practicable Date	Principal business activities	Equity interest held by our Group as at the Latest Practicable Date	Major shareholding changes during the Track Record Period
Lanxi Jiuyu	PRC	30 December 2025	RMB500,000	Provision of basic property management and value-added services	55.0% by Zhejiang Lianji (and the remaining 45.0% by Jiuyu Technology, an Independent Third Party (save for its interest in Lanxi Jiuyu))	Pursuant to the equity transfer agreement dated 16 January 2026, Zhejiang Lianji acquired 55.0% equity interest in Lanxi Jiuyu from Jiuyu Technology. For details, please see "Reorganisation" in this section.
Yiwu Zhongwei	PRC	9 May 2026	RMB1,000,000	No any business operations commenced as at the Latest Practicable Date	100.0% by Zhejiang Lianji	Nil

OUR ASSOCIATES

As at the Latest Practicable Date, we have directly invested in Jinhua Xinlian, and indirectly in Jinhua Zhilian. Jinhua Zhilian is directly held by Jinhua Xinlian as to 100.0%.

Name of associate	Place of incorporation	Date of incorporation	Registered capital as at the Latest Practicable Date	Principal business activities	Equity interest held by our Group as at the Latest Practicable Date	Major shareholding changes during the Track Record Period
Jinhua Xinlian	PRC	22 November 2024	RMB500,000	Provision of basic property management and value-added services	45.0% by Zhejiang Lianji (and the remaining 55.0% by Zhezhong (Yiwu) Enterprise Management Co., Ltd.* (浙中(義烏)企業管理有限公司), an Independent Third Party (save for its interest in Jinhua Xinlian and Jinhua Zhilian))	Pursuant to the equity transfer agreement dated 6 December 2024, Zhezhong (Yiwu) Enterprise Management Co., Ltd.* (浙中(義烏)企業管理有限公司) acquired 55.0% equity interest in Jinhua Xinlian from Zhezhong Gold Jewelry Manufacturing (Jinhua) Co., Ltd.* (浙中黃金珠寶製造(金華)有限公司).
Jinhua Zhilian	PRC	27 August 2025	RMB1,000,000	Provision of value-added services, including solar energy services		

REASONS FOR THE [REDACTED]

According to the Frost & Sullivan, the industrial park property management market in the PRC and Zhejiang Province is projected to expand robustly to approximately RMB39.9 billion and approximately RMB9.4 billion by 2029 respectively, driven by favourable policies promoting industrial upgrading and high-quality urban development. To capture this market potential, we aim to extend our value chain into value-added services. However, realising these vertically integrated strategies requires substantial upfront investment that exceeds our internal financial resources. Consequently, [REDACTED] from the [REDACTED] are essential to finance capital-intensive initiatives, specifically the RMB[REDACTED]

million required for solar energy power facilities and the RMB[REDACTED] million allocated for development of Smart Park System. These investments are critical for diversifying our revenue stream and enhancing our operational efficiency. For details of our application of [REDACTED] from the [REDACTED], please see the section headed "Future Plans and [REDACTED]".

Beyond financing our future growth, our Directors believe that the [REDACTED] of our H Shares is a pivotal catalyst for our Group's sustainability. It provides an international platform to access foreign capital for strategic initiatives, including technological upgrades and property renovations. Furthermore, the [REDACTED] serves as a vital validation of our financial strength and corporate governance standards — qualities that are indispensable to project owners and project partners who prioritise stability, financial strength and long-term reliability in their property management partners. By enhancing our corporate profile, the [REDACTED] will instil greater confidence in potential customers, thereby strengthening our competitive advantage in securing new projects and expanding our market share in a highly competitive landscape.

H-SHARE FULL CIRCULATION

Our Company [has applied] for H-Share Full Circulation to convert the [REDACTED] into H Shares as per the instructions of our Shareholders. The conversion of [REDACTED] into H Shares will involve an aggregate of [REDACTED] [REDACTED], representing (i) all the issued share capital of our Company as at the Latest Practicable Date; and (ii) approximately [REDACTED]% of the total issued Share capital of our Company upon completion of the [REDACTED] (assuming no exercise of the [REDACTED]). For further details, please see the section headed "Share Capital".

PUBLIC FLOAT

As at the Latest Practicable Date, the 36,000,000 Shares held by Zhejiang Panglong representing 100.0% of our total issued Shares of our Company before the [REDACTED], or approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), or approximately [REDACTED]% of our total issued Shares upon exercise of the [REDACTED] in full, will not be considered as part of the [REDACTED] for the purpose of Rule 25.07A(1) of the GEM Listing Rules as these Shareholders will constitute core connected persons of our Company upon [REDACTED], the Shares held by them will not be counted towards the [REDACTED] for the purpose of Rule 25.07A(1) of the GEM Listing Rules after [REDACTED].

Pursuant to Rule 25.07A(1) of the GEM Listing Rule, assuming that the [REDACTED] is not exercised, the [REDACTED] of our issued Shares upon [REDACTED] is expected to be not exceeding HK$[REDACTED] based on, irrespective of the [REDACTED], [REDACTED] or [REDACTED] of the indicative [REDACTED] range, and therefore the minimum prescribed [REDACTED] percentage applicable to our issued Shares is [REDACTED]% in each case.

Based on the above, it is expected that immediately following completion of the [REDACTED] and assuming the [REDACTED] is not exercised, the total number of [REDACTED] H Shares of our Company held by the [REDACTED] represents approximately [REDACTED]% of our issued Shares. Therefore, our Company will be able to meet the minimum [REDACTED] requirement under Rule 25.07A(1) of the GEM Listing Rules.

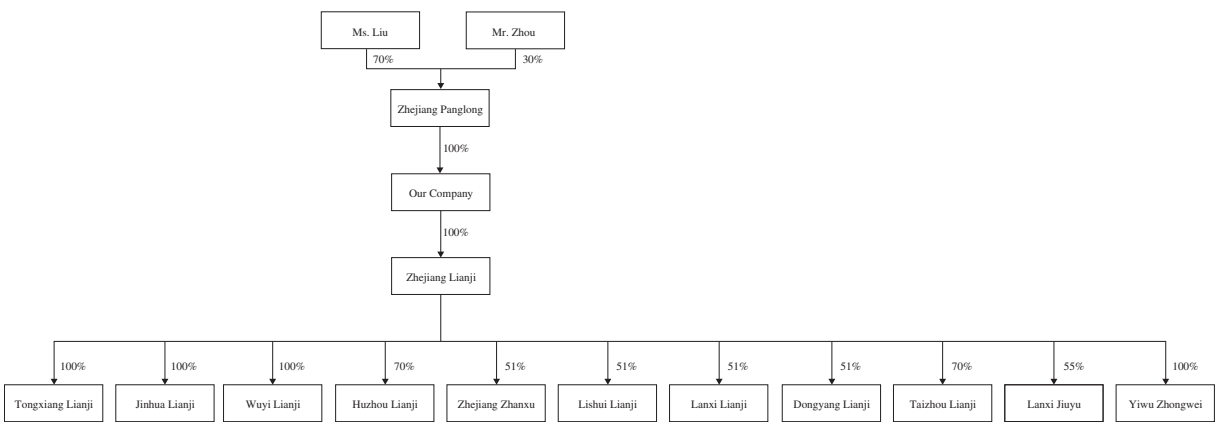
FREE FLOAT

Rule 25.07B(1) of the GEM Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the [REDACTED] and not subject to any disposal restrictions (whether under contract, the GEM Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK$15,000,000; or (b) have an expected market value at the time of [REDACTED] of not less than HK$600,000,000.

Immediately following the completion of the [REDACTED] and the Conversion of [REDACTED] into H Shares, assuming that the [REDACTED] is not exercised, the total number of Shares of our Company will be [REDACTED] (including [REDACTED] [REDACTED]). We expect [REDACTED] Shares, representing [REDACTED]% of the total number of our issued Shares, with an expected [REDACTED] of approximately HK$[REDACTED] million (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the [REDACTED] of the [REDACTED] range), being held by the [REDACTED] and not subject to any disposal restrictions at the time of [REDACTED], which is higher than the prescribed percentage of free float of at least 10% and expected [REDACTED] of not less than HK$15,000,000 under Rule 25.07B(1) of the GEM Listing Rules. Therefore, our Company believes that there will be a free and open market for our Shares immediately upon the completion of the [REDACTED] in compliance with the free float requirements under Rule 25.07B(1) of the GEM Listing Rules.

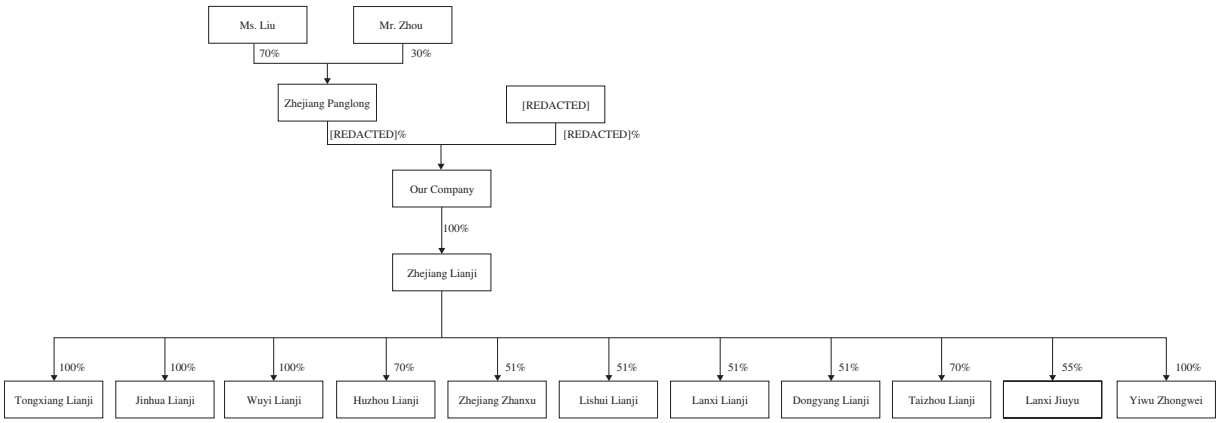
SHAREHOLDING STRUCTURE IMMEDIATELY AFTER THE REORGANISATION BUT BEFORE THE [REDACTED]

The following diagram illustrates the shareholding and corporate structure of our Group immediately after the Reorganisation and before completion of the [REDACTED]:



SHAREHOLDING STRUCTURE IMMEDIATELY AFTER THE [REDACTED]

The following diagram illustrates the shareholding and corporate structure of our Group after completion of the [REDACTED] (assuming that the [REDACTED] is not exercised):



OVERVIEW

We are a comprehensive property management service provider, specialised in industrial parks in China. Since our inception in 2019, we have established deep roots in Zhejiang Province, specifically in the Jinhua-Yiwu Area (Yiwu City which is located in Jinhua, Zhejiang Province and its surrounding area), which is recognised as "home to the world's largest small commodities market" by the World Bank and in accordance with the World Investment Report published by the United Nations. We differentiate ourselves through a strategic specialisation in industrial park management, distinguishing us from other competitors who primarily focus on residential properties. By establishing a dominant foothold in the Jinhua-Yiwu manufacturing hub, we offer a suite of services tailored specifically for enterprise occupants from various industries. Beyond basic property management services, we offer diversified value-added services including (i) operational support services; (ii) park ancillary services and (iii) energy-related services. We offer value-added services to property developers, property owners, tenants and occupants. Through the provision of these services, we can establish in-depth cooperative relationships with property developers and also offer a wide spectrum of park value-added services that address the occupants' needs. As a result, our Directors consider it can foster deep customers stickiness that is difficult for traditional property management firms to replicate.

We provide a diversified range of services to property developers, owners, tenants, and occupants. Our comprehensive service scope comprises:

- **Basic property Management Services:** We offer a comprehensive suite of basic property management services designed to maintain the safety, functionality, and exterior of the public area of our managed properties. These services cover the full lifecycle of occupancy, from move-in to move-out, and include repair and maintenance, security and safety management, and cleaning and gardening services for all common areas.

- **Value-added Services:** Beyond the basic property management services, we provide diversified optional value-added services to accommodate the specific needs of property developers, owners, tenants and occupants and to enhance the value of commercial assets of our managed portfolio. We provide value-added services through our own employees or through our network of selected service providers. Our value-added services comprise (i) operational support services; (ii) park ancillary services and (iii) energy-related services.

As of 30 June 2026, our total GFA under management amounted to approximately 3.7 million sq.m. across 22 projects, primarily comprising industrial parks. For the details of our managed properties, please see "— Our Managed Properties" in this section.

According to Frost & Sullivan, as of 31 December 2025, the number of market participants in Zhejiang Province's industrial park property management services market reached nearly 6,000. In terms of the total GFA under industrial park property management services, our Group accounted for approximately 1.4% in Zhejiang Province. In Jinhua City, the total GFA under management of industrial park property management services market reached approximately 33.9 million sq.m. in 2025. In terms of total GFA under industrial park property management services in Jinhua City in 2025, the top five providers of property management services accounted for approximately 39.6%, among which our Group ranked second, with a market share of approximately 8.0%.

While we maintained a cooperative relationship with our Parent Group during the Track Record Period, we have raised operational independence through active market expansion and customer diversification. By actively participating in public tenders and bidding processes, we have proven our ability to source projects independently from local governments and state-owned enterprises, such as the

property management project of Lanxi Lanchuang Hongtu Smart Technology Industrial Park and the "Industry 4.0" Innovative Industrial Park in Taizhou. Consequently, revenue contributed from projects sourced from Independent Third Parties increased gradually. The revenue derived from projects sourced from Independent Third Parties increased from RMB15.7 million, representing 22.0% of our total revenue during FY2024, to RMB28.9 million, representing 36.3% of our total revenue during FY2025, and from RMB11.7 million, representing 32.2% of our total revenue during 1H2025, to RMB14.9 million, representing 37.0% of our total revenue during 1H2026, demonstrating an increasing degree of operational independence. Furthermore, we maintain independent financial, accounting, and human resource teams and hold all necessary licences to operate on a standalone basis.

We generated revenue of RMB71.7 million for FY2024 and RMB79.7 million for FY2025, and RMB36.3 million for 1H2025 and RMB40.2 million for 1H2026. Our aggregate GFA under management remained stable at 3.8 million sq.m., 3.7 million sq.m. and 3.7 million sq.m. as at 31 December 2024, 31 December 2025 and 30 June 2026, respectively.

OUR COMPETITIVE STRENGTHS

Specialised Property Management Service Provider Dedicated to Delivering Services for Industrial Properties

We differentiate ourselves through a strategic specialisation in industrial park management, distinguishing us from other competitors who primarily focus on residential properties. As at 30 June 2026, 21 out of 22 of our managed projects were industrial properties and the remaining one was a commercial property. By establishing a dominant foothold in the Jinhua-Yiwu Area, which is recognised as "the home to the world's largest small commodities market" by the World Bank and in accordance with the World Investment Report published by the United Nations, we offer a suite of services tailored specifically for enterprise occupants from various industries.

We are dedicated to serving the growing market for industrial property management services in China. According to Frost & Sullivan, the total revenue of industrial park property management services market in China increased from RMB24.9 billion in 2021 to RMB31.4 billion in 2025, with a CAGR of 6.0%. It is expected to reach RMB42.1 billion in 2030, with a CAGR of 6.0% from 2025 to 2030.

Our managed industrial parks are primarily occupied by production and manufacturing enterprises, particularly in the machinery, equipment, and stationery sectors. Some of our enterprise occupants are "enterprises above designated size" and National High-tech Companies. The continuous expansion of these stable enterprise customers creates opportunities for us to broaden our service offerings, which in turn fuels our long-term business growth. In line with the growth of the occupants in our managed projects, it is expected that they will demand more value-added services, particularly the operational support services. By maintaining close relationships with our customers through our steward who remain as a dedicated contact person with them, we possess deep insights into their operational and commercial needs. This allows us to provide extensive value-added services that extend beyond traditional property management to actively support their business operations, thereby diversifying our revenue source and enhancing customer stickiness.

Leveraging our accumulated expertise in the industrial property sector, we provide diversified value-added services alongside our basic property management offerings. By aggregating occupants demand, occupants benefit from obtaining services at lower costs, while we diversify our revenue streams. A prime example of this strategy is our production safety management service, which addresses a critical need for industrial occupants. During the Track Record Period, we introduced safety production management to help occupants ensure regulatory compliance and optimise workplace protocols. By utilising our substantial enterprise resources and economies of scale, we select qualified third-party providers who offer these services at preferential rates due to the volume of services we

procured from such service provider. Moving forward, we plan to build a comprehensive service platform for every industrial park we manage, introducing further customised solutions such as centralised procurement of packaging materials.

With a Deep-rooted Presence in the Jinhua-Yiwu Area, Strategic Geographical Focus on Zhejiang Province with a Platform for Strategic Expansion across Key Economic Regions

Since our inception in 2019, we have established deep roots in Zhejiang Province, specifically in the Jinhua-Yiwu Area (Yiwu City which is located in Jinhua, Zhejiang Province and its surrounding area), which is recognised as "home to the world's largest small commodities market" by the World Bank and in accordance with the World Investment Report published by the United Nations, and have strategically expanded our footprint to other key regions including Hebei Province, Guangdong Province, and Hunan Province. We operate in a thriving market environment driven by the robust economic growth of Zhejiang Province. GDP in Zhejiang Province grew significantly from RMB7.4 trillion in 2021 to RMB9.5 trillion in 2025, representing a CAGR of 6.4%, which has in turn fueled the rapid expansion of the non-residential property management sector. The total revenue of industrial park property management service market in Zhejiang Province rose from RMB3.8 billion in 2021 to RMB6.1 billion in 2025, and further increase to approximately RMB10.5 billion in 2030. Specifically, Yiwu, known as the world's largest small commodity market, recorded a total import and export volume of RMB836.5 billion in 2025, marking a substantial year-on-year growth of 25.1%. This vibrant trading activity has created sustained demand for high-quality supporting services within industrial parks, directly driving the expansion of the property management market. Capitalising on these favourable market dynamics, we have established a foothold in the region. As at the Latest Practicable Date, we managed 21 projects in Zhejiang Province, with a concentrated portfolio of 17 projects located in the strategic Jinhua-Yiwu Area.

Our long-term immersion in Jinhua-Yiwu Area, characterised by a dense concentration of manufacturing and trading enterprises, has enabled us to accumulate profound insights into specific occupants needs, such as safety consulting monitoring. The provision of value-added services diversifies our revenue stream and enhances customer stickiness.

As we maintain a high density of projects within Jinhua-Yiwu Area, we effectively share resources, management personnel, and technical equipment across multiple nearby parks. This density also affords us stronger bargaining power with subcontractors and vendors, enabling us to lower our operational costs while maintaining competitive pricing for our occupants. Consequently, this operational efficiency not only improves our profit margins but also strengthens our competitive position as we replicate this successful model in new regional markets, including Hebei, Guangdong, and Hunan Provinces. As at the Latest Practicable Date, we had secured 27 projects across four provinces and nine cities in China. Looking ahead, three of our secured projects sourced from the Parent Group and one secured project sourced from the Independent Third Party developers are pending delivery, all of which are expected to come under our management within the next three years, ensuring a stable pipeline for our continued expansion.

Benefiting from the Long-term Support of our Parent Group whilst Expanding our Reach to Independent Third-party Customers

According to Frost & Sullivan, our Parent Group is one of the established industrial park developers in Jinhua City. The industrial park development market in Jinhua City is fragmented, with numerous market participants and a relatively low overall market concentration. As an established industrial park developer, the Parent Group possesses mature development and operational capabilities. Since 2020, our Parent Group has developed more than ten industrial parks. As at 30 June 2026, to the best knowledge of our Directors after consulting our Parent Group, it had about six property projects under development or held for development in the PRC. As at the Latest Practicable Date, we have secured three additional industrial park projects developed by our Parent Group with a total GFA of approximately 0.4 million sq.m..

As at 30 June 2026, we managed a total of 12 property projects developed by our Parent Group with a total GFA under management of approximately 1.8 million sq.m., representing 54.5% and 47.7% of our total number of projects and GFA under management as at the same date. In the course of providing property management services for the property projects developed by our Parent Group, we have gained extensive management experience, and strengthened our ability to attract projects from independent third-party property developers.

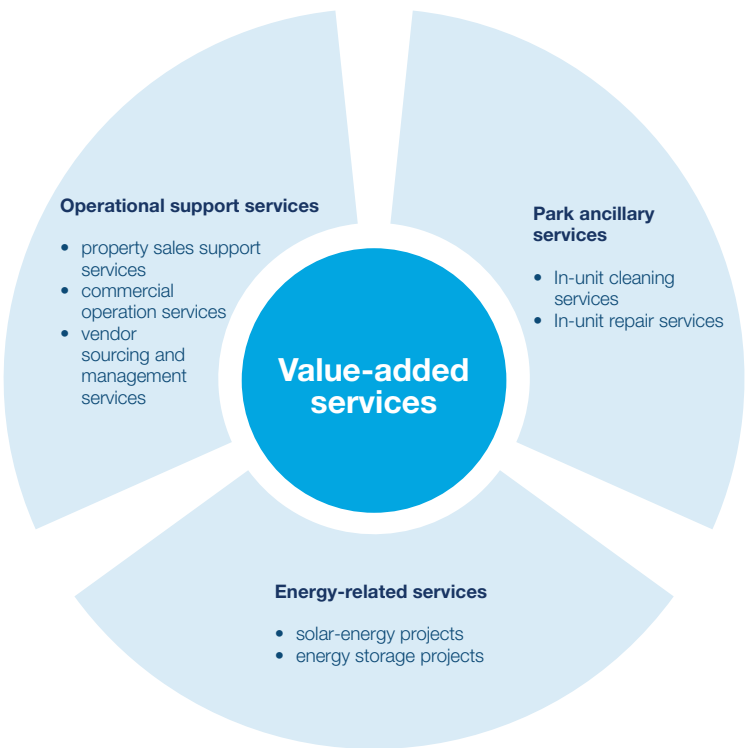
In addition to projects sourced from our Parent Group, we had stable cooperation with Independent Third-party developers. As at 31 December 2024, 31 December 2025 and 30 June 2026, we managed a total of 11, 10 and 10 property projects developed by independent third-party property developers, respectively. The GFA under management of the projects developed by independent third-party property developers accounted for 53.4%, 60.1% and 52.3% of our total GFA under management in FY2024, FY2025 and 1H2026, respectively. In FY2024, FY2025 and 1H2026, our revenue generated from projects developed by Independent Third-Party property developers were RMB15.7 million, RMB28.9 million and RMB14.9 million, respectively, accounting for 22.0%, 36.3% and 37.0% of our revenue in the respective period.

While we benefit from support of our Parent Group, we have also proven our ability to independently identify and capitalise on market opportunities. We believe that our long-term and stable relationship with our Parent Group will continue going forward and allow us to continue to benefit from its extensive property portfolio and abundant land reserves, enabling us to expand our business scale, diversify our portfolio and extend our geographical reach.

Diversified Service Portfolio with Proven Operational Capabilities

Along with our strategic focus and dedication to industrial property management, our services are built on property management and expand outward from that core. We explore the potential needs of enterprise occupants to continuously develop a diversified service portfolio.

The following diagram sets out the types of value-added services we provided:



Operational Support Services

In the course of interactions with the extensive network of property developers and occupants, we have obtained first-hand information on their needs. Leveraging our resource integration capability, we offer operational support services that address our customers' needs in cooperation with external service providers. Our operational support services comprise (i) property sales support services; (ii) commercial operation services; and (iii) vendor sourcing and management services. For example, we provide property sales support services by assisting the property developers with preliminary business planning, marketing and promotion, and providing assistance to guide and host property viewings, as well as facilitating property handover procedures. We also assist our occupants by sourcing qualified safety production management consultant to provide safety training and inspection. We refer building decoration companies to manufacturing occupants for furniture and equipment services tailored to their operational requirements. While we charge our external value-added service partners or property developers a specified percentage of their revenue or a service fee, our occupants benefit from bulk discounts and save time on supplier selection.

Park Ancillary Services

To support the operational excellence and daily quality of life within our industrial parks, we provide a wide range of optional services for our occupants. These services are delivered primarily by our own employees or subcontractors. By offering these park ancillary services, we empower occupants to optimise their focus on core operations, enhance workplace satisfaction, and improve overall operational convenience. For instance, we deliver a suite of in-unit support services, including cleaning, repair services. These services allow occupants to enjoy support without the administrative burden of external vendors, while we maintain close and supportive interactions with our customers.

Energy-related Services

Our energy-related services primarily comprise solar energy projects and energy storage projects which we cooperate with energy solution companies to invest in and install solar energy stations and storage devices in our managed projects, making use of the underutilised rooftop space. Through these services, we generate green energy as an alternative power source for our managed properties and enhance the value of the property owner's rooftop by sharing part of the profit with them.

Experienced and Visionary Management Team

We have an experienced management team with a proven track record in providing property management and value-added services. Our management team is led by Ms. Liu, our chairperson of the Board and executive Director, who founded Zhejiang Panglong in 2016. She has extensive experience in entrepreneurship in various industries, including industrial park development and property management. Ms. Liu commenced our Company's business since 2019 and was honoured as with the 2022 Jinhua City Women Entrepreneur of the Year "Perseverance of the Times Award" (金華市女企業家"時代堅毅獎") and the honorary curator of Yiwu City Lei Feng Museum (義烏雷鋒館) in 2024. Our senior management has years of experience in the property management industry. For more details, please see the section headed "Directors and Senior Management". We believe that the extensive industry knowledge and management skills of our management team are critical to our business expansion and promotion of our corporate culture. Our Directors and senior management's industry insights and management experience elevate our chances of capturing different market opportunities and help us strengthen our talent pools and implement efficient corporate governance measures. With extensive expertise, we believe that our core management team provides insights into the industry trends and ultimately helps us achieve a steady and sustainable business growth.

We provide comprehensive training for our staff, which in turn enhance our customer satisfaction. In order to optimise our management structure, we have adopted a comprehensive human resource system which integrates our employee management system, training system and talent pool system. Through our internal training programme and external cooperation for recruitment, we strive to enhance our team building. We believe that our operational team will enable us to improve service quality, achieve long-term growth and enhance our competitiveness and market position so as to enable us to expand to new markets.

OUR STRATEGIES

We aim to be a leading comprehensive property management services provider in China with the following strategies:

Expand our Business Scale and Solidify our Market Position

In order to achieve a more sustainable and efficient business model, we plan to expand our business scale and market share through the following ways, including cooperating with our Parent Group, securing projects with third parties, as well as forming strategic alliance with selected companies. Specifically:

Geographical Expansion

We commit to further expand our market share in the industrial property management industry. Leveraging on our strategic market position in the niche and specialised segment of management of industrial parks, we plan to expand our geographic coverage to new regions in industrial property management industry in China. According to Frost & Sullivan, in China, the total GFA under management of industrial park property management services market increased from 2.1 billion sq.m. in 2021 to 2.2 billion sq.m. in 2025, with a CAGR of 1.2%. In 2030, the total GFA under management of industrial property management services market in China is expected to reach 2.4 billion sq.m., with a CAGR of 1.8% from 2025 to 2030. Since our inception in Zhejiang Province in 2019, we have been expanded the geographical coverage by securing projects in Hebei Province, Guangdong Province and Hunan Province. We intend to leverage our experience in the management and operation of industrial parks in Jinhua-Yiwu Area and utilise our high service management quality and our diversified value-added services to expand our market share in our existing markets and further penetrate new markets. In particular, we target to focus on cities in Yangtze River Region such as Shanghai, Hangzhou and Suzhou and Pearl River Region such as Zhuhai, Guangzhou and Shenzhen, which are established manufacturing bases in China. According to Frost & Sullivan, in 2025, the total revenue of the industrial park property management services market in China's Yangtze River Delta Region and Pearl River Delta Region reached RMB15.2 billion and RMB8.6 billion, respectively. By 2030, it is expected to reach RMB21.3 billion and RMB11.7 billion, respectively, with a CAGR of 7.0% and 6.3% from 2025 to 2030. We believe that the continuous increase in industrial parks in these targeted regions will boost demands for our property management services and will in turn bring in new opportunities for our future growth.

Organic growth

We will continue to maintain our cooperative relationship with our Parent Group to strengthen our growth foundation and expand our business organically by capitalising on our synergies with our Parent Group. We believe that we will continue to benefit from business development and expansion of our Parent Group in terms of both stable sources of projects for our management and expansion of our geographical coverage. We expect that there will be at least three projects developed by our Parent

Group which were expected to be completed within the next three years, including Linxiang Jicheng International Outdoor Leisure Industrial Park (臨湘吉成國際戶外休閒產業園) (in Yueyang County, Hunan Province), Guangdong Yangjiang Jicheng Smart Home Industrial Park (廣東陽江吉成智能家居產業園) (in Yangjiang City, Guangdong Province) and Xinchang Jicheng Innovative Manufacturing Industrial Park (新昌吉成創新製造產業園) (in Shaoxing City, Zhejiang Province). These new projects are expected to contribute to an additional 0.4 million sq.m. in aggregate of GFA under management if they are accomplished on schedule within the next three years. We believe that these new projects will pose a credible opportunity for us to expand our business.

Advancing Participation in Third Party Projects

In addition to collaboration with our Parent Group, we will actively participate in the public tender and bidding process and obtain new businesses from Independent Third Parties by leveraging on our business focus, diversified property management and value-added services and solid customer relations. Furthermore, besides industrial properties, through the experience and service portfolio accumulated over the years, we will continue to expand our market share in other commercial properties in order to enhance our overall market position in China's industrial property management industry. We strive to cultivate our relationship with strategic third party project developers particularly those from state-owned enterprises or with governmental backgrounds, who have substantial project pipelines. We plan to form joint venture with targeted project developers for provision of preliminary management services such as sales planning at the early property development stage, which not only enhance the stickiness of the property developers but also enhance our understanding of the targeted projects and facilitate our subsequent tender process and service provision. We plan to utilise an aggregate of RMB[REDACTED] million to form joint venture companies with targeted property developers to pursue new engagements from Independent Third Party property developers. For details, please see "Future Plans and [REDACTED] — Implementation Plans — (4) Establishing Joint Venture Companies".

Vertical integration

Since 2022, we have introduced energy technology companies to invest in and install solar energy stations (including solar panels and cells) in our managed projects and share profit of such solar energy service providers. For details of our solar energy services, please see "— Our Business Model — Value-added Services — Energy-related Services" in this section. We have, therefore, gained understanding and experience of the operational process and arrangement for constructing solar energy stations in our existing managed projects. As part of our business expansion, we plan to penetrate into upstream operations in our industrial chain with high profitability to expand our revenue stream. In particular, we plan to utilise an aggregate of RMB[REDACTED] million of the [REDACTED] of the [REDACTED] for setting up solar energy power stations in our managed projects. We intend to lease the rooftops of our managed properties for setting up solar energy power stations. Through the proposed investment of new solar energy stations, we believe we can broaden our revenue base and achieve sustainable recurring revenue from these new solar energy projects on three industrial parks by selling the electricity generated from such solar power stations to the tenants or property owners of our managed properties. Investment payback is considered to be achieved once the total future net cash flow generated from operating activities of a new solar energy station covers its total investment amount including rooftop leasing cost, construction cost and machinery and equipment acquisition and maintenance cost. The time required to achieve investment payback also depends on various factors, including those mentioned above and the actual capital expenditure such as costs of machinery and equipment. Based on our knowledge and experience, we estimate that the payback period for each solar energy station will be approximately four years. For details, please see "Future Plans and [REDACTED] — Implementation Plans — (2) Setting up Solar Energy Power Stations".

Enhance Service Quality and Customer Satisfaction

We are dedicated to satisfying our customers' needs by further strengthening our capabilities to provide and diversify our value-added services, particularly park ancillary services.

We apply transferrable know-how obtained from basic property management to our value-added services and continuously upgrade and refine our value-added services. Focusing on the growing demand for industrial park services, we plan to explore new project opportunities and provide customised service for industrial parks. We will continue to understand the demands of occupants and seeking business opportunities in introduction of value-added services. We plan to position ourselves as a platform to integrate our enterprise resources for introduction and provision of cost-effective and high quality services to our managed projects. We strive to connect appropriate services providers to enterprises under our management. Besides, we will continue to efficiently adjust our services to cater our customers' needs by expanding our service scope. We plan to further optimise our offering of comprehensive value-added services to our managed projects. For example, taking into account the business nature of our occupants (being manufacturers) and the specific features of our managed projects (for example stationery and sports industry and some small-and-micro enterprise), we are currently analysing possibility in centralised procurement of common materials, such as packaging materials, for our occupants.

We will also continuously enhance the quality of our value-added services. We intend to use a total of RMB[REDACTED] million of our [REDACTED] from the [REDACTED] for enhancement of our in-unit cleaning services, in-unit repair services and car-washing services. We plan to purchase new and additional equipment such as ride-on scrubbers, industrial humidifier and automatic car-washing machines in this regard. For details, please see "Future Plans and [REDACTED] — Implementation Plans — (3) Improving our Value-added Services".

Invest in Technology Development to Bolster our Technology Capabilities and Promote our Degrees of Digitisation and Automation

We are dedicated to applying new technologies to our services. We believe that it is essential for us to make continuous investment in technology in order to enhance our operational efficiency and customer satisfaction in light of our business growth. We intend to engage third-party IT solution developer to develop the Smart Park System. The platform aims to introduce an integrated management model that centralises control and monitoring of multiple operational aspects including access control, security, personnel, vehicles, attendance, and energy consumption. By enabling real-time data display and back-end management, the solution enhances operational efficiency and user experience. Integrated with third-party messaging services such as WeChat and Alipay, the platform supports automated notifications and interactive features, strengthening user engagement. Designed to maximise commercial value at optimised cost, the platform supports the Company's strategic focus on intelligent, resource-efficient park management solutions. We intend to initially deploy the Smart Park System across two of our managed projects as pilot sites.

We plan to use RMB[REDACTED] million of the [REDACTED] of the [REDACTED] for investing in technology development, which will be used for development of the Smart Park System, including construction of data centre and channelling and integration with third party service provider to develop the Smart Park System.

For details, please see "Future Plans and [REDACTED] — Implementation Plans — (1) Developing Smart Park System". We believe that the enhanced customer experience and improved management efficiency brought by our technology-backed services will help further distinguish us from our competitors and grow our business.

Continue to Attract, Recruit and Cultivate Talents to Support Business Growth

We are committed to build a highly skilled and professional team with strong and efficient execution capabilities that shares our value and corporate culture. We believe that our abilities to attract and retain talents are key to our growth and success. We plan to take various initiatives to attract and nurture talent in the industry with diverse backgrounds and skill sets to contribute to our growth and development, provide training programs and development opportunities, and offer competitive compensation, benefits and incentives to our employees. We have been and continue to develop our talent team in two key areas: (i) for senior management and technical professionals in specialised fields, we utilise recruitment platforms for hiring; and (ii) for mid-level management talent, we adopt a combination of internal development and external recruitment, with a primary focus on internal cultivation. This is achieved through open competitions, internal promotion recommendations, and cross-training in administrative and business departments, ensuring the development of well-rounded talent that meets the needs of the company's growth. We aim to enhance the comprehensive capabilities and professional and technical skills of our staff to support our business growth.

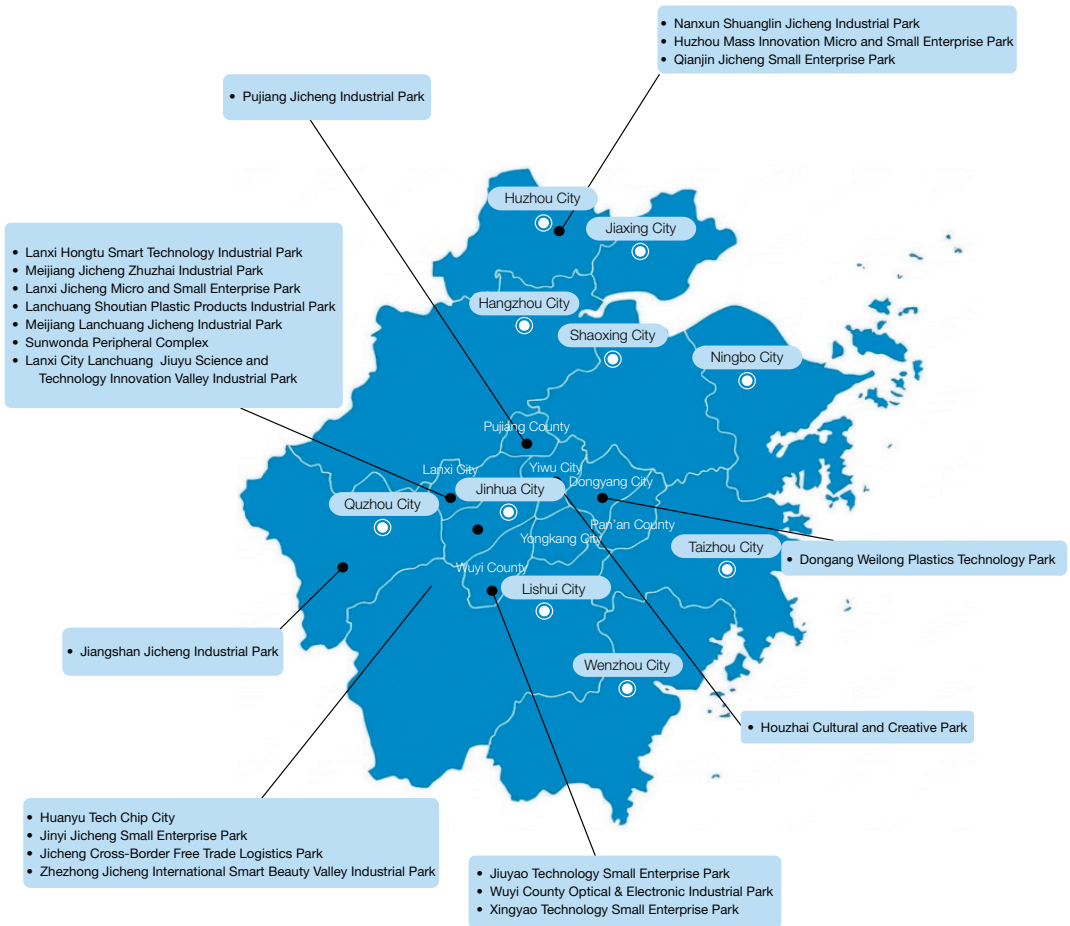
OUR MANAGED PROPERTIES

Geographical Coverage

We commenced our business by providing property management and value-added services for the industrial parks located in Zhejiang Province in 2019. We first expanded our business outside Zhejiang Province by providing property management and value-added services in Hebei Province in 2022. Leveraging our deep-rooted experience in property management and value-added services in Zhejiang Province, we have secured service agreements to expand our operations into Guangdong, Hunan, and Hebei Provinces in 2025.

We managed 23, 22 and 22 projects as at 31 December 2024, 31 December 2025 and 30 June 2026, respectively, of which 22, 21 and 21 projects were located in Zhejiang Province.

The diagram below sets forth the geographical locations of our managed projects in Zhejiang Province as at 30 June 2026:



The table below sets forth a breakdown of the GFA under management and number of projects under management as of the dates indicated:

	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026
GFA under management *(sq.m. '000)*	3,790	3,706	3,706
Number of projects under management	23	22	22

As at the Latest Practicable Date, we had secured 27 projects, which will in aggregate contribute 4.7 million sq.m. to our GFA under management upon delivery of all projects.

The table below sets forth the movement of our project under management for the year/period or as of the dates indicated:

	For the year ended or as at 31 December 2024		**For the year ended or as at 31 December 2025**		**For the period ended or as at 30 June 2026**	
	Number of projects	**GFA** *(sq.m. '000)*	**Number of projects**	**GFA** *(sq.m. '000)*	**Number of projects**	**GFA** *(sq.m. '000)*
As of the beginning of the year	15	2,252	23	3,790	22	3,706
New engagements[Note 1]	8[Note 2]	1,538	2[Note 3]	640	—	—
Termination	—	—	3[Note 3]	724	—	—
As of the end of the year	23	3,790	22	3,706	22	3,706

Notes:

1. Refer to new projects under our management and excludes the renewal of existing projects.

2. Among them, seven projects were sourced from Independent Third Party developers with an aggregate GFA of 1.3 million sq.m.

3. The projects were sourced from Independent Third Party developers.

During FY2025, three of our managed projects ceased. For details, see "Renewal and Retention Rates — Renewal Rate" in this section.

Our Projects

The following table sets out the projects under our management as at 30 June 2026:

	Name of industrial park/commercial property	Location	GFA under management	Source of project[Note 1]	Date of commencement of management	Expiry date of relevant basic property management service contract	Property Owner[Note 2]	Paying customer for basic property management services[Note 3]	Monthly unit property management fee per contract[Note 4]		Average monthly basic property management revenue			Revenue contributed by the project of each type of service and percentage contribution of total revenue contribution[Note 5]			Gross profit/(loss) and gross profit margin contributed by the project					
									Factories	Ancillary dormitories, commercial units or offices	FY2024	FY2025	1H2026	FY2024	FY2025	1H2026	FY2024		FY2025		1H2026	
			(sq.m. '000)						(RMB per sq.m.)		(RMB per sq.m.)			(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
1.	Qianjin Jicheng Small Enterprise Park (千金吉成小微創業園)	Nanxun District, Huzhou City, Zhejiang Province	80	Parent Group	2020	No later than July 2043[Note 6]	(i) Multiple Individual owners (ii) Parent Group	Property owners and tenants	1.65	1.65	1.5	1.6	1.5	A: 1,404 B: 1,217 C: 195 D: 337 Total: 3,153 (4.4%)	A: 1,548 B: 429 C: 178 D: 340 Total: 2,495 (3.1%)	A: 706 B: 222 C: 41 D: 172 Total: 1,141 (2.8%)	1,085	34.4	1,166	46.7	473	41.5
2.	Lanxi Jicheng Micro and Small Enterprise Park (蘭溪吉成小微企業園)	Jinhua-Yiwu Area (Lanxi City), Zhejiang Province	123	Parent Group	2021	No later than May 2043[Note 6]	(i) Multiple Individual owners (ii) Parent Group	Property owners and tenants	1.56	2.1	1.4	1.6	1.6	A: 2,101 B: 2,021 C: 525 D: 388 Total: 5,035 (7.0%)	A: 2,298 B: 811 C: 531 D: 368 Total: 4,008 (5.0%)	A: 1,149 B: 284 C: 673 D: 234 Total: 2,340 (5.8%)	2,083	41.4	2,750	68.6	1,234	52.7
3.	Lanxi Hongtu Smart Technology Industrial Park (蘭溪市鴻圖智能科技產業園)	Jinhua-Yiwu Area (Lanxi City), Zhejiang Province	263	Independent Third Party	2021	February 2027[Note 7]	Property developer	Property management company	1.73	2.0	1.0	0.9	2.1	A: 3,244 B: 92 C: 100 D: — Total: 3,436 (4.8%)	A: 2,929 B: 41 C: 344 D: — Total: 3,314 (4.2%)	A: 3,324 B: 27 C: 147 D: — Total: 3,498 (8.7%)	736	21.4	833	15.3	1,692	48.4
4.	Jinyi Jicheng Small Enterprise Park (金義吉成小微企業園)	Jinhua-Yiwu Area (Jindong District, Jinhua City), Zhejiang Province	298	Parent Group	2021	No later than May 2043[Note 6]	(i) Multiple Individual owners (ii) Lanchuang Jicheng	Property owners and tenants	1.7	2.1	1.5	1.6	1.6	A: 5,372 B: 7,902 C: 708 D: 1,365 Total: 15,347 (21.4%)	A: 5,710 B: 4,673 C: 620 D: 1,208 Total: 12,211 (15.3%)	A: 2,924 B: 1,366 C: 301 D: 490 Total: 5,081 (12.6%)	7,333	47.8	8,131	64.7	3,328	65.5
5.	Meijiang Lanchuang Jicheng Industrial Park (梅江蘭創吉成產業園)	Jinhua-Yiwu Area (Lanxi City), Zhejiang Province	73	Parent Group[Note 8]	2022	No later than May 2043[Note 6]	(i) Multiple Individual owners (ii) Parent Group	Property owners and tenants	1.56	2.1	1.5	1.7	1.7	A: 1,313 B: 1,427 C: 107 D: 209 Total: 3,056 (4.3%)	A: 1,536 B: 331 C: 136 D: 162 Total: 2,165 (2.7%)	A: 767 B: 197 C: 45 D: 72 Total: 1,081 (2.1%)	1,228	40.2	1,157	53.4	572	52.9

	Name of industrial park/commercial property	Location	GFA under management	Source of project[Note 1]	Date of commencement of management	Expiry date of relevant basic property management service contract	Property Owner[Note 2]	Paying customer for basic property management services[Note 3]	Monthly unit property management fee per contract[Note 4]		Average monthly basic property management revenue			Revenue contributed by the project of each type of service and percentage contribution of total revenue contribution[Note 5]			Gross profit/(loss) and gross profit margin contributed by the project					
									Factories	Ancillary dormitories, commercial units or offices	FY2024	FY2025	1H2026	FY2024	FY2025	1H2026	FY2024		FY2025		1H2026	
			(sq.m. '000)						(RMB per sq.m.)		(RMB per sq.m.)			(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
6.	Pujiang Jicheng Industrial Park (浦江吉城產業園)	Jinhua-Yiwu Area (Pujiang County), Zhejiang Province	280	Parent Group	2022	No later than January 2043[Note 6]	(i) Multiple Individual owners (ii) Parent Group	Property owners and tenants	1.45	1.78	1.3	1.4	1.4	A: 4,359 B: 1,979 C: 306 D: 147 Total: 6,791 (9.5%)	A: 4,536 B: 1,092 C: 550 D: 144 Total: 6,322 (7.9%)	A: 2,308 B: 488 C: 286 D: 88 Total: 3,170 (7.9%)	2,880	42.4	3,539	56.0	2,140	67.5
7.	Meijiang Jicheng Zhuzhai Industrial Park (梅江苎城祝宅產業園)	Jinhua-Yiwu Area (Meijiang Town, Lanxi City), Zhejiang Province	49	Parent Group	2023	No later than July 2027[Note 6]	(i) Multiple Individual owners (ii) Parent Group	Property owners and tenants	1.56	2.1	1.5	1.6	1.6	A: 896 B: 1,083 C: 103 D: — Total: 2,082 (2.9%)	A: 925 B: 605 C: 122 D: — Total: 1,652 (2.1%)	A: 480 B: 303 C: 60 D: — Total: 843 (2.1%)	353	17.0	850	51.5	345	40.9
8.	Houzhai Cultural and Creative Park (後宅文創園)	Jinhua-Yiwu Area (Yiwu City), Zhejiang Province	58	Parent Group[Note 1]	2023	Until the date when an owners' association is established and enters into a property service contract	Multiple Individual owners	Tenant	1.7	2.1	1.7	1.7	1.7	A: 1,163 B: 63 C: 100 D: — Total: 1,326 (1.8%)	A: 1,163 B: 71 C: 266 D: — Total: 1,500 (1.9%)	A: 582 B: 17 C: 151 D: — Total: 749 (1.9%)	738	55.7	657	43.8	507	67.7
9.	Jicheng Cross-Border Free Trade Logistics Park (吉城跨境自貿物流園)	Jinhua-Yiwu Area (Jindong District, Jinhua City), Zhejiang Province	69	Parent Group[Note 1]	2023	Until the date when an owners' association is established and enters into a property service contract	Jinhua Zhiyu E-commerce Co., Ltd.* (金華執御電子商務有限公司), a member of the Parent Group	Property owner	2.0	2.0	1.9	1.9	1.9	A: 1,573 B: 57 C: 199 D: — Total: 1,829 (2.6%)	A: 1,573 B: 57 C: 348 D: — Total: 1,978 (2.5%)	A: 786 B: 28 C: 94 D: — Total: 908 (2.3%)	965	52.8	811	41.0	465	51.2
10.	Huzhou Mass Innovation Micro and Small Enterprise Park (湖州帶動小微創業園)	Shuanglin Town, Nanxun District, Huzhou City, Zhejiang Province	153	Independent Third Party	2023	November 2026	Property management company	Property owner	1.87	2.0	1.5	1.6	1.6	A: 2,827 B: 54 C: 71 D: — Total: 2,952 (4.1%)	A: 2,952 B: 5 C: 19 D: — Total: 2,976 (3.7%)	A: 1,461 B: — C: 7 D: — Total: 1,468 (3.6%)	904	30.6	732	24.6	357	24.3
11.	Huanyu Tech Chip City (環宇科技芯城)	Jinhua-Yiwu Area (Jinhua City), Zhejiang Province	163	Independent Third Party	2023	September 2026[Note 6]	Multiple Individual owners	Property owners	1.7	1.1–1.5	1.1	1.2	1.3	A: 2,188 B: 89 C: 138 D: — Total: 2,415 (3.4%)	A: 2,395 B: 75 C: 198 D: — Total: 2,668 (3.3%)	A: 1,318 B: — C: 57 D: — Total: 1,375 (3.4%)	785	32.5	908	34.0	135	9.8

	Name of industrial park/commercial property	Location	GFA under management	Source of project[Note 1]	Date of commencement of management	Expiry date of relevant basic property management service contract	Property Owner[Note 2]	Paying customer for basic property management services[Note 3]	Monthly unit property management fee per contract[Note 4]		Average monthly basic property management revenue			Revenue contributed by the project of each type of service and percentage contribution of total revenue			Gross profit/(loss) and gross profit margin contributed by the project					
									Factories	Ancillary dormitories, commercial units or offices	FY2024	FY2025	1H2026	FY2024	FY2025	1H2026	FY2024		FY2025		1H2026	
			(sq.m. '000)						(RMB per sq.m.)		(RMB per sq.m.)			(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
12.	Chengde Jicheng Industrial Park (承德吉城產業園)	Shuangqiao District, Chengde City, Hebei Province	161	Parent Group	2023	No later than September 2027 [Note 6]	(i) Multiple Individual owners (ii) Parent Group	Property owners	1.3	1.5	0.5	0.8	0.8	A: 1,042 B: — C: — D: — Total: 1,042 (1.5%)	A: 1,470 B: — C: — D: — Total: 1,470 (1.8%)	A: 745 B: — C: — D: — Total: 745 (1.9%)	195	18.7	618	42.0	404	54.2
13.	Zhezhong Jicheng International Smart Beauty Valley Industrial Park (浙中吉城國際智享美谷產業園)	Jinhua-Yiwu Area (Jinhua City), Zhejiang Province	172	Parent Group	2023	No later than October 2043 [Note 6]	Zhejiang Guanji Industrial Co., Ltd.* (浙江冠吉實業有限公司), a member of the Parent Group	Property owners and tenants	1.7	2.1	1.6	1.6	1.3	A: 3,214 B: 4,233 C: 456 D: 634 Total: 8,537 (11.9%)	A: 3,231 B: 1,654 C: 388 D: 543 Total: 5,816 (7.3%)	A: 1,341 B: 810 C: 160 D: 199 Total: 2,510 (6.2%)	2,867	33.6	3,789	65.2	1,564	62.3
14.	Jiangshan Jicheng Industrial Park (江山吉城產業園)	Quzhou City, Jiangshan City, Zhejiang Province	205	Parent Group	2023	No later than September 2043[Note 6]	Property developer and tenants	Property owner	1.2	1.5	1.0	1.4	1.2	A: 2,555 B: 117 C: 104 D: 135 Total: 2,911 (4.1%)	A: 3,411 B: 45 C: 300 D: 1,025 Total: 4,781 (6.0%)	A: 1,490 B: 92 C: 65 D: 358 Total: 2,005 (5.0%)	1,469	50.4	3,044	63.7	1,089	54.3
15.	Sunwonda Peripheral Complex[Note 9] (依匯通用產業合圍)	Jinhua-Yiwu Area (Lanxi City), Zhejiang Province	82	Independent Third Party	2024	February 2027	Multiple Individual owners	Property management company	—	2.0	N/A	1.5	1.0	A: — B: 396 C: — D: — Total: 396 (0.6%)	A: 1,446 B: 1,866 C: 21 D: — Total: 3,333 (4.2%)	A: 512 B: 232 C: — D: — Total: 744 (1.8%)	275	69.4	1,704	51.1	(8)	N/A
16.	Wuyi County Optical & Electronic Industrial Park (武義縣光電產業園)	Jinhua-Yiwu Area (Wuyi County), Zhejiang Province	103	Independent Third Party	2024	May 2027	Property developer	Property owner	—	—	0.4	0.4	0.3	A: 279 B: — C: 18 D: — Total: 297 (0.4%)	A: 476 B: 20 C: 202 D: — Total: 698 (0.9%)	A: 209 B: — C: 17 D: — Total: 226 (0.6%)	(254)	N/A	2	0.3	(146)	N/A
17.	Dongyang Weilong Plastics Technology Park (東陽威龍塑膠科技園)[Note 10]	Jinhua-Yiwu Area (Dongyang City), Zhejiang Province	141	Independent Third Party	2024	December 2026[Note 6]	Property developer	Property management company	—	—	0.6	1.0	1.1	A: 993 B: 30 C: 44 D: — Total: 1,067 (1.5%)	A: 1,665 B: 370 C: 84 D: — Total: 2,119 (2.7%)	A: 908 B: 15 C: 39 D: — Total: 962 (2.4%)	48	4.5	710	33.5	265	27.6

	Name of industrial park/commercial property	Location	GFA under management	Source of project[Note 1]	Date of commencement of management	Expiry date of relevant basic property management service contract	Property Owner[Note 2]	Paying customer for basic property management services[Note 3]	Monthly unit property management fee per contract[Note 4]		Average monthly basic property management revenue			Revenue contributed by the project of each type of service and percentage contribution of total revenue contribution[Note 5]			Cross profit/(loss) and gross profit margin contributed by the project					
									Factories	Ancillary dormitories, commercial units or offices	FY2024	FY2025	1H2026	FY2024	FY2025	1H2026	FY2024		FY2025		1H2026	
			(sq.m. '000)						(RMB per sq.m.)		(RMB per sq.m.)			(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)	(%)	(RMB'000)	(%)	(RMB'000)	(%)
18.	Jinyao Technology Small Enterprise Park (金耀科技小微園)	Jinhua-Yiwu Area (Wuyi County), Zhejiang Province	182	Independent Third Party	2024	Until the date when an owners' association is established and enters into a property service contract	Property developer	Property owners and tenants	0.75	0.75	0.8	0.7	0.7	A: 924 B: — C: 23 D: — Total: 947 (1.3%)	A: 1,623 B: 40 C: 58 D: — Total: 1,721 (2.2%)	A: 781 B: — C: 3 D: — Total: 784 (1.9%)	(263)	N/A	27	1.6	343	43.8
19.	Nanxun Shuanglin Jicheng Industrial Park (南浔雙林吉成產業園)	Huzhou City, Nanxun District, Zhejiang Province	199	Parent Group	2024	No later than September 2043 and until the date when an owners' association is established and enters into a property service contract	(i) Multiple Individual owners (ii) Parent Group	Property owners and tenants	1.7	2.1	1.6	1.7	1.7	A: 3,753 B: 921 C: 90 D: 68 Total: 4,832 (6.7%)	A: 3,944 B: 641 C: 209 D: 786 Total: 5,580 (7.0%)	A: 1,975 B: 381 C: 116 D: 483 Total: 2,955 (7.3%)	2,895	59.9	4,069	72.9	2,048	69.3
20.	Lanchuang Shoutian Plastic Products Industrial Park (蘭創首田塑料製品產業園)	Jinhua-Yiwu Area (Lanxi City), Zhejiang Province	212	Independent Third Party	2024	December 2026	Property developer	Property management company	1.66	2.0	0.3	0.3	0.5	A: 884 B: 67 C: 72 D: — Total: 1,023 (1.4%)	A: 887 B: 7 C: 87 D: — Total: 981 (1.2%)	A: 602 B: 16 C: 66 D: — Total: 684 (1.7%)	(38)	N/A	44	4.5	204	29.8
21.	Xingyao Technology Small Enterprise Park (興耀科技小微園)	Jinhua-Yiwu Area (Wuyi County), Zhejiang Province	455	Independent Third Party	2025	Until the date when an owners' association is established and enters into a property service contract	(i) Multiple Individual owners (ii) Parent Group	Property owners and tenants	0.75	0.75	N/A	0.5	0.6	A: — B: — C: — D: — Total: —	A: 1,286 B: — C: 5 D: — Total: 1,291 (1.6%)	A: 1,644 B: — C: 33 D: — Total: 1,677 (4.2%)	nil	nil	988	76.5	807	48.1
22.	Lanxi City Lanchuang Jiuyu Science and Technology Innovation Valley Industrial Park (蘭溪市蘭創九羽科創智谷產業園)	Jinhua-Yiwu Area (Lanxi City), Zhejiang Province	185	Independent Third Party	2025	Until the date when an owners' association is established and enters into a property service contract	Property developer	Property developer[Note 11]	1.66	2.0	N/A	1.0	1.4	A: — B: — C: — D: — Total: —	A: 2,163 B: 95 C: 62 D: — Total: 2,320 (2.9%)	A: 1,522 B: 7 C: 35 D: 3 Total: 1,567 (3.9%)	nil	nil	413	17.8	561	35.8

Notes:

1. Except for (i) Houzhai Cultural and Creative Park, for which our Parent Group has long-term usage rights, and (ii) Jicheng Cross-Border Free Trade Logistics Park, which our Parent Group owns but did not develop itself, the projects we sourced from our Parent Group are developed by the Parent Group and its associates. For projects we sourced from our Parent Group, our Parent Group retained the ownership or right of use for some of the units within the properties. Save for the role of the Parent Group described above, our Parent Group does not have other role in our managed projects.

2. Our managed projects are owned either by property developers (including our Parent Group) or by various individual owners in the industrial sector. If the properties are sold by the property developers, they become owned by many different individual owners. For projects developed by our Parent Group, our Parent Group is the owner of some of the units within those projects.

3. For basic property management services, some of the property owners lease the properties to the tenants under agreements that stipulate that the tenants shall make the payment to us. For the paying customers of value-added services, please refer to "Our Customers" in this section.

4. The monthly unit property management fee per contract refers to the unit basic property management fee per sq.m. per month as stated in the latest basic property management services agreements entered into by our Group. For the same property, the monthly unit property management fee per contract applies uniformly for the paying customers, whether they are Parent Group or Independent Third Parties. For Wuyi County Optical & Electronic Industrial Park, the property management fee is stated as a lump sum figure for the entire park in the contract. Dongyang Weilong Plastics Technology Park is charged on a commission basis. Hence, the unit property management fee per contracts are not applicable to these projects.

5. The type of services are denoted as follows:

   A: basic property management services

   B: operational support services

   C: park ancillary services

   D: energy-related services

6. The relevant contracts expired on the specified date or the date when an owners' association is established and enters into a property service contract, whichever the earlier.

7. According to the tender document, the basic property management contract shall be renewed for an additional one year following its expiration.

8. Meijiang Lanchuang Jicheng Industrial Park was developed by Lanchuang Jicheng, which is an associate of Zhejiang Panglong.

9. Sunwonda Peripheral Complex is a commercial property.

10. We charge our basic property management service fee on a commission basis for Dongyang Weilong Plastics Technology Park. Pursuant to the relevant service agreement, the service fee is calculated based on the labour cost of our deployed staff, plus a 15% markup as our management fee. The property developer also reimburses our other costs incurred in the project. Save for the above, we charged our basic property management fees for our managed projects on a lump-sum basis during the Track Record Period.

11. During FY2024 and FY2025, we entered into the basic property management service agreement with a property management company which outsourced the property management services to us. In 2026, we entered into the basic property management service agreement directly with the property developer. For details, see "Our Customers" in this section.

During the Track Record Period, for factories, the monthly unit property management fees per contracts for projects sourced from Parent Group ranged from RMB1.45 to RMB2.0 per sq.m., compared to RMB0.8 to RMB2.0 per sq.m. for projects sourced from Independent Third Parties. For ancillary dormitories, commercial units or offices, the monthly unit property management fees per contracts for projects sourced from Parent Group ranged from RMB1.5 to RMB2.1 per sq.m., compared to RMB2.0 to RMB2.1 per sq.m. for projects sourced from Independent Third Parties. According to Frost & Sullivan, the average property management fee for industrial parks in Jinhua City was approximately RMB1.64 per sq.m. per month, and that in Zhejiang Province was approximately RMB1.88 per sq.m. per month. The range of the monthly unit property management fee for projects sourced from our Parent Group is broadly consistent with the industry average. Excluding Xingyao Technology Small Enterprise Park and Jiuyao Technology Small Enterprise Park, the monthly unit property management fees we charged for projects sourced from Independent Third Parties ranged from RMB1.1 to RMB2.0 per sq.m. for factories. The monthly unit property management fees of these two excluded projects sourced from Independent Third Parties were relatively low, being RMB0.8 per sq.m., primarily due to their geographical location in Wuyi County, as further explained below. Apart from these two projects in Wuyi County, the range of monthly unit property management fees for projects sourced from Independent Third Parties is broadly consistent with the industry average.

The relatively wide range of average monthly basic property management revenue across our managed projects was primarily attributable to differences in geographical location, project development stage, occupancy conditions and commercial considerations of individual projects, notwithstanding that most of the projects managed by us are industrial parks located in Jinhua-Yiwu area.

Firstly, certain projects such as Jiuyao Technology Small Enterprise Park, Xingyao Technology Small Enterprise Park and Wuyi County Optical & Electronic Industrial Park are located in Wuyi County of Jinhua City. According to Frost & Sullivan, Wuyi County has a lower level of economic development than the national average in China, Zhejiang Province and Jinhua City. In 2025, Wuyi County's per capita GDP was RMB89,251, below the national average of RMB99,665, average of Zhejiang Province of RMB141,418 and average of Jinhua City of RMB101,029, respectively. Accordingly, property management service fees of industrial properties in Wuyi County are generally lower than those in more economically developed areas due to local market conditions, tenant profiles and relatively lower operating costs in the region. In addition, Wuyi County Optical & Electronic Industrial Park was undertaken by the Group as a strategic project to establish a cooperative relationship with the project developer, which is a state-owned enterprise, and the property management fee was therefore set at a relatively lower level.

Secondly, the property management fees for certain projects were affected by the respective development stages of the projects. For example, the average monthly basic property management revenue for Lanchuang Shoutian Plastic Products Industrial Park were relatively lower during the Track Record Period as the second phase of the project was only delivered towards the end of 2025 and preferential management fee arrangements were granted to the project developer prior to the delivery of the units.

Thirdly, we offered discounts to our management fees for certain projects with low occupancy rates which resulted in lower average monthly basic property management revenue including (i) certain projects, such as Wuyi County Optical & Electronic Industrial Park, Jiuyao Technology Small Enterprise Park, Xingyao Technology Small Enterprise Park, and Lanchuang Shoutian Plastic Products Industrial Park, which we only commenced services in 2024 and 2025, have a shorter history of service provision. As these industrial parks are not yet mature or fully developed, they have lower tenant occupancy rates; (ii) Huanyu Tech Chip City, which did not achieve full occupancy during the Track Record Period, and accordingly, a discounted fee rate was applied; and (iii) a portion of area of Lanxi Hongtu Smart Technology Industrial Park that had not been sold to individual property owners.

Fourthly, the average monthly basic property management revenue of projects which are outsourced to us by other property management service companies, namely Lanxi Hongtu Smart Technology Industrial Park, Lanchuang Shoutian Plastic Products Industrial Park, Sunwonda Peripheral Complex and Lanxi City Lanchuang Jiuyu Science and Technology Innovation Valley Industrial Park was relatively lower primarily because the outsourcing property management company, as an intermediary, needed to retain a profit margin, which resulted in a lower fee offered to us. For Lanxi City Lanchuang Jiuyu Science and Technology Innovation Valley Industrial Park, we were directly engaged by the property developer commencing in March 2026.

Fifthly, the average monthly basic property management revenue of Dongyang Weilong Plastics Technology Park was relatively lower during the Track Record Period as we charged on a commission basis to determine the service fee. Pursuant to the relevant service agreement, the service fee is calculated based on the labour cost of our deployed staff, plus a 15% markup as our management fee. Since we commenced management of this project only in 2024, the labour required at the preliminary stage was not substantial, and hence a lower amount of service fee.

The increase in gross profit margins of certain projects sourced from the Parent Group during the Track Record Period was primarily due to the following reasons:

(i) transition from the sublease service model to the entrusted management service model, which benefits projects #1, #2, #4, #5, #6, #7, #13 and #19 (i.e., Qianjin Jicheng Small Enterprise Park, Lanxi Jicheng Micro and Small Enterprise Park, Jinyi Jicheng Small Enterprise Park, Meijiang Lanchuang Jicheng Industrial Park, Pujiang Jicheng Industrial Park, Meijiang Jicheng Zhuzhai Industrial Park, Zhezhong Jicheng International Smart Beauty Valley Industrial Park, Jiangshan Jicheng Industrial Park and Nanxun Shuanglin Jicheng Industrial Park), as commercial operation services contributed a substantial portion of the revenue of these projects;

(ii) introduction of energy-related services, which applies to projects #14 and #19 (i.e. Jiangshan Jicheng Industrial Park and Nanxun Shuanglin Jicheng Industrial Park), as new solar-energy projects (which generate 100% gross profit margin) were introduced to these projects in late 2024 or 2025;

(iii) improvement in cost control, which applies generally to all managed projects of the Group, as we optimise our operational efficiency by outsourcing labour-intensive functions such as security, cleaning and waste management to external providers; and

During 1H2026, the profit margin of some of our managed projects changed compared to FY2025, which was primarily attributable to:

(i) further improvement in cost control such as allocation of human resources, which applies to projects #2 and #8 (i.e. Lanxi Jicheng Micro and Small Enterprise Park and Houzhai Cultural and Creative Park), resulting in an increase of gross profit margin;

(ii) the timing of repairment and maintenance or other costs incurred. For the increase in the profit margin for Project #9 (i.e. Jicheng Cross-Border Free Trade Logistics Park), this was due to a decrease in the cost of fire safety repair and maintenance work in 1H2026, as such work had been substantially carried out during FY2025. Conversely, the decrease in the gross profit margin for Project #11 (Huanyu Tech Chip City) was due to escalator maintenance occurring in 1H2026 and the decrease in the gross profit margin for Project #2 Lanxi Jicheng Micro and Small Enterprise Park was due to sewage pipe refurbishment in the property occurring in 1H2026;

(iii) the provision of value-added services which depends on the demand of the customer during the relevant period. This applies to project #17 (i.e. Dongyang Weilong Plastics Technology Park) which the gross profit margin decreased in 1H2026 due to the decrease in revenue derived from operation support services in 1H2026;

(iv) the recovery of basic property management services fees during previous engagement. For Lanxi Hongtu Smart Technology Industrial Park, under the previous service arrangement, settlement with the intermediary property management company was based on amounts collected by it from the ultimate property owners or occupants. Such outstanding fees were previously considered difficult to recover and no settlement was expected by the Group. During 1H2026, the Group assisted in recovering such fees from the relevant property owners or occupants, following which the intermediary property management company made the corresponding additional settlement to the Group, resulting in higher property management revenue during the period; and

(v) the change of engagement. For Lanxi City Lanchuang Jiuyu Science and Technology Innovation Valley Industrial Park, we were directly engaged by the property developer commencing in March 2026, replacing the previous arrangement under which the Group provided services through an intermediary property management company and a portion of the service fees was retained by such intermediary.

In addition, during the Track Record Period, we provided value-added services for some properties that we did not provide basic property management services. The following table sets out the projects for which we only provided value-added services during the Track Record Period.

	Name of industrial park/ commercial property	Location	Source of project[Note 1]	Date of commencement of services	Expiry date of relevant contract	Property Owner	Revenue contributed by the project of each segment and percentage contribution of total revenue contribution[Note 1]			Gross profit/(loss) and gross profit margin contributed by the project					
							FY2024	FY2025	1H2026	FY2024		FY2025		1H2026	
							(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
1.	Ancillary Commercial Leasehold (Jinyi Section), Jinyidong Urban Rail Transit (金義東市域軌道交通(金義段)附屬商業租賃物業)	Jinhua City, Jinhua-Yiwu Area, Zhejiang Province	Independent Third Party	30 August 2022	29 February 2028	Jinhua Jinyidong Rail Transit Co., Ltd.* (金華市金義東軌道交通有限公司)	A: 508 B: — Total: 508 (0.7%)	A: 451 B: — Total: 451 (0.6%)	A: 397	268	52.8	215	47.7	279	70.3
2.	Wuxing High-tech Zone Creative Life Plaza (吳興區高新區創意生活廣場)	Huzhou City, Zhejiang Province	Independent Third Party	1 August 2024	31 July 2034[Note 2]	Huzhou South Taihu High-Tech Park Development and Management Co., Ltd.* (湖州南太湖高新園區開發管理有限公司)	A: 217 B: — Total: 217 (0.3%)	A: 627 B: 9 Total: 636 (0.8%)	—	(851)	(391.3)	(1,504)	(236.5)	—	—
3.	Guangdong Yangjiang Jicheng Smart Home Industrial Park[Note 3] (廣東陽江吉成智能家居產業園)	Yangjiang City, Guangdong Province	Parent Group	11 February 2025	Until the date when an owners' association is established and enters a service contract	Our Parent Group	A: — B: — Total: —	A: 773 B: — Total: 773 (1.0%)	A: 1,481	N/A	N/A	773	100	1,329	89.7
4.	Xinchang Jicheng Innovative Manufacturing Industrial Park (新昌吉成創新製造產業園)[Note 3]	Shaoxing City, Zhejiang Province	Parent Group	5 December 2025	Until the date when an owners' association is established and enters into a service contract	Our Parent Group	—	—	A: 243	—	—	—	—	204	84.1
5.	Taizhou Sanjiangkou Smart Manufacturing Valley (台州三江口智造谷)	Taizhou City, Zhejiang Province	Independent Third Party	13 November 2025	12 November 2033	台州市黃岩中模機械製造有限公司、Taizhou Huangyan Shuchuang Machinery Manufacturing Co., Ltd.* (台州市黃岩數創機械製造有限公司)	—	—	A: 990	—	—	—	—	699	70.6
6.	Linxiang Jicheng International Outdoor Leisure Industrial Park (臨湘吉成國際戶外休閒產業城)[Note 3]	Linxiang City, Hunan Province	Parent Group	15 April 2025	Until the date when an owners' association is established and enters into a service contract	Our Parent Group	—	—	A: 92	—	—	—	—	(13)	(14.1)

Notes:

1. The types of value-added services are denoted as follows:
   A: operational support services
   B: park ancillary services

2. We terminated the value-added services contract for Wuxing High-tech Zone Creative Life Plaza in FY2025 due to the gross loss incurred by this project.

3. We entered into the basic property management service agreement with our Parent Group. As at the Latest Practicable Date, the property had not been delivered to us for management.

Sources of Our Projects

During the Track Record Period, we managed properties developed by our Parent Group and Independent Third Parties developers. During the Track Record Period, we generally secured property management projects by participating in tenders, a process whereby local governments, public institutions and the Parent Group evaluate and select from multiple relevant service providers. For details, please see the paragraph headed "— Property Management Services — Tender, Competitive Bidding And Negotiation Process" in this section. The following tables set forth the breakdowns of the number of projects and GFA under our management and our revenue by source of projects for the year/period indicated:

	FY2024					FY2025					1H2026				
	GFA under management[1] *(sq.m. '000)*	%	Revenue *(RMB'000)*	%	Number of projects under management[1]	GFA under management[1] *(sq.m. '000)*	%	Revenue *(RMB'000)*	%	Number of projects under management[1]	GFA under management[1] *(sq.m. '000)*	%	Revenue *(RMB'000)*	%	Number of projects under management[1]
Projects sourced from:															
Our Parent Group[2]	1,768	46.6	55,939	78.0	12	1,768	39.9	50,748	63.7	12	1,768	47.7	25,350	63.0	12
Independent Third Parties	2,022	53.4	15,744	22.0	11	2,662	60.1	28,924	36.3	13	1,938	52.3	14,874	37.0	10
Total	**3,790**	**100.0**	**71,683**	**100.0**	**23**	**4,430**	**100.0**	**79,672**	**100.0**	**25[3]**	**3,706**	**100.0**	**40,224**	**100.0**	**22**

Notes:

1. Both GFA under management and number of projects under management refer to projects for which we provide basic property management services and exclude projects for which we are engaged to provide value-added services only.

2. Refer to projects developed by Zhejiang Panglong, its subsidiaries and associates. The revenue derived from projects developed by our Parent Group was received from either the Parent Group or Independent Third Parties.

3. During FY2025, we managed a total of 25 projects. The number of projects under our management was 22 as at 31 December 2025. For details, please see the table sets forth the movement of our project under management in the paragraph headed "Our Managed Properties".

During the Track Record Period, revenue contribution percentage from projects sourced from our Parent Group decreased, while revenue generated from projects sourced from Independent Third Parties as a percentage of our total revenue continued to increase. For FY2024, FY2025, 1H2025 and 1H2026, revenue generated from projects sourced from Independent Third Parties accounted for 22.0%, 36.3%, 32.2% and 37.0%, respectively, of our total revenue of property management and value-added services. Our GFA under management of projects sourced from Independent Third Parties increased from 2.0 million sq.m. for FY2024 to 2.7 million sq.m. for FY2025 and decreased to 1.9 million sq.m. for 1H2026, representing 53.4%, 60.1% and 52.3% of our GFA under management as at the year/period end, respectively. Revenue attributable to projects sourced from the Parent Group accounted for 78.0%, 63.8% and 63.0% of the Group's total revenue for FY2024, FY2025 and 1H2026, respectively, despite such projects representing only 46.6%, 39.9% and 47.7% of the Group's total GFA under management. This was mainly due to (i) lower average property management fees for projects sourced from independent third parties due to project-specific factors, and (ii) a greater contribution of value-added services from projects developed by the Parent Group, where the Group is able to leverage established relationships, and operational familiarity to deliver higher-margin services more efficiently.

The table below sets forth the breakdown of our revenue by paying customers during the Track Record Period:

	FY2024		**FY2025**		**1H2026**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Our Parent Group[Note]	7,448	10.4	21,369	26.8	11,604	28.8
Independent Third Parties	64,235	89.6	58,303	73.2	28,620	71.2
Total	**71,683**	**100.0**	**79,672**	**100.0**	**40,224**	**100.0**

Note: refers to Zhejiang Panglong, its subsidiaries and includes its associates

OUR BUSINESS MODEL

During the Track Record Period and up to the Latest Practicable Date, we generated revenue from two types of services, namely (i) basic property management services and (ii) value-added services.

Property Management and Value-added Services

The property management and value-added services we provide to property developers, property owners, and occupants primarily comprise: (i) basic property management services; and (ii) value-added services.

The table below sets forth the breakdown of our revenue by type of services during the Track Record Period:

	FY2024		**FY2025**		**1H2026**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Basic property management services	42,521	59.3	53,402	67.0	27,451	68.2
Value-added services	29,162	40.7	26,270	33.0	12,773	31.8
Total	**71,683**	**100.0**	**79,672**	**100.0**	**40,224**	**100.0**

The table below sets forth the breakdown of our revenue and gross profit margin of value-added services by source of projects during the Track Record Period:

	FY2024						FY2025						1H2026					
	Operational support services			Energy-related services[Note]			Park ancillary services			Operational support services			Energy-related services[Note]			Park ancillary services			Operational support services			Energy-related services[Note]			Park ancillary services		
	Revenue		Gross profit margin (%)	Revenue		Gross profit margin (%)	Revenue		Gross profit margin (%)	Revenue		Gross profit margin (%)	Revenue		Gross profit margin (%)	Revenue		Gross profit margin (%)	Revenue		Gross profit margin (%)	Revenue		Gross profit margin (%)	Revenue		Gross profit margin (%)
Projects sourced from	(RMB'000)	%		(RMB'000)	%		(RMB'000)	%		(RMB'000)	%		(RMB'000)	%		(RMB'000)	%		(RMB'000)	%		(RMB'000)	%		(RMB'000)	%	
Parent Group	21,020	93.4	24.6	3,282	100.0	100.0	2,892	85.6	44.7	11,182	66.9	72.5	4,574	100.0	100.0	3,647	73.2	65.9	6,005	76.0	76.7	2,096	99.9	100.0	1,995	72.0	64.2
Independent Third Parties	1,483	6.6	1.3	—	—	—	485	14.4	19.6	5,533	33.1	21.2	—	—	—	1,334	26.8	15.2	1,896	24.0	60.9	3	0.1	100.0	777	28.0	34.5
Total	22,503	100.0	23.0	3,282	100.0	100.0	3,377	100.0	41.1	16,715	100.0	55.5	4,574	100.0	100.0	4,981	100.0	52.3	7,902	100.0	72.9	2,099	100.0	100.0	2,772	100.0	55.8

Note: During the Track Record Period, we provided energy-related services for projects sourced from our Parent Group only.

During the Track Record Period, we primarily provided value-added services in projects sourced from our Parent Group as we generally have a longer history of providing property management services which allow us to have a better understanding of the value-added services required by tenants and property owners. In contrast, projects sourced from Independent Third Parties often require cooperation with multiple external services providers, which may reduce our operational flexibility and limit our ability to provide value-added services.

In FY2024, we recorded a gross profit margin of 24.6% for operational support services for projects sourced from our Parent Group compared to 1.3% for projects sourced from Independent Third Parties. This difference was primarily because we provided vendor sourcing and management services which generated 100.0% gross profit margin to projects sourced from our Parent Group, generating a gross profit of RMB1.7 million, whereas we recorded only RMB0.4 million in gross profit from such services for projects sourced from Independent Third Parties. Additionally, there was a loss-making subleasing arrangement in a project sourced from an Independent Third Party.

In FY2025, we recorded an increase in gross profit margin for operational support services for both projects sourced from our Parent Group and the Independent Third Parties. This was primarily because (i) a change from the service model to an entrusted management service model for commercial operation services for projects sourced from our Parent Group, which improved the gross profit margin; (ii) the commencement of property sales support services for projects sourced from both our Parent Group and Independent Third Parties, which generally carried a higher gross profit margin than the overall commercial operation services in FY2025; and (iii) an increase in revenue and gross profit from vendor sourcing and management services for projects sourced from both our Parent Group and Independent Third Parties. The gross profit margin for vendor sourcing and management services remained at 100.0%. Despite the increase in gross profit from property sales support services and vendor sourcing and management services, the gross profit and gross profit margin of projects sourced from Independent Third Parties remained lower than those from our Parent Group, primarily due to the loss-making sublease project sourced from an Independent Third Party.

In 1H2026, the gross profit margin for operational support services and park ancillary services for projects sourced from the Parent Group remained stable while we recorded an increase in the gross profit margin for operational support services for projects sourced from the Independent Third Parties, which was primarily due to (i) an increase in the revenue from property sales support services and (ii) the termination of one loss-making sublease contract in August 2025, which reduced the losses incurred under the sublease contract and enabled the sublease business to return to profitability during 1H2026.

For park ancillary services, we recorded higher revenue and higher gross profit margin for projects sourced from the Parent Group than those sourced from Independent Third Parties during the Track Record Period. This is primarily because some of the projects developed by the Parent Group have a longer operational history. For example, we commenced management of the Qianjin Jicheng Small Enterprise Park, Lanxi Jicheng Micro and Small Enterprise Park, and Jinyi Jicheng Small Enterprise Park around 2020 and 2021. Our longer service provision history has resulted in greater customer stickiness among property occupants, which in turn allows us to provide more park ancillary services. In contrast, our management period for projects sourced from Independent Third Parties is generally shorter, and some Independent Third-Party developers provide ancillary park services themselves.

Basic Property Management Services

We provide property management services to property developers, property owners and property management companies of industrial parks and commercial properties. Our basic property management services typically include:

- *Repair and maintenance services.* The scope of our repair and maintenance services covers common area parts and facilities. We are generally responsible for ensuring that elevator systems, lighting facilities, air-conditioning systems, power supply and distribution systems, water supply and drainage systems, fire extinguishing systems and other facilities and equipment located in common areas are in good working order. We generally provide facility management, repair and maintenance services through our own employees. For elevator and fire extinguishing systems, we also provide facility management, repair and maintenance services through subcontractors.

- *Security and safety management services.* We seek to ensure that the properties we manage are safe and in good order. The security services we provide on a daily basis include, among others, traffic management, patrolling, video surveillance, emergency response, visitor management and fire safety. In addition, we monitor the safety of the manufacturing processes conducted by the occupants by regularly patrolling the area. We also provide car park security services, including car parking and access of vehicles. We provide our security services primarily through our own employees and technological solutions such as surveillance cameras and fire safety system.

- *Cleaning and gardening services.* We provide cleaning and hygiene maintenance services such as general cleaning, garbage collection and sewage clearing to common areas of properties including, among others, staircases, railings, hallways, basements and gardens. Our gardening and landscaping services include pruning, plant watering, fertilisation and pest control for the greenery of our managed properties. We seek to maintain the growth and beauty of greenery throughout our managed properties. We provide our cleaning and gardening services primarily through subcontractors.

- *Ancillary services.* We provide ancillary services to property owners, tenants and occupants during the entire period of move-in to move-out, including, among others, (i) assisting with daily services for property owners, such as visitor reception and renovation management; (ii) handling customer complaints and suggestions, including follow-up and feedback; (iii) collecting property management fees and utility payments; (iv) gathering and maintaining records of property owners, tenants and occupants; and (v) establishing and maintaining communication with property owners, tenants and occupants.

Value-added Services

In addition to our basic property management services, we also provide a wide range of value-added services for property developers, owners, tenants and occupants of our managed properties at their option, including (i) operational support services; (ii) park ancillary services and (iii) energy-related services. We are also engaged by property developers and property management company to provide operational support services for properties that are not under our management.

Operational support services

Our operational support services comprise:

- Property sales support services

We generally assist the property developers for sale of its properties in the industrial parks. We are responsible for sales support, including (i) conducting market research and assisting in formulating the sales strategy, (ii) generating potential customer leads, conducting marketing and maintaining client relationship, such as initial site visits and hospitality to guiding client inspections and (iii) providing post-sales support such as handling property handover. An external agent is separately engaged by the property developer and acts as an authorised agent to negotiate with purchasers, facilitate transactions, and provide accurate property information without making unauthorized commitments. The agent is also responsible for providing end-to-end transaction support, including assisting with pre-sale registration, mortgage application. In addition, pursuant to the property sales support services, all parties confirm that we will not provide any real estate agency services, including acting as an agent for sale or matching sales to the property developers and that such services will instead be provided by the agent.

- Commercial operation services

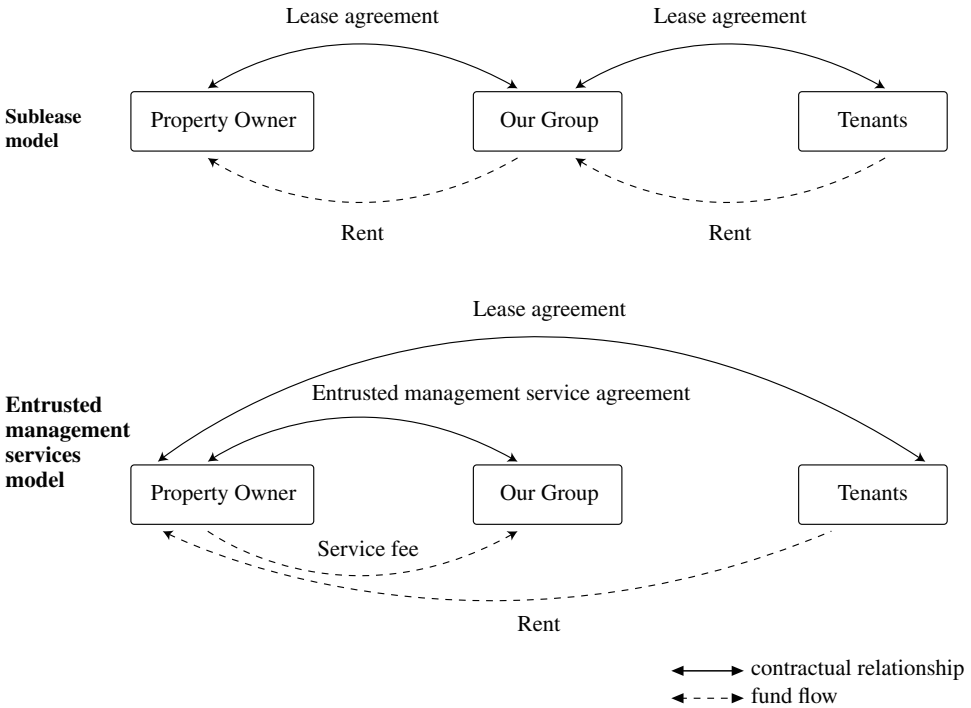
We provided our commercial operation services under two different service models during the Track Record Period, namely the sublease services model and entrusted management services model. In FY2024, we provided sublease services while in FY2025 and in 1H2026, save for two properties and one property, respectively, we provided similar services under entrusted management services model.

In FY2024, we leased properties from owners of our managed properties and sublease them to tenants. We entered into separate lease agreements, (i) as lessee with the property owners and (ii) as lessor with the tenants. We lease the properties which are in a rough-finished state from the property owners. We recruit tenants and determine the rent, and we enter into lease agreements with the tenants, the rental payments collected from tenants constitute our revenue. Under the lease agreements with the tenants, we are responsible for ensuring the leased property and its facilities are in safe and usable condition. We also handle and fund repairs of roof leaks or structural problem, provided they were not caused by the tenant's improper use. Meantime, we bear the fixed rental payments made to the property owners. If the market is favourable, with high occupancy rates and rental prices, we may achieve higher revenue and profits. However, in the event of an economic downturn, commercial or industrial

properties may experience decreased occupancy rates or even prolonged periods of being unoccupied, which could result in insufficient revenue to cover our fixed costs. We have substantially discontinued the sublease service model in the end of 2024.

Since January 2025, most of the properties were operated by us under the entrusted management services model, whereby we enter into entrusted management services agreement with property owners, pursuant to which property owners including our Parent Group entrust us with the authority to source tenants and manage their properties (excluding the common area of the industrial parks), including the factories, units in the ancillary building and the rooftop. While we offer comprehensive services to maintain the safety, functionality and exterior of the common areas of our managed properties under our basic property management services, we offer entrusted management services under the commercial operation services with the aim of enhancing the value of the properties held by the property owners through tenant sourcing, thereby bringing economic return to the property owners. The property owners enter into lease agreements with tenants which sets out the rent payable by the tenants to the property owners. The property owners entrust us with the management of the properties, that are initially in a rough-finished state. We are responsible for ancillary upgrades, including the installation of air conditioning and other electrical appliances, cleaning, and property handover, to bring the properties to a ready-to-use condition. The property owners, typically the developers, establish a designated floor price of the properties which will be retained by the property owners as their return in the entrusted management agreements. The property owners pay our service fee which is the premium of the actual rent paid by the tenants over the designated floor price. The designated floor price is determined taking into account (i) the comparable market rent for properties in the surrounding area, which is the expected rent payable by the tenants; and (ii) our operation costs incurred, including staff costs, costs for ancillary upgrade and depreciation of assets. Under this arrangement, our Group no longer bears fixed rental obligations to property owners. In the event that the market rent is lowered and the designated floor price charged by the property owners exceeds the actual rent payable by the tenants, we will negotiate with the property owners and seek an adjustment of the designated floor price to maintain our profits. If an adjustment to the designated floor price is not reached, we will consider discontinuing the entrusted management services. Since the adoption of entrusted management services model and as at the Latest Practicable Date, all entrusted management services agreements that we entered into were with our Parent Group and the actual rent paid by the tenants exceeded the designated floor price charged by our Parent Group. Despite the change in the contractual arrangement for commercial operation services, the pricing basis under the sublease services model (which was the difference between the rent paid by the tenants to us and the rent paid by us to the property owner) and the return under the entrusted management services model (which is the service fee) were substantially the same, as both were determined with reference to the market rent. For FY2024, FY2025 and 1H2026, we provided entrusted management services to nil, nine and nine properties, respectively. The mark-up rate of the entrusted management service fee against the rent paid by tenants to property owner generally ranged from 15% to 120% for FY2025 and 1H2026, which depends on: (i) the nature of the properties (whether they are factories or ancillary dormitories); (ii) the timing of the lease agreements entered into between the tenants and the property owner, as it affects the market rent; and (iii) the floor level of the factory, where a factory plant on a lower floor would result in a higher mark-up rate.

The following diagram illustrates the details of the sublease services model and entrusted management services model:



Under the entrusted management services model, we entered into operation services agreement with the property owners. According to Frost & Sullivan, the terms of the entrusted management service agreement entered by us are in line with industry norms. Our operation service agreements under the entrusted management model typically include the following key terms:

Term of services	The term is generally a fixed period of 16 months to 35 months.
Termination	The property owner shall generally have the right to terminate the agreement unilaterally in case of failure to rectify issues in relation to service performance or the submission of payment reconciliation materials, or in case of unauthorised change of property use.
Our obligations	The property owner entrusts us with the authority to source tenants and manage their properties (excluding the common area of the industrial parks), including the factories, units in the ancillary building and the rooftop.
Service fees	A designated floor price of the properties, which will be retained by the property owners as their return, is set out. Our service fee is the premium of the actual rent paid by the tenants over the designated floor price.
Payment terms	The corresponding service fee for the property is calculated quarterly subject to payment reconciliation. The property owner shall pay us within five business days after the payment reconciliation.

The following table sets forth the revenue and costs of services recognised under sublease services model and entrusted management services model:

	FY2024				FY2025				1H2026			
	Revenue		Cost of services		Revenue		Cost of services		Revenue		Cost of services	
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*	*(RMB'000)*	*(%)*
Model												
Sublease services	20,447	100.0	17,319	100.0	1,343	14.6	2,539	46.8	399	91.2	120	9.6
Entrusted management services	—	—	—	—	7,874	85.4	2,889	53.2	4,131	8.8	1,141	90.4
Total commercial operation services	**20,447**	**100.0**	**17,319**	**100.0**	**9,217**	**100.0**	**5,428**	**100.0**	**4,530**	**100.0**	**1,261**	**100.0**

Under the sublease model, revenue primarily represents the gross rental income we received from tenants, while cost of services mainly comprises the rental costs incurred by the Group in leasing the relevant properties from the landlords, together with other operating costs directly attributable to the leasing activities, such as staff costs, property improvement and renovation costs and other expenses incurred in preparing and maintaining the properties for leasing.

Under the entrusted management services model, revenue primarily represents the service fee earned by the Group, being the difference between (i) the actual rental income paid by the tenants and (ii) the pre-agreed designated floor price retained by the property owners. Accordingly, while avoiding exposure to lease-related risks, the revenue recognised under the entrusted management services model is economically similar to the margin between rental income and rental costs under the sublease model. Cost of services under the entrusted management services model primarily comprises staff costs, costs incurred for ancillary upgrades and renovations, and depreciation of assets used to prepare and maintain the properties in a ready-to-use condition for tenants.

- Vendor sourcing and management services

We assist the occupants to source suitable vendors according to their operational needs. For example, we refer safety consultant companies to property owners, tenants and occupants. Such external consultant companies will conduct on-site safety inspections, provide safety education and training, organise fire emergency drills and guide enterprise occupants in implementing corrective measures (if required). We assist the consultant companies in organising training sessions and drills for the enterprise occupants within the industrial park. We charge a specified percentage of the safety production service fee collected by the consultant companies from the property owners, tenants and occupants.

We also refer building decoration companies to property owners, tenants and occupants and offer furniture and equipment services in properties under our management. We charge building decoration companies a specified percentage of the contract amount agreed upon between them and the property owners, tenants or occupants as service fee.

Park ancillary services

We provide a wide range of optional services for our occupants to support the operational excellence and daily quality of life within our industrial parks. Examples of our park ancillary services include:

- In-unit cleaning services

We provide in-unit cleaning services to property owners, tenants and occupants. These services include routine cleaning, glass cleaning, carpet cleaning, sofa and furniture cleaning and maintenance, along with other specialised services for their selection. Fees are settled through single-time payment, monthly packages or annual fee arrangements. These services are typically delivered through our own employees or subcontractors.

- In-unit repair services

We provide in-unit repair services to property owners, tenants and occupants, covering repair services for interior decoration projects as well as facilities and equipment within their production, operational, and office premises. These services are typically carried out either by our own employees or through subcontractors.

Energy-related services

Our energy-related services comprise (i) solar energy projects and (ii) energy storage projects.



We introduce energy technology companies to invest and install relevant facilities such as solar energy stations (including solar panels and cells) in our managed projects. We share profits of the energy service providers in those energy projects in our managed properties, which represents the difference of the electricity charge and the predetermined unit cost according to the service agreements. All electricity charges payable by tenants or property owners, whether provided by the solar energy stations or by national grids, are determined in accordance with the prices announced by national electric grids. We liaise with and are entrusted by property owners to manage the rooftop space in some

of our managed properties and we provide such space to energy technology companies for solar energy projects. We therefore also receive a fee from the energy technology companies for the provision of rooftop space.

Our agreements with energy service companies for solar energy projects typically include the following key terms:

Term of services	The initial term is 20 years from the date the solar power station is connected to the grid. Upon expiry of the contract term, the parties agree that, on the same terms, they shall give priority to entering into a separate 5-year renewal contract with each other.
Termination	Either party may terminate the agreement by mutual written agreement or unilaterally for a material breach of another party.
Our obligations	We provide legal and unencumbered rooftop space and necessary support (including access, temporary utilities, and storage) to the energy service providers and avoid any obstruction of sunlight exposure to the photovoltaic panels.
Obligations of the energy service companies	The energy service company invests in, owns, operates, and maintains the solar power station, ensuring compliance with all applicable laws and safety standards. It is responsible for obtaining all necessary approvals and permits and coordinating grid connection.
Service fees	We receive a fixed service fee from the energy service companies for the provision of rooftop space. We share profits of the energy service providers in those energy projects in our managed properties, which represents the difference of the electricity charge and the predetermined unit cost, which is lower than the electricity charge determined by the national electric grids. We share profits with the energy service providers on a 50:50 basis.
Payment terms	The annual fixed service fee is paid in a lump sum on the date of full grid connection and at the same time in the subsequent years. The shared profits are paid to us on a monthly basis.

For energy storage projects, we engage energy service providers to invest and install energy storage devices (including cells) which store electricity purchased from national electric grids at "trough" price announced by national electric grids during low-demand period which will be sold and released to the occupants in the properties at "level" or "peak" prices during normal or high-end periods.

OUR REVENUE MODEL

Property Management and Value-added Services

Basic Property Management Service

During the Track Record Period, the fees for our provision of property management services were primarily charged on a lump-sum basis.

According to Frost & Sullivan, the lump-sum basis revenue model is the dominant method for the collection of property management fees in China. Under the lump-sum basis revenue model, we charge an annual, fixed and all-inclusive fee for our property management services, which we provide through our own employees and third-party subcontractors. We are entitled to retain the full amount of property management fees collected from property developers and property owners as revenue, and bear the costs incurred in providing our property management services and recognise such costs as our cost of sales and services.

Prior to negotiating and entering into our property management service agreements, we conduct feasibility study to estimate our cost of services as accurate as possible. Our cost includes, among others, labour costs, cleaning and gardening expenses, utility expenses and maintenance costs. As we bear these costs ourselves, our profit margins are affected by our ability to estimate costs accurately and control our cost of services. In the event that our cost of sales and services are higher than anticipated, we would not be able to collect additional amounts from our customers to sustain our profit margins. For more details relating to the risks arising from the lump-sum basis revenue model, please see the section headed "Risk Factors — Risks Relating To Our Business and Industry — We may be subject to losses and our profit margins may decrease if we fail to control our costs in providing property management and value-added services under a lump-sum basis.".

During FY2024, FY2025 and 1H2026, we incurred losses on three, nil and two properties, respectively. Our total losses generated from the management of the aforesaid loss-making properties amounted to RMB0.6 million, nil and RMB0.2 million for FY2024, FY2025 and 1H2026, respectively. All loss-making projects were sourced from Independent Third Parties. The losses for FY2024 related to Wuyi County Optical & Electronic Industrial Park (武義縣光電產業園) resulted from a strategic pricing strategy in which we offered lower property management fees to secure initial contracts and attract future project opportunities from the state-owned enterprise which may render greater profit to our Group. The losses for FY2024 associated with Jiuyao Technology Small Enterprise Park (久耀科技小微園) were due to lower property management fees charged as these properties were located in Wuyi County of Jinhua City. As confirmed by Frost & Sullivan, property management service fees in Wuyi County are generally lower than those in more economically developed areas due to local market conditions, relatively lower operating costs and tenant profiles in the region. The losses associated with Lanchuang Shoutian Plastic Products Industrial Park property (蘭創首田塑料製品產業園) were due to the lower management fees during FY2024 as the second phase of the project was only delivered towards the end of 2025 and preferential management fee arrangements were granted to the project developer prior to the delivery of the units. All three of the above projects turned around from loss to profits in FY2025, driven by a decrease in the costs of services. This followed particularly high initial operating costs incurred in 2024, when operations commenced and more human resources were allocated in the initial stage of operation.

For 1H2026, the losses related to Sunwonda Peripheral Complex were due to (i) slow settlement with the property management company, revenue derived from basic property services during 1H2026 has not been fully recognised and (ii) the provision of operational support services were substantially completed during 1H2026, resulting in the decrease in revenue derived from operational support services. For 1H2026, the losses related to Wuyi County Optical & Electronic Industrial Park (武義縣光

電產業園) were due to (i) the lower property management fees as the property was located in Wuyi County of Jinhua City as aforementioned and (ii) the decrease in the revenue derived from park ancillary services due to the decrease in demand of such services from the customers.

The table below sets forth the revenue model of our property management services fees:

Our revenue	We recognise the full amount of our property management fees paid by property developers and property owners as revenue.
Costs incurred in our provision of property management services	We bear the costs incurred in providing our property management services.
Shortfall or surplus between the property management service fees and costs incurred in our provision of property management services	If the amount of property management fees received is not sufficient to cover all costs incurred, we are not entitled to request the property developers and property owners to pay us the shortfall.

Pricing policy

We adopt the area-based pricing method for our property management business in accordance with market practice.

Generally, we price our property management services by considering factors such as (i) scope and quality of services; and (ii) budget, estimated costs and profitability targets. Under the area-based pricing method, we charge property management fees in the form of "RMB per sq.m. per month", considering key factors such as type of property, quality of service, with reference to unit fees of comparable projects.

During the Track Record Period, the monthly unit property management fees charged by our Group for factories and ranged from approximately RMB0.8 per sq.m. per month to RMB2.0 per sq.m. and that for dormitories, commercial units or offices ranged from approximately RMB1.5 per sq.m. per month to RMB2.1 per sq.m..

During the Track Record Period, all of the projects charged by our Group under the area-based pricing method were charged within the price ranges of our peers.

According to the Regulations on Property Management (《物業管理條例》) promulgated by the State Council on 19 March 2018, for properties that have been constructed but remain unsold or have not yet been transferred to the purchaser, the responsibility for the payment of property management fees lies with the developer of such properties. After negotiating with our customers and in consistent with the industry practices, we charge property management fees at 70–90% of the standard rate to property developers with regard to property management services provided to vacant properties. As confirmed by Frost & Sullivan, our pricing standard for vacant properties is in line with the charging standard of our peers in Zhejiang Province.

The relevant departments responsible for price administration and construction administration under the State Council jointly oversee property management fees and issue relevant guidance, and we are also subject to pricing controls issued by the PRC Government. In December 2014, the NDRC issued the Circular of the NDRC on the Opinions for Decontrolling the Prices of Some Services (國家發展和改革委員會關於放開部分服務價格意見的通知) (the "**Circular**"), which required provincial-level price authorities to liberalise certain price control or guidance policies on certain types of properties that meet the specified conditions. According to PRC laws and regulations, property management fees charged shall be determined with references to the government guidance price or the market price, based

on the nature and features of the relevant properties to which the property management services are provided. The specific pricing principles and implementation rules shall be determined by the competent price administration departments and property administration departments of the local governments of each province, autonomous region and municipality. During the Track Record Period and up to the Latest Practicable Date, according to Frost & Sullivan, our property management fees were generally in line with the relevant market trends with respect to property management fees charged by property management companies in the PRC.

Value-added Services

We offer value-added services for property developers, property owners, tenants and occupants at their option to address their various needs. In FY2024, FY2025 and 1H2026, our revenue from value-added services amounted to approximately RMB29.2 million, RMB26.3 million and RMB12.8 million, respectively. We receive either (i) shared revenue from service providers we partnered with to provide value-added services or (ii) fees per unit from the users for value-added services provided by us.

Operational support services

For property sales support services, we charge a fixed percentage of sale proceeds of properties sold under our assistance as our service fee. During the Track Record Period, we did not provide real estate brokerage services. For these property sales support services projects, we only provide project referral and other supporting services for property sales while the real estate brokerage services such as agency sales are provided by third-party real estate brokerage companies instead of us. For details of the services provided by us and third-party brokerage companies, please see "Our Business Model — Value-added services — Property Sales Support Services. For commercial operation services, we collect service fees from the property owners on a quarterly basis. Under the entrusted management services agreement, we and property owners agree on a designated floor price of the properties, which will be retained by the property owners as their return. Our service fee is the premium of the actual rent paid by the tenants over the designated floor price. In short, generally after the tenants pay the actual rent to the property owners, the property owners retain the designated floor price and pay us the remaining sum as our service fee. During the Track Record Period, our commercial operation fee per sq.m. per month for industrial park ranged between RMB9 and RMB21 for both projects sourced from our Parent Group and Independent Third Parties. According to Frost & Sullivan, the above range of fee is in line with the industry average.

For vendor sourcing and management services, we charge the external vendors a specified percentage of the contract amount agreed upon between them and the property owners, tenants or occupants as service fee.

Park ancillary services

Our park ancillary services are generally pay-per-use. For example, our in-unit cleaning services are charged by visit per hour. During the Track Record Period, we charged between RMB30 and RMB50 per hour for our in-unit cleaning services. For our in-unit repair services, depending on the item to be repaired, we charged between RMB20 and RMB200 per item (excluding materials) for both projects sourced from our Parent Group and Independent Third Parties. According to Frost & Sullivan, the above range of fee of our in-unit cleaning services and in-unit repair services is in line with the industry average.

Energy-related services

We introduce energy technology companies to invest in and install solar energy stations (including solar panels and cells) in our managed projects. We charge energy technology companies a fixed fee based on the area of rooftop space provided. Under the entrusted management services agreements, our Parent Group entrusts us with the authority to manage the rooftop space owned by it. We also enter into lease agreements with other property owners pursuant to which they lease out the rooftop space owned by them to us. We then enter into energy management service agreements with the energy technology companies granting them the right to use the rooftop for solar energy projects. We also share the profits generated by the energy technology companies, representing the difference between the actual electricity billed to occupants and the predetermined unit cost agreed under the service agreement. As at 30 June 2026, we provided energy-related services in eight of our managed properties.

For energy storage projects, we engage energy service providers to invest and install energy storage devices (including cells) which store electricity purchased from national electric grids at "trough" price announced by national electric grids during low-demand period which will be sold and released to the occupants in the properties at "level" or "peak" prices during normal or high-end periods.

PAYMENT AND CREDIT TERMS

Basic property management fees are generally due in advance on monthly, quarterly and annual basis in accordance with the agreement provisions. Value-added service fees are generally due after our provision of services and are settled on per-transaction, monthly or annual basis. We primarily accept payments for property management fees through bank transfers and third-party platforms such as WeChat Pay and Alipay. To facilitate the timely collection of property management fees and other payments, we may regularly remind property developers and property owners through channels such as text messages and written notices. In relation to the collection of outstanding property management fees, we will remind our customers of the outstanding amount verbally and/or in writing. For customers who default in payment frequently, we will increase the frequency of our reminders. In order to ensure that we meet the requirements under PRC statutes of limitations, we issue a demand notice annually, and may recover the outstanding amounts through litigation.

TENDER, COMPETITIVE BIDDING AND NEGOTIATION PROCESS

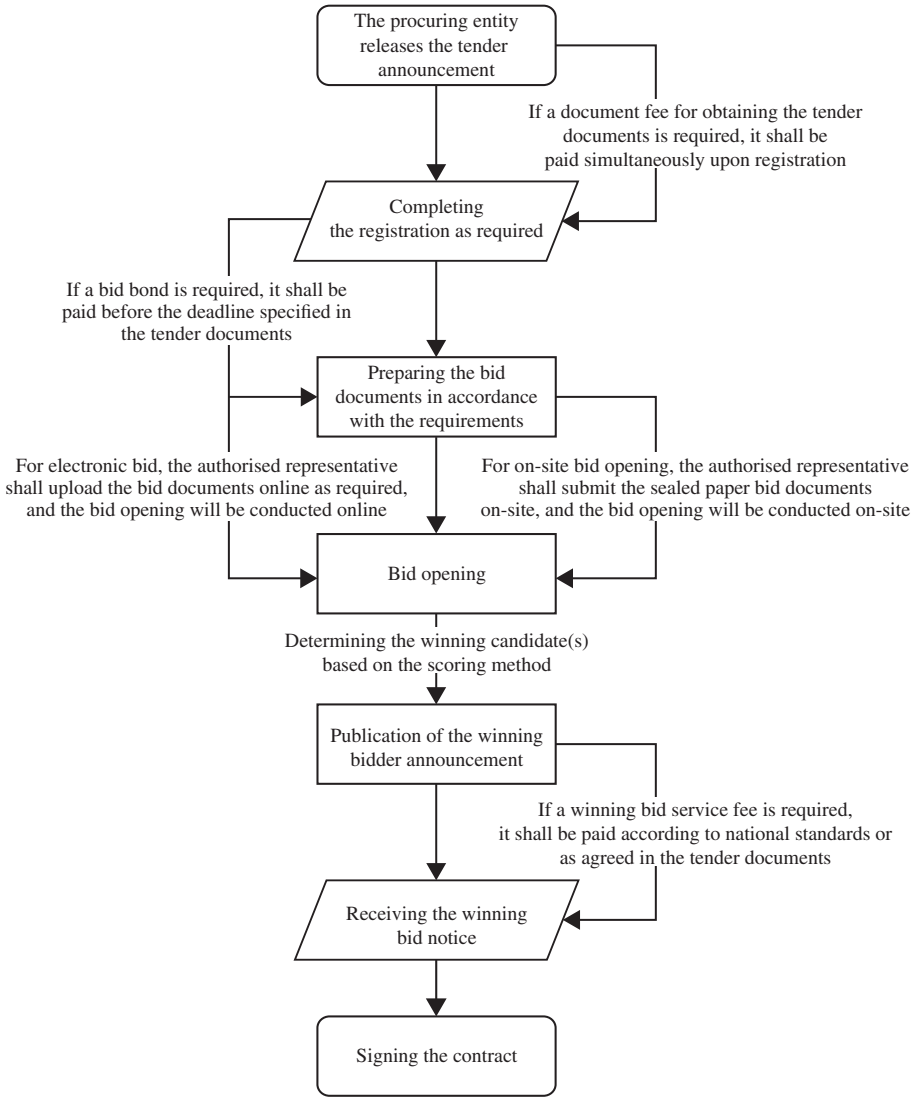
We obtain property management service agreements from property developers through tenders, competitive bidding or negotiation process.

During the Track Record Period, we generally obtained preliminary property management service agreements by participating in tenders, a process where property developers evaluate and select from multiple property management companies. With respect to non-residential property management, tender processes are not required unless relevant regulations of the local property management mandate that no tender is needed.

Tender announcements are usually issued by property developers for properties under development or being delivered. After reviewing the tender announcements, we submit tender documents to the property developer which generally included proposed pricing, proposal and plan for property management and other information as specified by the tender invitation. The property developers will then evaluate the tenders received, and select the winner based on factors such as pricing, quality of

service, management system, human resources management and the proposed management plan. After winning the tenders, we enter into property management service agreements with the relevant property developers.

The following flow chart illustrates each stage of our typical tender process for obtaining property management service agreements:



For FY2024, FY2025, 1H2025 and 1H2026, we participated in 11, 14, 11 and 2 tender and bidding process for properties developed or owned by Independent Third Parties, with tender/bidding success rate of 54.5%, 57.1%, 100.0% and 100.0% for the corresponding years/periods, respectively. For FY2024, FY2025, 1H2025 and 1H2026, we participated in nil, eight, 11 and nil tender and bidding process for properties developed or owned by our Parent Group, with tender/bidding success rate of nil, 100.0%, 100.0% and nil for the corresponding years/periods, respectively.

The following table sets forth our tender success rate of entering into services contracts (including basic property management services and value-added services) by type of property developer during the Track Record Period:

	FY2024			FY2025			1H2026		
	Number of bids submitted	Number of winning bids	Tender success rate (%)	Number of bids submitted	Number of winning bids	Tender success rate (%)	Number of bids submitted	Number of winning bids	Tender success rate (%)
Parent Group	—	—	—	8	8	100.0	—	—	—
Independent Third Parties	11	6	54.5	14	8	57.1	2	2	100.0
Total	**11**	**6**	**54.5**	**22**	**16**	**72.7**	**2**	**2**	**100.0**

OUR SERVICE AGREEMENTS

Our Basic Property Management Service Agreements

Our property management service agreements consist of preliminary property management service agreements with property developers and property management service agreements with property owners and typically include the following key terms:

Term of services	The term is generally either a fixed period of one year, or of undefined period until the formation of the owners' association. Most of our agreements specify that they will automatically terminate when a new property management service agreement entered into between the owners' association[Note] and a property management company becomes effective.
Termination	The agreement will usually automatically terminate upon expiration. For preliminary property management service agreement with a property developer, it generally does not provide the parties thereto with a right to terminate it in the absence of default and we shall enter into a termination agreement with the relevant property developer after commercial negotiation. For property management service agreement with a single property owner, if the current property owner sells the property to a new owner, the new owner shall enter into new property management service agreement with us.
Our obligations	We are generally responsible for providing the basic property management services with the scope and standards prescribed in the agreement. In some property management service agreements, we are also required to provide other value-added services as specifically arranged between us and our customers. We are flexible to accommodate our customers' needs and requirements in this respect.

Note: According to PRC Civil Code, the property owners may establish a property owners' assembly to elect a property owners' association. It is not mandatory to establish property owners' associations for property owners. As advised by the PRC Legal Advisers, there are no specific provisions under PRC law governing the election procedures for the owners' association of industrial and commercial properties. According to the Regulations on Property Management (2018 Revision) (《物業管理條例》(2018年修正)), a general meeting of the property owners of a community can engage or dismiss a property management enterprise with affirmative votes of owners who own more than half of the GFA of the community and who account for more than half of the total number of the property owners. As at the Latest Practicable Date, to the best knowledge of the Directors, there is no plan for the property owners to establish an owners' association in our managed projects where our term of service would be subject to termination if an owners' association were to enter into a property management service agreement.

Services scope and standards	The agreement sets forth the areas and GFA to be managed by us, which include the common area of the properties (including the load-bearing structure of the house, exterior walls, roof top, entrance hall) and the common facilities (generally including water pipes, water plumbing systems, lightings, electricity power systems, post boxes and fire protection systems). The agreement also sets forth the expected standards for our property management services such as the frequency of services including the cleaning of the public areas and the inspection of public facilities.
Service fees	The agreement sets forth the amount of property management fees, payable either on a lump-sum basis by property developers, property owners or tenants. The property developer is responsible for paying the property management fees for units that remain unsold.
Risk allocation	We are responsible for damage caused to the managed property or persons caused by our faults during the course of providing property management services. We may claim for indemnification from any third party that directly caused such damage and may claim insurance after paying such damage.
Subcontracting	We are allowed to outsource part of the professional property management services to our subcontractors but we have to be primarily responsible for the performance of property management and be responsible for the performance of our subcontractors.
Dispute resolutions	Both parties are typically required to resolve any contractual disputes through negotiations first before commencing litigation or arbitration.

We generally enter into property management service agreements with customers such as property developers and property owners. For property developers, we generally enter into preliminary property management service agreements with property developers prior to the pre-sale or sale of property development projects. The term of the preliminary property management service agreement shall generally remain in effect until the expiration of the agreement, the termination of negotiations, or the effective date of a new property management service agreement signed between the owners' association and the newly appointed property management service provider.

In order to secure and continue to secure property management service agreements, we must consistently provide quality services at competitive prices. Property owners, through an owners' association, may either hire a new property management service provider through the tender process or select one based on specific standards regarding terms and conditions of service, quality and price. According to the Regulations on Property Management (《物業管理條例》), property owners may engage or dismiss the property management enterprise with affirmative votes of property owners who own exclusive area accounting for more than half of the total GFA of the community and who account for more than half of the total number of the property owners. In the event that we are selected by property owners through an owners' association, we would then enter into a new property management service agreement with the owners' associations.

In the event that no owners' association is formed after delivery of the properties, the preliminary property management service agreement we entered into with the property developers would remain effective and oblige property owners to pay property management fees directly to us. If the initial term of the preliminary property management service agreement expires, and no owners' association is formed, then (i) the preliminary property management service agreement will be automatically renewed until the newly engaged property management service provider enters into a property management service agreement with an owners' association, if there is an appropriate term to that effect; or (ii) the parties to the preliminary property management service agreement may negotiate to extend the services absent any automatic renewal provision in the contract. During the Track Record Period and as at the Latest Practicable Date, no property owners' association had been formed for our managed projects.

Our Value-added Services Agreements

For operational support services, we primarily enter into (i) property sales support service agreements with property developers and real estate agents and (ii) commercial operation service agreements with property developers. For park ancillary services, most services are provided per order placed by the customers and we may or may not enter into agreement with our customers. For energy-related services, we primarily enter into energy management service agreements with energy technology companies.

Key Terms of Our Property Sales Support Service Agreements

Our property sales support service agreements typically include the following key terms:

Term of services	The term is generally a fixed period of 18 months to 42 months.
Termination	The property developer shall have the right to terminate the agreement unilaterally within seven working days notice in advance based on its performance evaluation.
Our obligations	We assist the property developers for the sale of their properties. We are also generally responsible for preliminary business planning, marketing and promotion, back-office support for property viewings and facilitating property handover procedures.
Service fees	The agreement sets forth the amount of service fee at a pre-determined percentage of the property price.
Payment terms	The corresponding service fee for the property is calculated after the customer pays the full amount for the property (including mortgage disbursement). Service fee is calculated within seven days after the customer's payment and payable monthly.

RENEWAL AND RETENTION RATES

Renewal Rate

The following table sets forth a breakdown of the renewal rate of property management services for the period indicated:

	FY2024	FY2025	1H2026
Number of renewed projects	2	5	7
Number of expired projects	2	8	7
Renewal rate	100.0%	62.5%	100.0

In FY2024, FY2025 and 1H2026, our renewal rates of property management service agreements were 100.0%, 62.5% and 100.0%, respectively. During the Track Record Period, none of the property management service projects sourced from the Parent Group expired. For projects sourced from Independent Third Parties, the renewal process may take different forms, including automatic annual renewals, renewal after one year based on the performance of the Group, or re-tendering upon expiration. For details, see "Our Managed Properties" in this section. According to Frost & Sullivan, the calculation basis of renewal rate is in line with the industry norm.

During FY2025, three of our managed projects were ceased. Among those, the property management contract for Tudian Town Intelligent Innovation Park expired and was subject to renewal through a competitive tender process. We were not awarded the renewal tender because our proposed price was higher than the winning bid and a reduction of the price would have resulted in margin compression. The property management fees for Yiwu Digital and Intelligent Industrial Community decreased by approximately 50% from RMB0.8 per sq.m. per month in 2024 to RMB0.4 per sq.m. per month in 2025 as discounted management fees were offered during the year due to the relatively low occupancy rate of the project. In light of the relatively low management fee levels and the limited profitability of the project, and taking into account that its financial performance was not expected to improve materially, we elected not to renew the relevant property management contract upon its expiry in November 2025. We also elected to terminate the property management services for Optical Film Industry Chain Science and Technology Innovation Park upon contract expiry. The project developer newly imposed a restriction on the number of tenants, requiring that the entire industrial park be leased to one single or only a limited number of tenants instead of multiple tenants. Taking into the size of the

industrial park, the restriction on the number of tenants is practically unfeasible for us and the resulting low occupancy would affect our property management services income going forward. Accordingly, we decided not to renew the project. The following table sets out details of the terminated projects:

	Name of industrial park/commercial property	Location	GFA under management	Source of project	Date of commencement of management	Date of termination	Average monthly basic property management revenue		Revenue contributed by the project of each segment and percentage contribution of total revenue contribution[Note]		Gross profit and gross profit margin contributed by the project			
							FY2024	FY2025	FY2024	FY2025	FY2024		FY2025	
			(sq.m. '000)				(RMB per sq.m.)		(RMB'000)	(RMB'000)	(RMB'000)	(%)	(RMB'000)	(%)
1.	Tudian Town Intelligent Innovation Park (屠甸鎮智創園)	Jiaxing City, Zhejiang Province	105	Independent Third Party	26 August 2022	25 September 2025	1.5	1.2	A: 1,848 B: — C: — D: 30 Total: 1,878 (2.6%)	A: 1,114 B: — C: — D: — Total: 1,114 (1.4%)	19	1.0	343	30.8
2	Yiwu Digital and Intelligent Industries Community (義烏數字與智能化產業社區)	Jinhua-Yiwu Area, Zhejiang Province	571	Independent Third Party	1 November 2024	30 November 2025	0.8	0.4	A: 450 B: — C: — D: — Total: 450 (0.6%)	A: 2,370 B: 10 C: — D: 191 Total: 2,571 (3.2%)	238	52.7	624	24.3
3.	Optical Film Industry Chain Science and Technology Innovation Park (光學膜產業鏈科創園)	Jinhua-Yiwu Area, Zhejiang Province	48	Independent Third Party	2 September 2024	31 December 2025	0.7	1.3	A: 140 B: — C: — D: — Total: 140 (0.2%)	A: 750 B: — C: — D: — Total: 750 (0.9%)	49	35.0	269	35.9

Note:

The types of services are denoted as follows:
A: basic property management services
B: operational support services
C: park ancillary services
D: energy-related services

Retention Rate

	FY2024			FY2025			1H2026		
	Our Parent Group	Independent Third Parties	Total	Our Parent Group	Independent Third Parties	Total	Our Parent Group	Independent Third Parties	Total
Retained Projects [Note 1]	12	11	23	12	10	22	12	10	22
Projects under management [Note 2]	12	11	23	12	13	25	12	10	22
Retention Rate	100.0	100.0	100.0	100.0	76.9	88.0	100.0	100.0	100.0

Notes:

1. refer to the number of projects retained at the end of the year.

2. refer to the total number of projects under our management during the year.

The number of property management projects we undertake are developing steadily. In FY2024, FY2025 and 1H2026, our retention rates of property management service agreements were 100.0%, 88.0% and 100.0%, respectively. According to Frost & Sullivan, the calculation bases of renewal rate are in line with the industry norm.

OUR SUPPLIERS AND SUBCONTRACTORS

Major Suppliers during the Track Record Period

During the Track Record Period, our suppliers are generally subcontractors providing cleaning, security and maintenance services. We engage subcontractors to provide professional cleaning and repair and maintenance services and procure consumables for our employees to use in the course of providing services. The following tables set forth the profile of our top five suppliers during the Track Record Period:

FY2024

Name of supplier	Background/Business nature of the supplier	Amount of cost of sales *RMB'000*	Approximate percentage to our total cost of sales for the year %	Principal services provided	The year in which the supplier started to have business relationship with our Group for the first time	Credit period	Payment method
Parent Group[(1)]	A property developer established in the PRC and the parent company of which, Zhejiang Palong, is a private company and has a registered capital of RMB50.0 million	10,312	22.6	Leasing of properties	2019	Prepayment	Bank transfer
Hangzhou Dibang Cleaning Service Co., Ltd.* (杭州迪邦清潔服務有限公司)	A private company established in the PRC with a registered capital of RMB10.0 million, mainly engaged in providing professional cleaning, washing, and disinfection services	2,339	5.1	Cleaning services	2021	10–20 working days	Bank transfer
Jinhua Jinken Elevator Engineering Co., Ltd.* (金華金肯電梯工程有限公司) ("**Jinhua Jinken**")	A private company established in the PRC with a registered capital of RMB2.0 million, mainly engaged in providing elevator repair and maintenance services	1,622	3.6	Elevator repair and maintenance services	2021	By instalment	Bank transfer
Zhejiang Binkai Security Service Co., Ltd.* (浙江賓開保安服務有限公司)	A private company established in the PRC with a registered capital of RMB31.0 million, mainly engaged in providing security services	1,449	3.2	Security service	2023	5 working days	Bank transfer
Lanchuang Jicheng[(1)]	A private company established in the PRC with a registered capital of RMB50.0 million, mainly engaged in real estate development and construction of industrial park	1,168	2.6	Leasing of properties	2019	Prepayment	Bank transfer
	Total	**16,890**	**37.1**				

Note:

(1) In FY2024, under our operational support service's sublease model, we leased certain properties developed and owned by the Parent Group and Lanchuang Jicheng, an associate of Zhejiang Panglong. This model was substantially changed to an entrusted management service in FY2025, under which we ceased leasing properties from the Parent Group and Lanchuang Jicheng. Consequently, no such cost of sales was recognised in FY2025.

FY2025

Name of supplier	**Background/Business nature of the supplier**	**Amount of cost of sales** *RMB'000*	**Approximate percentage to our total cost of sales for the year** *%*	**Principal services provided**	**The year in which the supplier started to have business relationship with our Group for the first time**	**Credit period**	**Payment method**
Jiangsu Nahui Human Resources Co., Ltd.* (江蘇納輝人力資源股份有限公司) (formerly known as Suqian Nahui Human Resources Co., Ltd.* (宿遷納輝人力資源有限公司)) ("**Suqian Nahui**")	A private company established in the PRC with a registered capital of RMB20.0 million, mainly engaged in providing human resources services	10,406	25.3	Labour subcontracting	2024	15 days	Bank transfer
Hangzhou Dibang Cleaning Service Co., Ltd.* (杭州迪邦清潔服務有限公司)	A private company established in the PRC with a registered capital of RMB10.0 million, mainly engaged in providing professional cleaning, washing, and disinfection services	3,648	8.9	Cleaning services	2021	10–20 working days	Bank transfer
Jinhua Jinken	A private company established in the PRC with a registered capital of RMB2.0 million, mainly engaged in providing elevator repair and maintenance services	1,730	4.2	Elevator repair and maintenance services	2021	By instalment	Bank transfer
Zhejiang Binkai Security Service Co., Ltd.* (浙江賓開保安服務有限公司)	A private company established in the PRC with a registered capital of RMB31.0 million, mainly engaged in providing security services	1,453	3.5	Security services	2023	5 working days	Bank transfer
Supplier A	The national supplier of electricity in the PRC and the parent company of which is a non-listed state-owned enterprise and has a registered capital of RMB1.3 trillion	1,429	3.5	Electricity supply	2020	30 days	Bank transfer
	Total	**18,666**	**45.4**				

1H2026

Name of supplier	Background/Business nature of the supplier	Amount of cost of sales *RMB'000*	Approximate percentage to our total cost of sales for the year %	Principal services provided	The year in which the supplier started to have business relationship with our Group for the first time	Credit period	Payment method
Suqian Nahui	A private company established in the PRC with a registered capital of RMB20.0 million, mainly engaged in providing human resources services	4,323	22.7	Labour subcontracting	2024	15 days	Bank transfer
Hangzhou Dibang Cleaning Service Co., Ltd.* (杭州迪邦清潔服務有限公司)	A private company established in the PRC with a registered capital of RMB10.0 million, mainly engaged in providing professional cleaning, washing, and disinfection services	1,937	10.1	Cleaning services	2021	10–20 working days	Bank transfer
Jinhua Jinken	A private company established in the PRC with a registered capital of RMB2.0 million, mainly engaged in providing elevator repair and maintenance services	1,063	5.6	Elevator repair and maintenance services	2021	By instalment	Bank transfer
Zhejiang Binkai Security Service Co., Ltd.* (浙江賓開保安服務有限公司)	A private company established in the PRC with a registered capital of RMB31.0 million, mainly	612	3.2	Security services	2023	5 working days	Bank transfer
Supplier A	The national supplier of electricity in the PRC and the parent company of which is a non-listed state-owned enterprise and has a registered capital of RMB1.3 trillion	500	2.6	Electricity supply	2020	30 days	Bank transfer
	Total	**8,436**	**44.2**				

Our cost of sales amounted to RMB45.7 million, RMB41.1 million and RMB19.1 million for FY2024, FY2025 and 1H2026, respectively, mainly comprising subcontracting costs, staff costs, and equipment maintenance costs.

Procurement from our top five suppliers in each year during the Track Record Period collectively amounted to RMB16.9 million, RMB18.7 million and RMB8.4 million, accounting for 37.1%, 45.4% and 44.2% of our total cost of sales for FY2024, FY2025 and 1H2026, respectively, and procurement from the largest supplier in each year during the Track Record Period amounted to RMB10.3 million, RMB10.4 million and RMB4.3 million, representing 22.6%, 25.3% and 22.7% of our total cost of sales for the corresponding years, respectively. We had maintained stable business relationship with our top five suppliers during the Track Record Period. We generally do not enter into any long-term agreements with our top five suppliers.

For FY2025 and 1H2026, our largest supplier was Suqian Nahui, with whom we became acquainted in November 2024 through a referral from another client of Suqian Nahui via our business network. In 2025, Suqian Nahui provided labour subcontracting services to customers other than us, and the revenue contributed by our Group was not material to Suqian Nahui and accounted for about 11% of the total revenue of Suqian Nahui for FY2025. The shareholder of Suqian Nahui and its affiliated entities possess extensive experience in the human resources services sector. The sole shareholder, manager and director of Suqian Nahui, Wang Bin (王彬) has approximately 10 years of experience in providing human resources services. Apart from Suqian Nahui, he also owns and manages its branch companies, namely Suqian Nahui Human Resources Co., Ltd. Taizhou Branch* (宿遷納輝人力資源有限公司台州分公司), Suqian Nahui Human Resources Co., Ltd. Xuzhou Branch* (宿遷納輝人力資源有限公司徐州分公司) and Suqian Nahui Human Resources Co., Ltd. Huzhou Branch* (宿遷納輝人力資源有限公司湖州分公司). He has been serving over 20 clients engaging in property management, solar energy, home appliance and outdoor product business across Jiangsu province, Zhejiang province and Shanghai city through Suqian Nahui and such branch companies. Following an assessment that considered, among other factors, operational and management expertise and pricing, we engaged Suqian Nahui to provide labour subcontracting services. This engagement enhances our operational flexibility by allowing us to align manpower more effectively with project needs, while reducing the administrative and management costs associated with internal workforce allocation.

As part of our strategy to outsource certain on-site, labour-intensive functions, such as security, cleaning, and waste management, to qualified external service providers, we underwent a manpower restructuring. During this process, we introduced our former employees to employment opportunities at Suqian Nahui. To the best knowledge of our Directors, approximately 70 former employees, representing 40% of the labour we procured from Suqian Nahui in FY2025, ceased to be our employees and joined Suqian Nahui in late 2024 and early 2025 after successfully passing the company's assessment in order to provide the relevant services pursuant to the labour subcontracting service agreement we entered into in November 2024 with Suqian Nahui. These individuals have continued to provide cleaning and security services at our managed projects. This arrangement was adopted to facilitate a smoother operational transition and ensure continuity of services, as the relevant personnel were already familiar with our site requirements and operational standards. There were no arrangements between Suqian Nahui and our Group regarding such 70 former employees other than the labour subcontracting arrangement. As advised by our PRC Legal Advisers, the aforementioned labour subcontracting service arrangement between our Group and Suqian Nahui during the Track Record Period was in compliance with the relevant PRC laws and regulations in all material aspects.

To the best knowledge of our Directors, as at the Latest Practicable Date, save as being our supplier, there had been no past or present relationship, including business, employment, family, trust, financing or otherwise, between Suqian Nahui and the Company or their respective subsidiaries, shareholders, directors or senior management, or any of their respective associates.

Other than our Parent Group and its subsidiaries, joint ventures and associates, all of our top five suppliers during the Track Record Period were Independent Third Parties and we did not experience any material delay, supply shortages or disruptions in our operations relating to our suppliers, or any material product claims attributable to our suppliers. As at the Latest Practicable Date, save for our Parent Group, its subsidiaries, joint ventures and associates, none of our Directors, their close associates or any Shareholders which, to the knowledge of our Directors, owned more than 5% of the number of issued shares of us, had any interest in any of our top five suppliers.

Management of Subcontractors

We typically engage our subcontractors after considering following factors, such as the prices, industry reputation and credentials, financial strength and operation scale.

Once a selected subcontractor commences providing the subcontracted services, we regularly monitor and evaluate their performance. The subcontractor's record of performance will also be updated from time to time. In the event of repeated sub-standard performances, the service of the relevant subcontractor will be terminated.

We work with our subcontractors to deliver property management and value-added services to customers. We have been outsourcing, and will continue to outsource certain labour-intensive services, primarily security, cleaning, and certain repair and maintenance services to subcontractors. We hire specialised subcontractors for the maintenance of certain facilities where the repair and maintenance works have to be performed by subcontractors with requisite qualifications.

On the other hand, our quality control department regularly monitors, assesses and manages our subcontractors, as well as coordinates and administers the performance of different subcontractors. Our subcontractors specialise in the services they perform and can, therefore, operate in an efficient manner. We believe such subcontracting arrangements would allow us to leverage the human resources and technical expertise of our subcontractors, reduce our staff costs and enhance the overall profitability of our operations. We can also dedicate more resources to improve our service quality.

Subcontracting costs amounted to RMB5.0 million, RMB16.6 million and RMB7.3 million for FY2024, FY2025 and 1H2026, accounting for 10.9%, 40.4% and 38.1% of our cost of sales and services for the corresponding period, respectively. For details of the substantial increase, please see the section headed "Finance Information — Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Cost of Sales."

Under labor dispatch arrangements, parties generally agree on the number of employees, wages of the employees and the period of dispatch. A company that employs labor dispatch agency is generally responsible for the management of the employees dispatched to it and applies its human resources policy to them. According to the subcontracting agreements, (i) the management of outsourced employees shall be the responsibility of the labor outsourcing contractor but not the Group, (ii) our human resources policy does not apply to workers of the relevant production subcontractor, and (iii) we neither determine nor directly pay wages to the subcontracting employees. Based on the above, as advised by our PRC

Legal Advisers, the subcontracting arrangement with external service providers of the Group does not constitute use of dispatched workers by the Group, and does not contravene any mandatory provisions of labor outsourcing in the PRC Civil Code during the Track Record Period.

Key Terms of our Subcontracting Agreements

To govern the arrangement with the subcontractors, we enter into subcontracting agreements with individual subcontractors with commercial terms on arms-length basis. The key terms of our typical subcontracting agreements include the following:

Terms of services	The term of the subcontracting agreements is generally one year and renewable upon negotiation prior to the termination of the agreements.
Our obligations	We are generally responsible for supervising the services provided by our subcontractors and providing the necessary equipment to on-site staff.
Obligations of subcontractors	The subcontractors are responsible for providing services in accordance with the scope and standard prescribed in the subcontracting agreements and in compliance with all applicable laws and regulations. In the event their performance fails to meet the required standards, they are required to take necessary rectification measures within the certain period decided by us. If they fail to do so, we have the right to deduct the service fees payable to our sub-contractors. Our subcontractors are required to manage their staff providing the subcontracted services and there is no employment relationship between our Group and the staff of our subcontractors.
Risk allocation	The subcontractors are responsible for any damage to property or injury to any person due to the fault of the subcontractors in the course of providing the subcontracted services. The subcontractors are also required to pay social insurance contributions for their staff in accordance with PRC laws and regulations and are held liable for any non-compliance with applicable PRC laws or industry standards. We typically require the subcontractors to indemnify us for any damages that they have caused to our managed properties and our Group.
Subcontracting fees	Subcontracting fees are typically determined with reference to costs in connection with the labour costs and other costs incurred by the subcontractors.

OUR CUSTOMERS

During the Track Record Period, our major customers were property developers, property owners, tenants, occupants, value-added service partners and property management companies.

The following table sets forth the types of our major customers for each of our type of services:

Service Type	Major customers
Basic property management services	Property developers, property management companies, property owners and tenants
Value-added services	
— Operational support services	Property developer, property owners and value-added service partners
— Park ancillary services	Property owners, tenants and occupants
— Energy-related services	Energy technology companies

During the Track Record Period, four property management projects were outsourced to us (the "**Arrangement**") by a property management company (the "**Relevant Property Management Company**"). According to Article 39 of the Regulations on Property Management (《物業管理條例》) ("**Article 39**"), a property service enterprise may outsource a specific service within the property management area to a specialised service enterprise, but it shall not outsource all the property management business within such area to third parties. Therefore, the Relevant Property Management Company which outsourced the projects to us is not in full compliance with the Regulations on Property Management. The aggregate revenue arising from the relevant projects amounted to RMB4.9 million, RMB9.9 million and RMB6.4 million for FY2024, FY2025 and 1H2026, respectively, representing 6.8%, 12.5% and 16.1% of the total revenue in the corresponding period. The four property management projects were first awarded via public tender by the Relevant Property Management Company to the Company. The Group had submitted tender documents to the Relevant Property Management Company in accordance with its tender requirements. The corresponding agreements were executed in June 2021, January 2024, October 2024 and January 2025.

At the time of executing the four property management service agreements, the Group was unaware that the Arrangement was not in full compliance with the relevant law as it had no knowledge of Article 39 at the relevant time. The Group first became aware of this non-compliance during the preparation of the [REDACTED] in second half of 2025.

Zhejiang Lianji, the subsidiary of the Company, acting as a subcontractor, has not breached the relevant laws. The four property management agreements were subject to annual renewal and all of them have already expired in the first quarter of 2026. Despite the Company's intention to rectify the issue after becoming aware of the non-compliance, the necessary amendments were only made upon the renewal of the agreements considering the time required for the internal approval process of the Relevant Property Management Company, which is a state-owned entity. In addition, as (i) the Company only became aware of the above issue in 2025, and (ii) as advised by the PRC Legal Advisers, Zhejiang Lianji, as a subcontractor, has not breached the relevant regulations and that the Group was not or would not be subject to any regulatory investigation, penalties or legal proceedings due to the Arrangement and the revenue derived from the Arrangement could not be confiscated by relevant

authorities as the relevant provisions do not stipulate the penalties for subcontractors, the Company is of the view that the issue may be rectified at the time of renewal in the first quarter of 2026 by way of amending the relevant terms in the renewed agreements.

By March 2026, all four property management projects have been renewed and rectified. Zhejiang Lianji has entered into property management services agreement for defined scopes of certain labor services except for maintenance and miscellaneous services with the Relevant Property Management Company, replacing the previous full outsourcing agreements. As the renewed property management services agreements of these three property management projects have defined scopes of services with the Relevant Property Management Company and replaced the previous full outsourcing agreements, the PRC Legal Advisers have advised that the renewed agreements complied with the Property Management Regulations in all material aspects. For the remaining project, Zhejiang Lianji has established a joint venture directly with the property developer. Pursuant to the joint venture agreement, Zhejiang Lianji entered into the property management service agreement directly with the property developer, eliminating the outsourced property management arrangement.

Pursuant to the Property Management Regulations(《物業管理條例》), where a property service enterprise entrusts all property management services within a single property management area to another party in their entirety, the relevant real estate administrative department shall order it to rectify the violation within a prescribed time limit and impose a fine on the property service enterprise of 30%-50% of the price stipulated in the entrustment contract.

As advised by the PRC Legal Advisers, based on the aforementioned provisions of the Property Management Regulations, (i) Zhejiang Lianji, as a subcontractor, has not breached the relevant regulations, (ii) the Group was not or would not be subject to any regulatory investigation, penalties or legal proceedings due to the Arrangements and the revenue derived from the Arrangements could not be confiscated by relevant authorities as the relevant provisions do not stipulate the penalties for subcontractors; and (iii) as the Relevant Property Management Company has breached the relevant regulations, the relevant property management agreements may be required to be rectified and terminated by the relevant authorities. Accordingly, the Group did not recognise any non-compliant income or incurred any potential fines and penalties during the Track Record Period. Taking into account that (i) to the best knowledge of our Directors, the relevant PRC authorities had never issued any notification regarding the relevant projects; and (ii) upon renewal of the relevant agreements, we have adjusted the outsourcing arrangements and enter into new agreements in accordance with the requirements of the Regulations on Property Management in March 2026, our Directors consider that and the Sole Sponsor concurred that, the aforesaid arrangements in relation to the relevant projects will not have any material adverse impact on our Group and its operations.

To prevent reoccurrence of similar incident, as advised by the internal control consultant, we have implemented the enhanced internal control measures. For details, see "— Risk Management and Internal Control — Project Engagement" in this section.

The following tables set out the revenue from our top five customers in each year during the Track Record Period:

FY2024

Name of customer	Business nature of the customer	Revenue *RMB'000*	Approximate percentage to the revenue of our Group %	Principal services provided to the customer	The year in which the customer started to have business relationship with our Group for the first time	Credit period	Payment method
Parent Group*(Note 1)*	A property developer established in the PRC and the parent company of which, Zhejiang Palong, is a private company and has a registered capital of RMB50.0 million	7,074	9.9	Basic property management services and value-added services	2019	Prepayment	Bank transfer
Customer A*(Note 2)*	A private company that is a property operational and management provider established in the PRC with a registered capital of RMB10.0 million	4,666	6.5	Basic property management services	2023	Prepayment	Bank transfer
Customer B	A private company that is a property operational and management provider established in the PRC with a registered capital of RMB120.0 million	2,829	3.9	Basic property management services	2023	15 days	Bank transfer
Lanxi Xuyu Solar Power Co., Ltd.* (蘭溪旭昱光伏電力有限公司)*(Note 3)*	A private company that is a solar energy station provider established in the PRC with a registered capital of RMB2.0 million	2,127	3.0	Value-added property management services	2022	Prepayment	Bank transfer
Customer C	A private company that is a property developer established in the PRC with a registered capital of RMB50.0 million	1,851	2.6	Basic property management services	2021	15 days	Bank transfer
	Total	**18,547**	**25.9**				

FY2025

Name of customer	Business nature of the customer	Revenue *RMB'000*	Approximate percentage to the revenue of our Group %	Principal services provided to the customer	The year in which the customer started to have business relationship with our Group for the first time	Credit period	Payment method
Parent Group*(Note 1)*	A property developer established in the PRC and the parent company of which, Zhejiang Palong, is a private company and has a registered capital of RMB50.0 million	19,825	24.9	Basic property management services and value-added property management services	2019	Prepayment	Bank transfer
Customer A*(Note 2)*	A private company that is a property operational and management provider established in the PRC with a registered capital of RMB10.0 million	10,050	12.6	Basic property management services and value-added property management services	2023	Prepayment	Bank transfer
Customer B	A private company that is a property operational and management provider established in the PRC with a registered capital of RMB120.0 million	2,952	3.7	Basic property management services	2023	Prepayment	Bank transfer
Customer D	A private company that is a property operational and management provider established in the PRC with a registered capital of RMB180.0 million	2,491	3.1	Value-added property management services	2024	By instalment	Bank transfer
Lanxi Xuyu Solar Power Co., Ltd.* (蘭溪旭昱光伏電力有限公司)*(Note 3)*	A private company that is a solar energy station provider established in the PRC with a registered capital of RMB2.0 million	1,881	2.4	Value-added property management services	2024	By instalment	Bank transfer
	Total	**37,199**	**46.7**				

1H2026

Name of customer	Business nature of the customer	Revenue *RMB'000*	Approximate percentage to the revenue of our Group %	Principal services provided to the customer	The year in which the customer started to have business relationship with our Group for the first time	Credit period	Payment method
Parent Group[(Note 1)]	A property developer established in the PRC and the parent company of which, Zhejiang Palong, is a private company and has a registered capital of RMB50.0 million	10,727	26.7	Basic property management services and value-added property management services	2019	Prepayment	Bank transfer
Customer A[(Note 2)]	A private company that is a property operational and management provider established in the PRC with a registered capital of RMB10.0 million	4,796	11.9	Basic property management services and value-added property management services	2023	Prepayment	Bank transfer
Customer B	A private company that is a property operational and management provider established in the PRC with a registered capital of RMB120.0 million	1,189	3.0	Basic property management services	2023	Prepayment	Bank transfer
Customer F	A private company that is a machinery manufacturer established in the PRC with a registered capital of RMB50.0 million	990	2.5	Value-added property management services	2025	30	Bank transfer
Hewei (Dongyang) Property Management Service Co., Ltd.* (合威(東陽)物業管理服務有限公司)	A private company that is a property operational and management provider established in the PRC with a registered capital of RMB1.0 million	908	2.3	Basic property management services	2025	10	Bank transfer
	Total	**18,610**	**46.3**				

Notes:

1. refers to Zhejiang Panglong and subsidiaries, excluding its associates.

2. Aggregating all revenue generated from two PRC companies which are under common control.

3. Aggregating all revenue generated from three PRC companies, namely Lanxi Xuyu Solar Power Co., Ltd.* (蘭溪旭昱光伏電力有限公司), Jinhua Wangri Solar Power Co., Ltd.* (金華望日光伏發電有限公司) and Jinhua Siri Solar Power Co., Ltd.* (金華思日光伏電力有限公司), which are under common control.

Revenue from our top five customers amounted to RMB18.5 million, RMB37.2 million and RMB18.6 million, which accounted for 25.9%, 46.7% and 46.3%, respectively, of our total revenue for FY2024, FY2025 and 1H2026. Our Parent Group had been our largest customer in each year/period during the Track Record Period. Revenue from our Parent Group amounted to RMB7.1 million, RMB19.8 million and RMB10.7 million for FY2024, FY2025 and 1H2026, representing 9.9%, 24.9% and 26.7% of our total revenue respectively during the corresponding year/period. During the Track Record Period, we had maintained a stable business relationship with our top five customers.

As at the Latest Practicable Date, we were not aware of any arrangements or incidents which would lead to cessation or termination of our relationships with any of our top five customers during the Track Record Period. To the best knowledge and belief of our Directors, except for our Parent Group, none of our Directors and/or their respective close associates or any Shareholders, who owned more than 5% of our share capital as at the Latest Practicable Date, had any interest in any of our top five customers during the Track Record Period. During the Track Record Period, save for our Parent Group and Customer A, none of our top five customers were also our suppliers.

Overlapping Customers and Suppliers

During the Track Record Period, among our top five customers and suppliers, we had four overlapping customers and suppliers, which are the Parent Group (our largest customer and supplier in each year during the Track Record Period), Jinhua Jinken (a customer and one of the largest suppliers in FY2024), Lanchuang Jicheng (a customer and one of the largest suppliers in FY2024), and Customer A (one of our largest customers in each year during the Track Record Period and a supplier in 1H2026). The following table sets out (i) our revenue; (ii) the percentage of our total revenue; (iii) gross profit margin; (iv) cost of sales; and (v) the percentage of our total cost of sales amount attributable to the overlapping customers and suppliers during the Track Record Period:

Overlapping customer and supplier	**Year**	**Revenue** *(RMB'000)*	**Approximate percentage of our total revenue** *(%)*	**Cost of Sales** *(RMB'000)*	**Approximate percentage of our total costs of sales** *(%)*	**Gross profit margin** *(%)*
Parent Group	FY2024	7,074	9.9	10,312	22.6	50.3
	FY2025	19,825	24.9	—	—	59.6
	1H2026	10,727	26.7	—	—	64.2
Jinhua Jinken	FY2024	21	0.03	1,622	3.6	46.1
	FY2025	—	—	1,730	4.2	—
	1H2026	—	—	1,063	5.4	—
Lanchuang Jicheng	FY2024	—	—	1,168	2.6	—
	FY2025	758	1.0	—	—	51.2
	1H2026	330	0.8	—	—	60.7
Customer A	FY2024	4,666	6.5	—	—	17.4
	FY2025	10,050	12.6	—	—	29.6
	1H2026	4,796	13.3	—	0.0	36.1

Parent Group

During the Track Record Period, we provided the Parent Group with basic property management services and value-added services. Such arrangement was in place mainly due to the reasons that (i) the Parent Group remained as a property owner of certain units in the industrial properties that were under our management hence required our property management services, and (ii) there are properties which are pending sale and/or delivery in the projects developed by the Parent Group which we provide property management services and/or operational support services in respect of such unsold units.

In FY2024, under our commercial operation service's sublease model, we leased certain properties developed and owned by the Parent Group. This model was substantially changed to a entrusted management service in FY2025 and 1H2026, under which we ceased leasing properties from the Parent Group. Consequently, no related cost of sales was recognised in FY2025 and 1H2026. Our Directors confirm that negotiations of the terms of transactions with the Parent Group were conducted on an individual basis and the services provided and procured were neither inter-connected nor inter-conditional with each other. Furthermore, as confirmed by our Directors, all of our services provided to and procured from the Parent Group were entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm's length basis. For details, please see the section headed "Connected Transactions".

The gross profit margins derived from our services to our Parent Group in each of FY2024, FY2025 and 1H2026 were 50.3%, 59.6% and 64.2%, which were higher than that of the overall gross profit margin of the Group because we provided higher-margin value-added services to our Parent Group, particularly the commercial operation services given the Parent Group is the owner of certain units of the properties its develops which therefore requires such services.

Jinhua Jinken

During the Track Record Period, we outsourced elevator repair and maintenance services to Jinhua Jinken as part of our basic property management services. To provide such service, Jinhua Jinken leased a dormitory in one of our managed projects to house its employees during the Track Record Period. We did not recognise any related revenue from Jinhua Jinken and it ceased to be our customer in FY2025 due to a change in our service model from sublease service model to entrusted management service model. For details, please see "Our Business Model — Property Management and Value-added Services — Value-added Services — Operational support services" in this section. All of our sales to and purchases from Jinhua Jinken were conducted in the ordinary course of business under normal commercial terms and in arm's length basis.

In FY2024, under our commercial operation service's sublease model, we leased certain properties under our commercial operation service's sublease model, we leased certain properties developed and owned by Lanchuang Jicheng. The gross profit margin derived from our services to Jinhua Jinken in FY2024 was 46.1% which was similar to the overall gross profit margin of the Group in the corresponding year. This model was substantially changed to a entrusted management service in FY2025, under which we ceased leasing properties from the Parent Group. Consequently, no related cost of sales was recognised in FY2025.

Lanchuang Jicheng

During FY2025 and 1H2026, we provided Lanchuang Jicheng, an associate of Zhejiang Panglong, with basic property management services and value-added services. Such arrangement was in place mainly due to the reasons that (i) Lanchuang Jicheng, the property developer of Meijiang Lanchuang Jicheng Industrial Park (梅江蘭創吉成產業園), a project under our management, remained as a property owner of certain units in the industrial properties hence required our property management services, and (ii) we provided commercial operation services to Lanchuang Jicheng in respect of the units owned by Lanchuang Jicheng. All of our sales to and purchases from Lanchuang Jicheng were conducted in the ordinary course of business under normal commercial terms and in arm's length basis. The gross profit margin derived from our services to Lanchuang Jicheng in FY2025 and 1H2026 was 51.2% and 60.7%, respectively, which was similar to the overall gross profit margin of the Group in the corresponding year/period.

Customer A

During the Track Record Period, we provided Customer A basic property management services and value-added services as Customer A outsourced four property management projects to us. To provide such service, we leased dormitory to house our employees during 1H2026. All of our sales to and purchases from Customer A were conducted in the ordinary course of business under normal commercial terms and in arm's length basis. The gross profit margin derived from our services to Customer A in during the Track Record Period was lower than the overall gross profit margin of the Group in the corresponding year/period was primarily attributable to the lower fee offered by Customer A, as an intermediary property management company which retained a profit margin, to us.

SALES AND MARKETING

We have a property sales support and marketing team, which comprises 14 employees as at 30 June 2026, responsible for developing our overall marketing strategy and launching marketing activities to acquire new customers and maintain and strengthen our relationships with existing customers.

We have taken sales and marketing measures that are tailored for different categories of customers:

Property Developers

During the Track Record Period, some of our revenue was derived from properties developed by Independent Third Parties. We endeavour to expand our bases of Independent Third Party customers through cooperating with independent property developers through establishment of joint venture with an aim to providing property management and value-added services to projects developed by them.

Property Owners, Tenants and Occupants

We provide our services to property owners, tenants and occupants for properties under our management, including industrial parks and commercial complexes. We formulate annual marketing plan and launch various marketing activities based on the local needs. We carry out regular customer on-site visits to improve the quality of our services.

QUALITY CONTROL

We value the quality of our services as first priority and believe that quality control is the key to maintaining success of our business in the long-run. We have established a quality control department which is responsible to (i) stipulate the service standard and monitor service standards that have been formulated in line with industry professional standards; and (ii) conduct examinations of the services to all of our projects under management on quarterly basis to ensure the quality of services and the consistent applications of these standards in all aspects of our property management and value-added services.

Quality Control over our Services

We are in compliance with the "three-in-one" management system, which includes the ISO9001 quality standards, the ISO14001 environmental standards and the ISO45001 occupational health and safety standards. We obtained the ISO9001:2015 certification in 2025 in recognition of our service quality. To ensure delivery of high-quality services, we have established a set of policies to monitor the quality of our services with the aim to improve our services across all properties under our management. We adopt standardised internal policies and service procedures to all properties under our management.

We generally require our property management staff to complete inspection checklists after each round of regularly scheduled inspections to monitor and record conditions of the properties on a timely manner. The checklists are specifically designed for different types of devices, equipment and services. We have also adopted a "dual evaluation" system comprising our internal supervision and external feedback, which enables us to effectively manage the quality of our services and enhance our customer experience.

Quality Control over Subcontractors

We typically include in our contracts with subcontractors detailed quality standards for the services to be provided. We regularly monitor and evaluate the performance of our subcontractors and may require the subcontractors to take necessary rectification measures or pay relevant penalty when their services do not meet the agreed standards. We also conduct monthly appraisal regarding the quality of services provided by our subcontractors. We have the contractual right to adjust the subcontracting fees based on the outcomes of such appraisals. For more details, please see the subsection headed "— Our Suppliers and Subcontractors — Management of Subcontractors" in this section.

Feedback and Complaint Management

During the ordinary course of our business, we receive inquiries, suggestions and complaints from our customers from time to time regarding our services. We have established comprehensive internal procedures for handling complaints. Our project manager is responsible for handling inquiries and complaints from our customers and provide timely responses. In order to improve our customer experience and enhance our customer service, we offer a service hotline and a WeChat official account for properties under our management. Through the hotline and WeChat official account, our customers can make their complaints and feedback as well as keep updated of our latest service developments. All complaints are dealt with on the principle of acting promptly upon receiving, which requires that all requests and complaints be responded to immediately and be resolved within a specified timeline. When necessary, we make on-site visits to understand the nature of the complaints. All complaints received and the progress of resolving such complaints will be reviewed at the end of the day to avoid delay in resolving them. We will revisit our customers and review the cases through the service hotline after their problems are resolved so as to ensure that the results are satisfactory to our customers and their confidence in our services is restored.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any customer complaints about our services that would have a material adverse impact on our operations or financial results.

AWARDS

The following tables set forth some of our awards received from 2023 to the Latest Practicable Date:

Year of award or recognition	Name of award or recognition	Awarding entity
2023	Property Management Service Enterprise Qualification Level Certificate National Level 1 (物業管理服務企業資質等級證書國家一級)	China Enterprise Quality Certification Supervision Centre (中國企業質量認證監督中心) China Enterprise Credit Assessment and Certification Centre (中國企業信用評估認證中心)
2024	ISO45001:2018 Occupational Health and Safety Management System Certificate (職業健康安全管理體系認證證書)	National Inspection U-Bond (Beijing) Inspection Certification Co., Ltd (中檢優邦(北京)檢驗證書有限公司)
	ISO14001:2015 Environmental Management System Certificate (環境管理體系認證證書)	National Inspection U-Bond (Beijing) Inspection Certification Co., Ltd (中檢優邦(北京)檢驗證書有限公司)
	ISO9001:2015 Quality Management System Certificate (質量管理體系認證證書)	National Inspection U-Bond (Beijing) Inspection Certification Co., Ltd (中檢優邦(北京)檢驗證書有限公司)
2025	one of the 2025 National Top 30 Comprehensive Capacity of Light Asset Service Providers in Industrial Parks (2025全國園區輕資產服務商綜合能力30強)	E&H Consulting (億翰智庫)
	ISO45001:2018 Occupational Health and Safety Management System Certificate (職業健康安全管理體系認證證書)	National Inspection U-Bond (Beijing) Inspection Certification Co., Ltd (中檢優邦(北京)檢驗證書有限公司)
	ISO14001:2015 Environmental Management System Certificate (環境管理體系認證證書)	National Inspection U-Bond (Beijing) Inspection Certification Co., Ltd (中檢優邦(北京)檢驗證書有限公司)
	ISO9001:2015 Quality Management System Certificate (質量管理體系認證證書)	National Inspection U-Bond (Beijing) Inspection Certification Co., Ltd (中檢優邦(北京)檢驗證書有限公司)

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE MATTERS

Through our robust internal environmental, health, and safety governance processes and the optimisation of building systems and facilities, we aim to provide a healthy, safe, and sustainable environment for all owners, tenants and occupants within our managed industrial parks, while minimising energy consumption, waste, and our overall environmental footprint.

Our Board bears responsibility for overseeing and reviewing the ESG-related risks and opportunities impacting our Group. This includes a specific focus on the unique challenges of industrial park operations, such as the climate resilience of campus-wide infrastructure, providing a sustainable operating environment for our diverse owner, tenant and occupant base, and managing the collective environmental footprint of our managed parks. The Board is tasked with establishing and adopting ESG policy and targets, reviewing our Group's performance against these targets annually, and revising the ESG strategies as appropriate.

Our Board has established an ESG working group that comprises our executive Directors and management representatives. This group serves a supportive role by, among others, (i) implementing the agreed ESG policy, targets, and strategies; (ii) identifying and assessing ESG-related matters; (iii) managing how our Group adapts its business in light of climate change; (iv) collecting ESG data for reporting; and (v) continuously monitoring the implementation of measures to address our Group's ESG-related risks.

Identification and Management of Material ESG Issues

Based on our business nature and with reference to the ESG disclosure framework of the Stock Exchange, we have identified four material ESG issues, which comprise tenant and occupant health & safety, energy and environmental management, supply chain management, and management of climate-related risks and opportunities. We are committed to continuously monitoring ESG issues to effectively allocate our resources.

Environmental Compliance

Our Group has established an environmental management system certified to ISO14001:2015, which forms the foundation of our efforts to minimise the environmental impact of our property management operations. Our system involves:

- Ensuring compliance with all regulatory requirements related to property management;
- Evaluating the environmental impact of our managed properties and devising targets for improvement;
- Conserving resources and minimising waste generation across our portfolios;
- Ensuring our service providers (e.g., cleaning, maintenance) comply with our environmental standards; and
- Providing relevant environmental training to our employees.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not record any material non-compliance with applicable environmental requirements.

Potential Impacts and Strategies for Addressing ESG-related Risks

We monitor ESG and climate-related risks that may impact our business. The table below summarises our identified material ESG-related risks and opportunities.

ESG-related risks	Potential impacts	Our responses
Climate-related physical risks — Acute risks		
Climate change leading to increased severity and frequency of extreme weather events (e.g., typhoons, heavy rains, floods)	• Financial losses due to damage to building envelopes, infrastructure, and tenant and occupant asset. • Disruption of tenant and occupant operations and services within the parks. • Increased insurance premiums and liability risks.	• We maintain constant vigilance regarding catastrophic weather events; and • We require all site staff to prepare and maintain an up-to-date checklist of actionable steps as successive tropical cyclone, thunderstorms or flood warning signals are received. The steps include (a) All loose materials, if any, are securely fastened and anchored by lashing or moved to protected area; (b) All types of equipment, if any, are adequately anchored or moved to protected area, with disconnected power cables if necessary; (c) All working platforms, hoists, hand railing and temporary structures, if any, are securely lashed down; and (d) All electrical equipment, if any, shall be adequately waterproofed and moved from any expected flood area.
Climate-related Physical Risks — Chronic risks		
Long-term changes in weather patterns and the climate, such as sustained high temperatures	• Sustained elevated temperatures increase energy demand for cooling systems, raising operating costs for both us and our tenants and occupants. • Potential strain on electrical infrastructure and reduced equipment lifespan.	• We will regularly review ESG and climate-related risks.

ESG-related risks	Potential impacts	Our responses
Climate-related transition risks — Policy and legal risks		
Evolving climate-related laws and regulations in transition to a low carbon economy, such as the new climate-related disclosure requirements introduced by the Stock Exchange	• Our compliance costs associated with ESG reporting and transparency requirements may increase. • Stranded asset risk for properties with poor environmental performance.	• We will regularly review and update disclosure practices to align with the requirements as imposed by the Stock Exchange.
Occupational health and safety risks		
Failure to meet occupational health and safety standards or requirements	• Our reputational risks and compliance costs may increase, which may result in reduced revenue. • Potential for severe incidents (e.g., fires, elevator accidents) leading to injury.	• We have in place an occupational health and safety management system which is certified to be in compliance with ISO 45001:2018 standards in order to promote a safe and healthy working environment. • We have in place different measures as set out in the paragraph headed "Environmental, Social and Corporate Governance Matters — Work Safety" in this section.
Climate-related opportunities		
Growing demand for green and sustainable industrial spaces	• It could drive our occupancy rates and rental premiums due to market preference for modern, efficient, and sustainable facilities.	• We continue to provide advice to our customers on enhancing the energy efficiency and reliability of the cooling system by upgrading to high efficiency equipment. Our team will conduct assessment on the current air-cooled chiller system or equipment and recommend the most suitable high efficiency solutions. By guiding our customers towards these upgrades, we aim to not only help them reduce their energy bills but also contribute to a more sustainable future.

During the Track Record Period, we were not significantly affected by climate-related risk. To the best knowledge and belief of our Directors, we are not subject to material environmental liability risk and will not incur material compliance costs in the future.

Metrics, Goals and Targets

We aim to enhance energy efficiency as a key environmental priority and provide safe working environment to our staff. Considering our business nature, international standards and industry peers' ESG target, we have established the following environmental and social targets that are comparable with international standards and those of our industry peers to strengthen our sustainability efforts:

Key metrics	**Our targets**
Electricity consumption intensity	Using FY2024/25 as the baseline year, we aim to reduce electricity consumption intensity by 10% by 2027.
Greenhouse gas ("**GHG**") emission intensity	Using FY2024/25 as the baseline year, we aim to reduce GHG emission intensity by 10% by 2027.
Work-related fatalities	Maintaining zero work-related fatalities for employees
Safety incidents	Maintaining zero material safety incident for employees

To achieve these environmental and social targets, we adopt different measures as detailed in the paragraphs headed "Emissions", "Energy Consumption" and "Work Safety" under "— Environmental, Social and Corporate Governance Matters" in this section below. Our Group is dedicated to progressively improving its environmental and social objectives, regularly reviewing and adjusting targets and measures to align with the changing operational and social environment. This includes enhancing internal resource utilisation efficiency and exploring energy-saving equipment to promote energy conservation and emission reduction.

Emissions

Our core business operations do not generate significant emissions or waste, and do not involve heavy pollution. The GHG emissions in daily operations of our Group are consisted of (1) direct GHG emissions (from the use of unleaded petrol); and (2) indirect GHG emissions (from purchased electricity consumption) in our Group's operations.

The amount of GHG we emitted during the Track Record Period is calculated in terms of tonnes of carbon dioxide equivalent ("**tCO_2e**") as follows:

Indicator	**Unit**	**FY2024**	**FY2025**	**1H2025**	**1H2026**
Nitrogen oxides (NO_x)	kg	4.86	5.40	2.43	3.6
Sulphur oxides (SO_x)	kg	0.0001	0.0001	0.0001	0.0001
Particulate matters (PM)	kg	0.515	0.572	0.257	0.180
GHG emissions	**Unit**	**FY2024**	**FY2025**	**1H2025**	**1H2026**
Scope 1 — Direct GHG emissions	tCO_2e	5.582	6.203	2.791	2.492
Scope 2 — Indirect GHG emissions	tCO_2e	12.768	15.960	6.384	6.606
Scope 3 — Other indirect GHG emissions	tCO_2e	N/A	N/A	N/A	N/A
Total GHG emissions (Scope 1, Scope 2 and Scope 3)[1]	tCO_2e	18.350	22.163	9.175	9.098
Intensity of GHG emissions	**Unit**	**FY2024**	**FY2025**	**1H2025**	**1H2026**
Scope 1	gCO_2e/m^2	1.47	1.67	0.75	0.67
Scope 2	gCO_2e/m^2	3.37	4.31	1.72	1.78
Scope 3	gCO_2e/m^2	N/A	N/A	N/A	N/A
Total intensity of GHG emissions (Scope 1, Scope 2 and Scope 3)	gCO_2e/m^2	4.84	5.98	2.48	2.45

In order to achieve our ESG targets, we have set up an environmental management system to promote environmental awareness and to prevent pollution of the environment resulting from projects undertaken by us, and our environmental management system has been certified to satisfy the requirement of ISO 14001:2015. Specifically, our Group has implemented an array of measures to mitigate GHG emissions, including but not limited to the following:

- Using an online platform to advocate paperless office and online communication;
- Using more energy-efficient lighting products, such as LED lighting;

[1] Our disclosures on air and GHG emissions have been prepared based on the requirements stipulated in "How to prepare an ESG report" published by the Stock Exchange and "GHG Protocol: Corporate Accounting and Reporting Standard (Revised Edition)" published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), the national emission factors formulated by the Ministry of Ecology and Environment of the People's Republic of China in 2022, the emission factors provided by utility providers in Hong Kong and International Civil Aviation Organization (ICAO) data.

Scope 3 greenhouse gas emissions mainly derive from other indirect emissions arising from the upstream and downstream activities. During the Track record period, the Group conducted a preliminary assessment of potential Scope 3 emission sources. However, as the Group currently does not possess reliable, traceable or supplier-verified upstream and downstream activity data, the Group considers that any quantification of Scope 3 emissions would lack accuracy and may not provide meaningful information to stakeholders. In accordance with the "comply or explain" principle under the ESG Reporting Guide, the Group has therefore not disclosed Scope 3 emissions for the Track Record Period. The Group will continue to monitor data availability and industry practices, and will consider expanding the scope of disclosure when robust and verifiable data become available.

- Through technical modifications such as the use of time-controlled and light-controlled switches to achieve energy conservation and consumption reduction;
- Reminding our employees to turn off unused electronic equipment, such as air conditioning and lighting systems, before leaving the office;
- Giving priority to energy-saving equipment when purchasing electronic products;
- Posting power-saving signs at eye-catching areas in our offices to enhance our employees' awareness of environmental protection; and
- Encouraging teleconferences or online meetings to reduce unnecessary travel for face-to-face meetings.

Energy Consumption

Our direct energy consumption mainly includes unleaded petrol, while indirect energy consumption mainly includes the consumption in the form of purchased electricity.

The data for energy consumption on-site during the Track Record Period in the following table.

Indicator	Unit	FY2024	FY2025	1H2025	1H2026
Direct energy					
— Unleaded petrol	MWh	23.04	25.60	11.52	8.01
Indirect energy					
— Purchased electricity	MWh	24.00	30.00	12.00	12.00
Total energy consumption	MWh	47.04	55.60	23.52	20.01
Intensity of energy consumption	MWh/ sq.m.^{2}	12.41	15.00	6.35	5.40

Please see the paragraph headed "Emissions" under "— Environmental, Social and Corporate Governance Matters" in this section above for our policy to reduce energy consumption and achieve our ESG targets. We will continue to promote energy saving information among all employees and post slogans in the office to remind employees to save electricity. In future operations, we will also continue to monitor the electricity consumption of our offices.

Water Consumption

We are not faced with issues in accessing applicable water sources. Apart from the water usage on-site, our water use in daily operations is mainly for water use in offices and greening irrigation. The data for water consumption is in the following table.

Indicator	Unit	FY2024	FY2025	1H2025	1H2026
Water consumption[1]	m^3	1,200	2,000	600	600
Intensity of water consumption	L/m^2	0.31	0.35	0.16	0.16

[1] Since the water consumption data from some of the offices was managed by their management offices, it is not feasible for our Group to include such information for the relevant year.

In order to develop the habit of water saving, water conservation signs are displayed in the office. In future operations, we will also continue to monitor the water consumption of our offices.

Waste Disposal Management

For the waste generated on site, cleaners are responsible to arrange removal on behalf of the customers. During the Track Record Period, our Group did not produce any hazardous waste during its daily operations in office. Paper waste constituted the most significant portion of non-hazardous waste generated by our Group in our ordinary office operations during the Track Record Period.

The following shows the statistics of non-hazardous waste generated and recorded in office during the Track Record Period:

Indicator	Unit	FY2024	FY2025	1H2025	1H2026
Total non-hazardous waste	kg	500.00	600.00	300.00	300.00
Total non-hazardous waste intensity	g/m^2	0.132	0.162	0.081	0.081

To minimise the non-hazardous waste generation, we encourage the implementation of the 4R environmental management model, which means waste reduction, waste utilisation, recycling and replacement to cultivate a green culture. At the same time, we encourage our employees to recycle used paper, to use double-sided printing when printing internal documents and to minimise the use of paper in their daily work. Our information technology system, the "Weaver OA system", has also been used to advocate paperless office and online communication during the process of project management.

Social

We are committed to fostering a caring workplace culture that upholds diversity, equal opportunities, health and safety and employee well-being.

Recruitment, Remuneration, Promotion and Dismissal

Recruitment will take place in the event of staff replacements or requests by departments. We recruit our employees based on several factors, such as work experience, academic level, skillset, and ethical standard. We are committed to providing fair, transparent, and competitive compensation and benefits to attract, retain, and motivate our employees. We provide market-competitive salaries according to employees' positions and abilities. As for promotion, we evaluate employees by way of annual performance appraisals based on their performance, and those who perform well will be rewarded or promoted accordingly. The dismissal procedure strictly follows the related laws and regulations of the local governments. Termination of employment may be initiated by either our Group or the employee, provided that the appropriate notice period is given in writing or payment in lieu is made.

Our Group has formulated employee handbook with clear provisions on the rights and obligations of the employees and our Group in accordance with or in addition to the statutory requirements under the local regulations.

Equal Opportunities

Our Group believes in the value of diversity and strives to create and maintain an inclusive and collaborative workplace culture in which all employees can thrive. We are committed to fostering a diverse, inclusive and equitable workplace, strictly adhering to non-discrimination policies that eliminate biases based on gender, age, origin, ethnicity or religion throughout our recruitment and evaluation processes. We prohibit any use of child labour in any of our operations.

Employees are welcome to report any suspected cases to protect the rights and interests of each employee. We have zero tolerance on sexual or other harassment or abuse in the workplace in any forms.

As at 31 December 2024 and 2025 and 30 June 2026, we had a total number of 322, 215 and 215 employees, respectively. The following table sets out a breakdown of our employees by gender and turnover rate by gender:

	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026
Male	226	140	137
Female	96	75	78
Total number of employees	322	215	215
Gender ratio (Male vs Female)	2.35:1	1.87:1	1.76:1
	FY2024	**FY2025**	**1H2026**
Turnover rate of employees	82.6%	47.3%	20.9%

Work Safety

We are committed to providing a safe and healthy working environment for all our employees. We have in place an occupational health and safety management system which is certified to be in compliance with ISO 45001:2015 standards in order to promote a safe and healthy working environment.

Our Group has implemented an internal safety manual designed to safeguard the health, safety, and welfare of all personnel engaged in our projects and other who may be affected by our operations. In order to achieve our ESG targets and to maintain a safe and healthy environment at work, the following key measures have been in place:

- effective promotion and communication of safety procedures are maintained through among others, establishing safety bulletins and detailed records of accident statistics, holding regular internal and external safety meetings, and documenting safety measures and issues identified for each project by preparing safety reports and training records;

- risk assessments are conducted to identify potential hazards and accidents and provide suggestion on proper preventive measures prior to commencement of property project;

- site safety induction course shall be conducted by safety officers, or safety supervisors who are competent trainers and received training on safety training techniques;

- the safety officers or safety supervisors shall carry out safety inspections to the workplaces in weekly intervals, to monitor the effectiveness of control measures taken and advise for continuous improvement;

- all the unsafe conditions and practices noted during the safety inspections shall be recorded on the checklist, and report to the project manager, and follow-up action will be taken within agreed time frame;

- any accident will be discussed within safety committee meeting and prompt action to the recommendations of the investigation will be taken to prevent recurrence of similar accidents in the future; and

- site inspections are carried out by our project management team on a daily basis to ensure strict compliance with the statutory occupational health and safety laws, rules and regulations. We may also engage external safety consultants to assist with our safety supervision on a case-by-case basis.

Our project management team is responsible for overseeing the implementation of our occupational health and safety policies and to ensure that we comply with applicable occupational health and safety standards. Our internal safety manual is reviewed from time to time to incorporate the best practices and to address and improve specific areas of our safety management system. Our safety rules identify common safety and health hazards and provide recommendations on prevention of workplace accidents. We require our employees and our employees to strictly comply with our safety rules. We also provide safety trainings to our employees to ensure that they are aware of and comply with our internal safety guidelines.

Handling and Recording of Workplace Accidents

Our Group has a proper system in place for handling and recording work accidents during the Track Record Period and up to the Latest Practicable Date. Set out below is our general procedures for handling and recording work accidents:

- Upon occurrence of an accident, we require the injured employee or person who witnessed the accident to report to our site supervisor about the details of the accident on a timely basis, including the venue, time, cause of injury, etc.

- Our site supervisor will prepare a notice of accident and send the notice of accident to our administrative staff detailing the venue, date and time of the accident, name of the injured, details of the accident and injury and follow up action performed by the site supervisor after the occurrence of the accident. Our administrative staff maintains a master file for recording all details of injury cases.

Work-related Accidents during the Track Record Period and up to the Latest Practicable Date

Work-related accidents involving our employees

During the Track Record Period and up to the Latest Practicable Date, we have no record work-related accidents involving our employees.

Analysis of accident rates

The following table sets out a comparison of occupational accident and occupational fatality between our Group and the relevant industries in Mainland China during the Track Record Period:

	PRC National Statistics *(Note 1)*	**Our Group** *(Notes 2 and 3)*
From 1 January to 31 December 2024		
Accident rate (cases)	21,800	0
Fatality rate (cases)	19,600	0
From 1 January to 31 December 2025		
Accident rate (cases)	19,900	0
Fatality rate (cases)	18,300	0
From 1 January to 30 June 2026		
Accident rate (cases) *(note 3)*	N/A	0
Fatality (cases) *(note 3)*	N/A	0

Notes:

1. The statistics are extracted from the public announcements of the Ministry of Emergency Management of the PRC. The PRC government does not publish standardized occupational accident rates or fatality rates per 1,000 employees. Accordingly, only nationwide totals are available.

2. Our Group's accident rate is based on the number of occupational accidents recorded during the relevant year/period.

3. The PRC government does not publish standardized occupational accident rates or fatality rates for the six months ended 30 June 2026.

4. The above data provided includes the employees of our Group during the Track Record Period.

The following table sets forth our Group's lost time injuries frequency rate ("**LTIFR**") during the Track Record Period:

	LTIFR *(Note 1)*
FY2024	0
FY2025	0

Notes:

1. LTIFR is a frequency rate that shows how many lost time injuries (injuries that result in an employee missing at least one full day of work, not including the day of the injury) occurred over a specified time (e.g. per 1,000,000 hours) worked in a period. The LTIFRs shown above are calculated by multiplying the number of lost time injuries of our Group that occurred during the relevant year by 1,000,000 divided by the number of hours worked by employees over the same year. It is assumed that the number of working hour of each employee is 8 hours per day.

2. The above data provided includes the employees of our Group during the Track Record Period.

We have not experienced any workplace fatalities during the Track Record Period and up to the Latest Practicable Date. While ensuring that each employee in any accident will be treated immediately and appropriately, a safety officer is responsible for promptly investigating safety incidents and comprehensively identifying causes and adopting multiple remediation measures to mitigate the related hazards.

	Unit	FY2024	FY2025	1H2025	1H2026
Lost working days due to work-related injuries	Days	0	0	0	0
The number of work-related accidents	Number	0	0	0	0
Injured employee claim amount for personal damages	HK$'000	0	0	0	0
Amount paid to injured employee as compensation by insurance company	HK$'000	0	0	0	0

We have implemented enhanced internal control measures by periodically posting safety notifications in our OA system, which include the latest market accident news and safety updates. In addition, when safety officers or safety supervisors regularly visit the work areas, they would observe and monitor employees to ensure that the safety procedures are adhered to and the tools are used properly. If any unsafe behaviour is noticed, safety officers or safety supervisors would immediately correct it and provide on the spot coaching. It also highlights recent examples of work injury and the risks associated with incorrect work practices which may cause slips, loss of control, and injury. We believe that it could raise employees' safety awareness.

Supply Chain Management

In response to growing societal concern about environmental issues, we recognise the critical importance of managing environmental and social risks within our supply chain. In order to select suitable suppliers, we conduct a comprehensive evaluation based on multiple criteria, including service quality, qualifications, technical capabilities, safety records, market pricing, delivery timelines, resource availability, reputation, and environmental and social risk management. Suppliers who meet our standards are added to an internal approved list. At the same time, we have implemented a structured performance evaluation and on-site audit system to ensure our suppliers continually meet our requirements for environmental protection, occupational health and safety, and other relevant service indicators. A corrective action and elimination mechanism is in place for underperforming suppliers, enabling us to continuously enhance the quality and compliance of our supply chain. We will continue to monitor our supply chain in terms of environmental and social standards. During the Track Record Period, we are not aware of any environmental or social non-compliance committed by our major suppliers.

Anti-corruption

Business ethics and integrity are the core values of our Group in conducting our business. Our Code of Conduct Policy stipulates that benefits in connection with employees' duties should not be accepted without prior permission. Employees should endeavour to avoid any conflict of interest. While business entertainment is unavoidable, any meal or entertainment that is excessively luxurious or frequent should be refused by employees to prevent embarrassment or compromise of objectivity in handling company's business. We do not tolerate any corruption, bribery, extortion, money-laundering and other fraudulent activities. Whistleblowing mechanism as a control measure has also been established and is used as a private and confidential communication channel to report suspicious fraudulent activities or irregularities. Any reported cases would be flagged to senior management and

investigated. No instances of non-compliance with relevant laws and regulations related to corruption, bribery, fraud, or money laundering that have a significant impact on our Group have been identified during the Track Record Period.

No instances of non-compliance with relevant laws and regulations related to corruption, bribery, fraud, or money laundering that have a significant impact on us have been identified during the Track Record Period and up to the Latest Practicable Date.

COMPETITION

According to Frost & Sullivan, the industrial park property management services market in China continues to pursue high-quality development. We compete with comprehensive property management service providers, state-owned property management service providers, and specialised industrial park property management service providers. Moreover, according to Frost & Sullivan, there are several barriers of industrial park property management service market, including resource and client network, brand and reputation, human resources and experience. For details, please see the section headed "Industry Overview".

EMPLOYEES

We place strong emphasis on recruiting quality personnel. We recruit talents from universities and other companies and provide on-going training and development opportunities to our employees.

We enter into individual employment contracts with our employees on terms and conditions including the term, work location, scope of work, work hours, wages, employee benefits, safety and sanitary conditions at the workplace, confidentiality obligations and grounds for termination. Some of our employees work on-site in the properties managed by us.

As at 30 June 2026, we had a total of 215 full-time employees in the PRC. The following table sets forth a breakdown of our full-time employees by function as at 30 June 2026:

Function	**Number of employees**	**% of total**
Office of the Board of Directors	4	1.9
Human resources and administration	9	4.2
Finance	9	4.2
Information technology, company development and other functional departments	11	5.1
Property management services	168	78.1
Property sale support and marketing	14	6.5
Total	**215**	**100.0**

As at the Latest Practicable Date, our employees have formed a labour union. During the Track Record Period and up to the Latest Practicable Date, we have not encountered any material strikes or labour disputes with our employees, received any material complaints, notices or orders from relevant government authorities or third parties, nor been involved in any material claims relating to social insurance or housing provident funds.

Recruiting and Training

We endeavour to recruit talented employees in the market, through external recruitment such as website recruitment and job fairs, as well as internal referrals. We provide comprehensive training programme to our new employees with the requisite skills and knowledge about their positions, as well as continuous regular training to our existing employees to strengthen their skill sets. Our employee training programme primarily cover key areas in our business operations, including but not limited to our corporate culture, policies, technical knowledge required for certain positions, leadership skills and general knowledge about the nature of our service. We also engage external experts to provide training sessions to our employees on a regular basis.

INSURANCE

We believe that our insurance coverage is in line with the industry practice in the PRC. We maintain insurance policies against major risks and liabilities arising from our business operations, primarily including (i) liability insurance to cover liabilities for property damage or personal injury suffered by our employees and third parties arising out of or related to our business operations, (ii) property insurance for damages to both movable and immovable property owned by us or in our custody, and (iii) group life accident insurance and commercial complementary medical insurance for some of our employees. We require our major subcontractors to purchase accident insurance for their employees who provide services to our Group. And in accordance with our agreements with major subcontractors, the subcontractors are responsible for all workplace injuries to their employees, except for the injuries directly attributable to us.

We believe we have maintained property and liability insurance with coverage in line with the practice of similar companies in the PRC. However, our insurance coverage may not adequately protect us against certain operating risks and other hazards, which may have adverse effects on our business. For more details, please see the section headed "Risk Factors — Risks Relating to Our Business and Industry — Our insurance may not sufficiently cover, or may not cover at all, losses and liabilities we may encounter.".

CERTIFICATES, LICENCES AND PERMITS

Except for the business licences of the Group, there are no material licences, approvals or permits required to be obtained for our Group to carry on our business. During the Track Record Period and as at the Latest Practicable Date, we had obtained all material licences, approvals and permits from relevant PRC authorities for our business operations in the PRC. We were advised our PRC Legal Advisers that the business licenses obtained by the Group had remained in full effect during the Track Record Period and as at the Latest Practicable Date. We had not experienced any material difficulty in renewing such licences, permits or certificates during the Track Record Period and up to the Latest Practicable Date, and we currently do not expect to have any material difficulty in renewing them when they expire, if applicable.

PROPERTIES

As at the Latest Practicable Date, we did not own any property. As at 30 June 2026, we entered into three lease agreements as tenants in China, (i) two of which are leased from our Parent Group and used as our office and dormitory and (ii) another one is a commercial complex leased from an Independent Third Party which we entered into six lease agreements to sublease its units to tenants as part of our commercial operation service. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the

Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as at 30 June 2026, none of our properties has a carrying amount of 15% or more of our consolidated total assets.

As at the Latest Practicable Date, we had not filed the nine lease agreements with the local housing administration authorities as required under PRC law. We were advised by our PRC Legal Advisers, that such non-filing of lease agreements would not affect the validity of such lease agreements, but we might be ordered to rectify this non-compliance by competent authorities and if we do not rectify within a prescribed period, a penalty of RMB1,000 to RMB10,000 per agreement may be imposed on us as a result of such non-filing. See "Risk Factors — Risks Relating to Our Business and Industry — Some of our lease agreements have not been filed with the relevant PRC authorities and, as a result, we might be subject to administrative fines." As at the Latest Practicable Date, our Directors confirm that we had not received any notice from any regulatory authority with respect to potential administrative penalties or enforcement actions as a result of our failure to file the lease agreements described above. Our Directors do not expect any practical difficulty in identifying alternative premises subject to the lease agreements that have not been filed, and are of the view that such non-filing would not have a material impact on our business operations.

The lessors of one of our leased properties could not provide relevant title certificates or proof of property rights. We leased such commercial complex and sublease its units to tenants as part of our commercial operation service. As advised by our PRC Legal Advisers, if third parties are able to prove that they have valid titles to or valid leasehold interests in these properties and refuse to acknowledge our lease of such properties, we may not be able to enforce the lease agreement in relation to the leased property. According to the subleasing agreements with the relevant tenants, in the event that the subleasing agreements are terminated due to reasons attributable to the Group, the Group shall return the security deposit and the remaining rent for the unexpired term to the tenants. Therefore, in accordance with the relevant terms of subleasing agreements, as advised by PRC Legal Advisers, in the event that the Group is required to terminate the subleasing arrangement with the relevant tenant due to title defects, the maximum liability risk is the repayment of the security deposit and the remaining rent for the unexpired term to the tenants. On the premise that the Group repays the security deposit and the remaining rent for the unexpired term to the tenants as stipulated in the subleasing agreements, as advised by PRC Legal Advisers, the likelihood of the Group being subject to legal claims is low. As at 30 June 2026, the security deposit and the remaining rent amounted to RMB65,000 and nil, respectively. In the event that we are required to terminate the lease with the tenant, given the limited revenue generated from such lease, we do not believe that any relocation would result in material disruptions to our business. Our Directors are of the view that this would not have any material impact on our business, financial position and results of operations.

For enhanced internal control measures taken in relation to property laws and regulations compliance, please see "— Risk Management and Internal Control — Property laws and regulations compliance" in this section.

INTELLECTUAL PROPERTY RIGHTS

Our intellectual property rights is key to our business. We primarily rely on the applicable laws and regulations on patents, utility models, trademarks, trade secrets as well as confidentiality agreements to protect our intellectual property rights. As at the Latest Practicable Date, we owned five registered trademarks and two domain names that are material to our business. For details, please see "Appendix IV — Statutory and General Information — B. Further Information about our Business — 2. Material intellectual property rights".

As at the Latest Practicable Date, we were not aware of any material infringement (i) by us in relation of any intellectual property rights owned by third parties; or (ii) by any third parties in relation of any intellectual property rights owned by us.

LEGAL PROCEEDINGS AND COMPLIANCE

As advised by our PRC Legal Advisers, unless described elsewhere in this document, during the Track Record Period and up to the Latest Practicable Date, we had been in compliance with all material aspects with the applicable PRC laws and regulations.

We may from time to time be involved in legal proceedings or disputes during the ordinary course of business, such as contract disputes with our customers and suppliers.

As at the Latest Practicable Date, there were no pending or potential litigation or arbitration proceedings or administrative proceedings against us or any of our Directors which would have material adverse effect on our financial position or results of operations.

Social Insurance and Housing Provident Funds

During the Track Record Period, our Company and some of our PRC subsidiaries did not make sufficient social insurance and housing provident fund contributions for our employees, primarily due to the preference of many of our employees not to make full contribution to such funds. Based on the estimation of our Directors, the shortfall of social insurance and housing provident fund contributions amounted to RMB4.0 million, RMB1.7 million and RMB491,000 for FY2024, FY2025 and 1H2026, respectively.

As advised by our PRC Legal Advisers, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of social insurance contributions as required, we may be ordered to pay the outstanding social insurance premiums within a prescribed time limit and may be subject to an overdue fine of 0.05% of the delayed payment per day from the date on which the payment is payable. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of the overdue payment. Pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of housing provident fund as required, the housing provident fund management centre may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

Pursuant to the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Effectively Implementing the Essence of the Executive Meeting of the State Council and the Measures on the Stable Collection of Social Insurance Contributions (《人力資源社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》(人社廳函[2018]246號)) which was promulgated on 21 September, 2018, local governmental authorities are prohibited from centralised collecting of historical unpaid social insurance premiums.

During the Track Record Period and up to the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the deficit amount. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy.

Our Directors believe that such shortfall of social insurance and housing provident funds would not have a material and adverse effect on our business and results of operations, considering that: (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay shortfalls (including late payments) or the penalties with respect to social insurance and housing provident funds; (ii) we were not aware of any material employee complaints nor were involved in any material labour disputes with our employees with respect to social insurance and housing provident funds; (iii) if the relevant authorities order us to

pay the outstanding social insurance and/or housing provident funds or take rectification measures in accordance with applicable laws and regulations, we will make such payments or take such rectification measures promptly within the specified period to avoid administrative penalties for overdue payment; and (iv) during the Track Record Period, we were not subject to any administrative penalties imposed by the social insurance authorities or the housing provident fund authorities due to insufficient payment of social insurance or housing provident funds. We made full provisions for the shortfall of social insurance and housing provident fund contributions of RMB4.0 million, RMB1.7 million and RMB491,000 for FY2024, FY2025 and 1H2026. Since January 2026, we have made sufficient social insurance contribution for our employees and we intend to make sufficient hosing provident fund starting from the second half of 2026. Our Directors believe that the provisions for the shortfall of contributions did not have an impact on the operating cash flow of the Group during the Track Record Period as the amount was insignificant and full provisions were made.

Internal Control Measures

We have adopted or plan to adopt remedial measures, including (i) designating our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund; (ii) keeping abreast of the latest developments in PRC laws and regulations in relation to social insurance and housing provident funds; (iii) consulting our PRC counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments; and (iv) providing trainings to our employees in relation to PRC laws and regulations on the social insurance and housing provident funds to improve their legal awareness.

RISK MANAGEMENT AND INTERNAL CONTROL

In preparation for the [REDACTED], we have engaged an independent third party consultant (the "**Internal Control Consultant**") to perform a review over selected areas of our internal controls over financial reporting and accounting and management systems (the "**Internal Control Review**"). The selected areas reviewed included enterprise-level controls and business process controls, such as revenue and receivables, purchases and payables, financial reporting and corporate governance. The Internal Control Consultant has then performed follow-up reviews to review the status of the management actions taken by our Group to address the findings of the Internal Control Review.

We have implemented various risk management policies and measures to identify, assess and manage risks arising from our operations. Details on risk categories identified by our management, internal and external reporting mechanism, remedial measures and contingency management have been codified in our policies. For details of the major risks identified by our management, please see "Risk Factors — Risks Relating to Our Business and Industry."

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted or will adopt, among others, the following risk management and internal control measures:

- the establishment of an audit committee responsible for overseeing our financial records, internal control procedures and risk management systems. Please see "Directors and Senior Management-Board Committees-Audit Committee" for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our audit committee;

- the appointment of Ms. Chan Yuk Wing as our company secretary and an authorised representative to ensure the compliance of our operation with relevant laws and regulations. For their biographical details, please see "Directors and Senior Management";

- the appointment of Austrax Capital as our compliance adviser upon the [REDACTED] to advise us on compliance with the GEM Listing Rules; and

- the engagement of external legal advisers to advise us on compliance with the GEM Listing Rules and to ensure our compliance with relevant regulatory requirements and applicable laws, where necessary.

Property Laws and Regulations Compliance

We have implemented the following internal control measures to ensure our compliance with property laws and regulations:

- before we enter into any new lease, our senior management will conduct enhanced due diligence to ensure that there are no title and legal issues. The enhanced due diligence includes, among others, (i) examining the relevant property ownership certificate or other title ownership documents; and (ii) verifying the aforementioned documents and landlord's authorisation to lease or sublease;

- we have created a centralised lease filing and registration management system and maintain a register tracking the deadlines of filing;

- we will provide regular training to administrative and business staff on regulations such as the Administrative Measures for Commodity Housing Leasing and Property Management Regulations; and

- our Directors will be responsible for monitoring the implementation of the above measures and ensuring compliance in the future.

Project Engagement

We have implemented the following internal control measures to ensure our compliance with Property Management Regulations:

- Our Operations Department shall review all proposed property management projects (including outsourcing, cooperation and entrusted management) must undergo a compliance review conducted by the Operations Department prior to contract execution. Such review covers, among others, compliance with applicable tendering procedures, the validity of relevant approval documents, and the qualifications of the relevant counterparties. Following the Operations Department's review, the senior management will conduct a final review to confirm the legality and completeness of the tendering or approval procedures;

- We will not undertake any preliminary property management service projects unless either (i) public tendering has been completed; or (ii) written approval for selection by agreement has been issued by the local Housing and Urban-Rural Development Bureau;

- Projects already undertaken without proper procedures must be suspended and rectified within a specified timeframe;

- We will maintain a centralised archive system to retain and manage key compliance documents, including tendering documents, approval letters, qualification certificates and other relevant regulatory records, to ensure proper documentation and traceability;

- Quarterly compliance training will be provided to business development, project management and operations staff, focusing on property management regulations and tendering requirements; and

- Compliance review completion rates will be incorporated into departmental KPIs, with accountability for failure to conduct or properly perform compliance checks.

Outsourcing Arrangements

To prevent recurrence of similar situations previously arising from outsourcing arrangements which did not fully comply with Article 39 of the Regulations on Property Management, we have implemented the following enhanced internal control measures starting from the first quarter of 2026:

- We adopt a dual compliance review mechanism. For all proposed property management projects (including outsourced, collaborative or entrusted management), the Operations Department must first carry out a compliance review, followed by final compliance confirmation by the management. The review focuses on verifying whether the statutory bidding and tendering procedures have been completed or whether approval has been obtained from the relevant regulatory authorities.

- It is prohibited to undertake any preliminary property service projects which fail to comply with statutory procedures. No preliminary property service projects shall be undertaken if the statutory bidding and tendering proof or written approval from local housing and urban-rural development authorities cannot be provided.

- Contract management and document verification is strengthened. Relevant departments must verify the authenticity and completeness of bidding and tendering documents, approval documents and qualification certificates provided by partners. Dedicated compliance files shall be created for each project to ensure document retention and traceability.

- Regular compliance training is organized to provide compliance training on the Regulations on Property Management and local bidding and tendering regulations for staff involved in business development, project management and operations on a regular basis.

- The completion rate of compliance reviews will be incorporated into the department's key performance indicators, and accountability will be enforced for any failure to conduct or properly execute compliance checks.

OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As at the Latest Practicable Date, our Company is wholly owned by Zhejiang Panglong Group Co., Ltd.* (浙江龐隆集團有限公司) ("**Zhejiang Panglong**"), which is in turn held by Ms. Liu Qiaoling (劉巧玲) ("**Ms. Liu**") and Mr. Zhou Chengyang (周程揚) ("**Mr. Zhou**") as to 70.0% and 30.0%, respectively. Ms. Liu is the mother of Mr. Zhou. Accordingly, Zhejiang Panglong, Ms. Liu and Mr. Zhou constitute a group of Controlling Shareholders. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholders will be able to exercise, in aggregate, [REDACTED]% of the voting rights in our Company and therefore will remain as our Controlling Shareholders pursuant to the GEM Listing Rules.

DELINEATION OF BUSINESS

Business Delineation between our Group and our Parent Group

The table below sets forth the respective principal businesses of our Group and our Parent Group as at the Latest Practicable Date:

	Principal Business
Our Group	property management and value-added services
Parent Group	industrial parks development and investment, property construction and development, e-commerce, wind power facilities construction, and aesthetic medical services

Given the differences in the nature of the respective businesses operated by our Group and our Parent Group, our Directors are of the view that there is clear delineation between our business and our Parent Group's business and as a result, none of the business of our Parent Group would compete, or are expected to compete, directly or indirectly, with our business.

Non-inclusion of Solar Energy Services of Huzhou Xingchi

As part of our energy-related value-added services, we introduce energy technology companies to invest and install relevant facilities such as solar energy stations (including solar panels and cells) in our managed projects. We receive a service fee from the energy technology companies for assisting them to provide and manage the rooftop space. In addition to the service fee, we share profits of the energy service providers in those energy projects in our managed properties, which represents the difference of the electricity charge and the predetermined unit cost according to the service agreements. For details of our energy-related value-added services, please see "Business — Our Business Model — Property Management and Value-added Services — Value-added Services — Energy-related Services". One of such energy technology companies is Huzhou Xingchi New Energy Technology Co., Ltd.* (湖州興馳新能源科技有限公司) ("**Huzhou Xingchi**"), an associate of our Parent Group, which invested and installed solar energy stations in one of our managed projects (i.e. Nanxun Shuanglin Jicheng Industrial Park (南潯雙林吉成產業園)). Save for the solar energy services provided for one of our managed projects, the Parent Group (including Huzhou Xingchi) does not and [has undertaken] not to further expand its solar energy services business to other properties in the future. On the other hand, as part of our business expansion, we intend to penetrate into the solar energy services business and plan to make initial investment in solar energy power facilities in three new projects in the next three years. For details, please see "Business — Our Strategies — Expand our business scale and solidify our market position — Vertical integration" and "Future Plans and [REDACTED] — [REDACTED]".

We currently provide solar energy services in eight managed projects through introduction of energy technology companies which invest and install relevant solar energy power stations. Save for Huzhou Xingchi, the other five energy technology companies with which we collaborate for our seven managed projects are Independent Third Parties. Huzhou Xingchi has invested and installed solar energy power energy stations in one of our managed projects, namely Nanxun Shuanglin Jicheng Industrial Park (南潯雙林吉成產業園). As one of our business strategies, we intend to penetrate into the upstream operations of the energy-related value-added services, and as such, we plan to apply part of our [REDACTED] of the [REDACTED] for investment and installation of solar energy power stations in two new projects, namely, Zhezhong Gold and Jewellery Industrial Park (浙中黃金珠寶園) and Guangdong Yangjiang Jicheng Smart Home Industrial Park (廣東陽江吉成智能家居產業園) and one existing project, namely Chengde Jicheng Industrial Park (承德吉成產業園).

Set forth below is a comparison table of the respective solar energy operations of our Group and Huzhou Xingchi.

	Our Group	Huzhou Xingchi
Nature of services provided	*Existing:* Energy technology companies as solar energy service providers are introduced to invest and install solar energy power stations (including solar panels and cells) in our managed projects. *Planned:* We plan to invest and install solar energy power stations in our managed projects. We will receive electricity charge from provision of electricity as solar energy service providers.	Huzhou Xingchi has invested and installed solar energy power stations in Nanxun Shuanglin Jicheng Industrial Park (南潯雙林吉成產業園), and receive electricity charge from provision of electricity as solar energy service provider.
Geographical region	*Existing:* We have introduced solar energy service providers in eight managed projects, being Nanxun Shuanglin Jicheng Industrial Park (南潯雙林吉成產業園), Jinyi Jicheng Small Enterprise Park (金義吉成小微企業園), Qianjin Jicheng Small Enterprise Park (千金吉成小微創業園), Pujiang Jicheng Industrial Park (浦江吉成產業園), Zhezhong Jicheng International Smart Beauty Valley Industrial Park (浙中吉成國際智享美谷產業園), Lanxi Jicheng Micro and Small Enterprise Park (蘭溪吉成小微企業園), Meijiang Lanchuang Jicheng Industrial Park (梅江蘭創吉成產業園) and Jiangshan Jicheng Intelligent Manufacturing Industrial Park (江山吉成智能製造產業園).	Huzhou Xingchi is the solar energy service provider of Nanxun Shuanglin Jicheng Industrial Park (南潯雙林吉成產業園). Save for that, Huzhou Xingchi has no investment, nor has any plan to make investment, in solar energy power stations in other projects.

	Our Group	Huzhou Xingchi
	Planned: We plan to invest and install solar energy power stations in three projects, namely, Zhezhong Gold and Jewellery Industrial Park (浙中黃金珠寶園), Chengde Jicheng Industrial Park (承德吉成產業園) and Guangdong Yangjiang Jicheng Smart Home Industrial Park (廣東陽江吉成智能家居產業園).	
Customers	*Existing:* The solar energy service providers which we introduce to our managed projects are accounted for as our customers. We (i) receive a service fee from them for assisting them to provide and manage the rooftop space; and (ii) share their profits in the energy projects in our managed properties, which represents the difference of the electricity charge and the predetermined unit cost according to the service agreements. *Planned:* Occupants of our managed projects in which we plan to install solar energy stations.	Occupants of the Nanxun Shuanglin Jicheng Industrial Park (南潯雙林吉成產業園).

Despite the fact that our planned operation in respect of provision of solar energy service shares the same business model of the solar energy operations of Huzhou Xingchi, given (i) the provision of solar energy services of our Parent Group was only limited to one single managed project; and (ii) our Parent Group has no intention [and undertaken to] not to further expand its solar energy services business to our managed properties in the future, our Directors are of the view that the solar energy services business of our Group will be clearly delineated from that of our Parent Group and as such, the solar energy services business of our Parent Group will not, give rise to (i) any direct or indirect competition between our Group and our Parent Group in any material aspect; or (ii) any actual or potential conflict of interest between our Group and our Parent Group in any material aspect.

To ensure that competition will not exist in the future, each of our Controlling Shareholders [has entered] into the Deed of Non-Competition in favour of our Company to the effect that each of them will not, and will procure each of their respective close associates not to, directly or indirectly participate in, or hold any right or interest, or otherwise be involved in any business which may be in competition with our business, further details of which are set out in the paragraph headed "Non-competition Undertakings" below.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having taken into account of the following factors, our Directors believe that our Group is capable of carrying on our business independently of our Parent Group after the [REDACTED].

Operational Independence

Independent Business Operations

Our business operations are delineated from and independent of those of our Controlling Shareholders and their respective close associates. Save for certain continuing connected transactions conducted in the ordinary course of business of our Group as set out in the section headed "Connected Transactions", our Directors do not expect that there will be any other continuing connected transactions between our Group and our Controlling Shareholders or their respective close associates upon or shortly after completion of the [REDACTED]. The continuing connected transactions will be conducted on normal commercial terms in accordance with the pricing policy of our Group, our Controlling Shareholders and their respective close associates, and are not prejudicial to the interests of any of the parties. In addition, the information technology, human resources department and other administrative support of our Group are separate from those of our Controlling Shareholders. We have full rights, hold and enjoy the benefit of all relevant licences, have sufficient capital and employees necessary to make all decisions on, and to carry out, our own business operation independent from our Controlling Shareholders and their respective close associates and will continue to do so after the [REDACTED].

Connected Transactions with Controlling Shareholders

The continuing connected transactions between our Group and our Controlling Shareholders or their respective close associates set out in the section headed "Connected Transactions" will continue upon completion of the [REDACTED] and all such transactions were entered into on normal commercial terms after arm's length negotiations. When determining the service fees between our Group and our Controlling Shareholders or their respective associates, factors such as project location and condition, scope of services, labour and other costs (where appropriate) were taken into account. Such fees were determined with reference to the prevailing market rate. Our Directors confirm that there had not been any interruption, dispute or early termination relating to our Group's services provided to our Parent Group during the Track Record Period and up to the Latest Practicable Date. As such, we expect that we will be able to maintain the aggregate amounts of the continuing connected transaction with our Controlling Shareholders and their respective close associates at a reasonable percentage to our total revenues after the [REDACTED]. Accordingly, such continuing connected transactions are not expected to affect our operational independence as a whole.

Method of Obtaining Property Management Business

Approximately 46.6%, 47.7% and 47.7% of the total GFA under management, and approximately 78.0%, 63.7% and 61.7% by revenue generated from the property management and value-added services provided by our Group for FY2024, FY2025 and 1H2026, respectively were derived from properties developed by our Parent Group. Our Group conforms to industry norms in property management service business through (i) tendering (including public tenders and tenders by invitation); and (ii) commercial negotiation. However, the specific method adopted for selecting the provider of property management services is usually decided by the developer. Our pricing for property management and value-added services conforms with industry norms.

Based on our experience in participating in the tendering and bidding process organised by our Parent Group, to the best of the knowledge of our Directors, our Parent Group will generally take into account various factors when evaluating tenders including but not limited to: (i) staff experience in managing similar types of projects, (ii) pricing, (iii) quality of service, and (iv) branding. We consider our brand, scale and experience in industrial property management, as evidenced by our proven track record in Jinhua-Yiwu Area, to be our competitive advantages enabling us to secure projects developed by our Parent Group. This has been illustrated by the success rate of our tender bids for properties developed by our Parent Group for FY2025, being 100.0%. Our directors confirmed that, all properties developed by our Parent Group are managed by our Group.

Trending toward Greater Operational Independence

Historical trends indicate a decreasing reliance on properties developed by our Parent Group for our source of revenue, evidencing progressively greater operational independence from our Parent Group. For FY2024, FY2025 and 1H2026, revenue from property management projects sourced from our Parent Group amounted to RMB55.9 million, RMB50.7 million and RMB25.3 million, representing 78.0%, 63.7% and 63.0%, respectively, of our revenue in the same periods. We strive to expand our business by seeking more opportunities to provide property management services to Independent Third Parties. Our revenue from property management projects sourced from the Independent Third Parties continued to increase which amounted to RMB15.7 million, RMB29.0 million and RMB14.9 million, representing 22.0%, 36.3% and 37.0%, of our revenue respectively, for FY2024, FY2025 and 1H2026. We believe that with the support of our well-established market position and our proven track record of provision of quality and diversified services to our customers, we are able to procure and renew our property management agreements with Independent Third Party property owners and tenants. This is evidenced by our success in 2026 with respect to: (i) renewal of three property management projects (i.e. Lanxi Hongtu Smart Technology Industrial Park, Sunwonda Peripheral Complex and Lanchuang Shoutian Plastic Products Industrial Park) sourced from a Independent Third Party property management company, and renewal of the basic property management service agreement for Huzhou Mass Innovation Micro and Small Enterprise Park, a project sourced from an Independent Third Party developer; (ii) the formation of joint venture with a state-owned property developer to continue the provision of property management services in Lanxi City Lanchuang Jiuyu Science and Technology Innovation Valley Industrial Park; (iii) the engagement by an Independent Third Party developer to provide commercial operation services in a new commercial property project in Wuyi County, Jinhua City; and (iv) the engagement by an Independent Third Party developer to provide basic property management services for an industrial park with a total managed GFA of 180,000 sq.m. in Jinhua-Yiwu Area, Zhejiang Province.

Access to Customers/Suppliers/Business Partners

We have a large and diversified base of customers that are unrelated to our Controlling Shareholders and/or their respective close associates, including Independent Third Party property owners and lessees. We have independent access to the suppliers and other business partners as well.

Licences Required for Operations

We hold all the relevant licences and permits that are material to our business operations, and enjoy the benefits brought by them.

Operational Facilities

As at the Latest Practicable Date and save as disclosed in the section headed "Connected Transactions", all necessary properties and facilities required for our business operations were independent of our Controlling Shareholders and their respective close associates.

Employees

As at the Latest Practicable Date, all of our full-time employees were recruited primarily through independent recruitment methods, such as recruitment websites, campus recruitment programme, newspaper advertisements and recruitment agencies.

Accordingly, our Directors consider our Group's business operation to be independent from our Controlling Shareholders and their respective close associates.

Financial Independence

Our Group will be able to maintain financial independence from our Controlling Shareholders and their respective close associates for the reasons set out below:

No Financial Reliance on our Controlling Shareholders and their Respective Close Associates

As at the Latest Practicable Date, there has been no borrowings owed by us to our Controlling Shareholders, nor has there been any share pledge or guarantee provided by our Controlling Shareholders or their respective close associates for our borrowings. In addition, we have in place independent internal control, accounting and finance departments, independent system and standard for cash collection and payment, and independent funding channels.

Independent Financial Team

We have our own financial and accounting team independent from that of our Controlling Shareholders and their respective close associates. Our Group will independently perform its accounting functions and make financial decisions according to its own business needs and financial position.

Based on the above, we will be able to finance our own business and operations independently without reliance on our Controlling Shareholders and their respective close associates.

Management Independence

Our Board comprises six Directors with three executive Directors and three independent non-executive Directors.

Save for one executive Director, namely Ms. Liu, who is a director of Zhejiang Panglong and certain subsidiaries of our Parent Group, there is no overlap of directors and members of the senior management between our Group and our Parent Group. Ms. Liu founded our Group and has been in charge of our business since 2019 and will continue to devote sufficient time in the day-to-day operation of our Group despite her directorships in our Parent Group.

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 or her duties as a Director and his or her interest to exist. 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, the interested Director(s) shall abstain from voting at the relevant meeting of the Board in respect of such transaction and shall not be counted in the quorum. In addition, we have an independent senior management team to carry out the business operations of our Group independently from our Controlling Shareholders.

Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates.

NON-COMPETITION UNDERTAKINGS

To ensure a clear delineation of the Restricted Business (as defined below) and the business of our Controlling Shareholders and their respective associates, on [●], our Controlling Shareholders, being the covenantors, entered into the deed of non-competition (the "**Deed of Non-Competition**") with our Company, pursuant to which, our Controlling Shareholders have, among other things, unconditionally and irrevocably undertaken and covenanted to our Company that during the Relevant Period (as defined below), our Controlling Shareholders shall (and shall procure its associate, excluding our Company, to):

(a) not, directly or indirectly (including through any body corporate, partnership, joint venture or other contractual arrangement or as a principal or an agent, whether on their own account or on behalf of any person, firm or company or through any entities), invest in, be engaged in, participate in or hold any right or interest in any business or activity which will or may compete with the business engaged by our Company (the "**Restricted Business**");

(b) in respect of any business opportunity identified, being proposed or offered to participate by it and/or its associates for the carrying on, investment in or engagement in any principal business (the "**Business Opportunity**") currently and from time to time engaged by our Company, refer, or shall procure its associates to refer (where such Business Opportunity has been proposed or offered to it and/or its associates by a third party), such Business Opportunity to our Company by giving a written notice (which shall contain all information of, and the relevant terms and conditions for, the Business Opportunity obtained thereby) (the "**Referral Notice**") within 14 days after it and/or its associates has identified, has been proposed or offered to participate in the Business Opportunity, and our Directors who are not the directors of any associates of our Controlling Shareholders and have no actual or potential material interest in the Business Opportunity, directly or indirectly, will decide whether or not to take up such opportunity. Any Director who is a director of any associates of our Controlling Shareholders or has actual or potential material interest in the Business Opportunity shall abstain from voting at, and shall not be counted in the quorum for, any Board meeting convened to consider such Business Opportunity. The factors that will be taken into consideration in making the decision shall include whether taking up the Business Opportunity is in line with the business strategy and future business development of our Company and hence the overall interests of our Shareholders. If it is decided that our Company shall take up such Business Opportunity, our Directors shall take all actions as may be necessary, including passing the requisite resolutions, to give full effect to such decision;

(c) if a Business Opportunity is refused by our Company, our Controlling Shareholders or their respective associates may take up such opportunity if (i) a notice is received by our Controlling Shareholders from our Company confirming that the Business Opportunity is not accepted or our Controlling Shareholders or their respective associates have not received from our Company a notice confirming that the Business Opportunity is accepted within 30 days after the Referral Notice is given to our Company; (ii) the principal terms of which our Controlling Shareholders or their respective associates carry on, invest or engage in are no more favourable than those made available to our Company; and (iii) it would not result in a breach of any provisions of the Deed of Non-Competition;

(d) if there is any material change in the nature, terms or conditions of such Business Opportunity pursued by our Controlling Shareholders or their respective associates, they shall and shall procure their respective associates to refer such Business Opportunity as so revised to our Company as if it were a new Business Opportunity; and

(e) provide to our Company and/or our Directors (including the independent non-executive Directors) from time to time all information necessary for an annual review by the independent non-executive Directors with regard to compliance with the terms of the Deed of Non-Competition. Such review results will be disclosed in our Company's annual reports after [REDACTED]. Our Controlling Shareholders have also undertaken to allow our Directors, their respective representatives and the auditors of our Company to have sufficient access to the relevant records of our Controlling Shareholders and their respective associates to ensure their compliance with the terms and conditions of and for monitoring the performance of the Deed of Non-Competition. Our Controlling Shareholders have also undertaken to issue an annual confirmation to our Company on compliance with the terms of the Deed of Non-Competition, and consenting to the disclosure of such confirmation in the annual reports of our Company, thereby enabling our Company to keep monitoring the compliance with the Deed of Non-Competition by our Controlling Shareholders.

For the purpose of the Deed of Non-Competition, our Controlling Shareholders and their respective close associates are allowed to hold shares in a company or business which engages in the Restricted Business, provided that the aggregate interest of our Controlling Shareholders and their respective close associates is less than 30% or any lower percentage which would trigger the mandatory general offer obligations under the applicable rules of the relevant stock exchange, and do not have power to control the majority of the relevant board of directors; and the "Relevant Period" with respect to our Controlling Shareholders means the period commencing from the [REDACTED] and expiring on the earlier of the date on which (i) that entity and its close associates (individually or taken as a whole) cease to own 30% or more of the then issued share capital of our Company directly or indirectly or our Controlling Shareholders cease to be considered as the Controlling Shareholder (within the meaning ascribed to it under the GEM Listing Rules from time to time) of our Company and do not have power to control the majority of the Board; and (ii) the H Shares cease to be [REDACTED] on the Stock Exchange.

Our Directors (including our independent non-executive Directors) are allowed to engage professional advisers at our costs for advices on matters relating to the Business Opportunity or if and when they think necessary in the course of reviewing the compliance with the Deed of Non-Competition.

CORPORATE GOVERNANCE MEASURES

Our Directors believe that there are adequate corporate governance measures in place to manage existing and potential conflicts of interest. In order to further avoid potential conflicts of interest, we have implemented the following measures:

(i) our independent non-executive Directors will review the Deed of Non-Competition and its compliance situation on an annual basis;

(ii) our Controlling Shareholders have undertaken to provide all information necessary to our Company for the annual review by our independent non-executive Directors on the enforcement of and compliance with the Deed of Non-Competition;

(iii) if our Board is required to make a decision on whether to accept a business opportunity under the Deed of Non-Competition, such decision shall be made by those Directors who do not have any material interest in such business opportunity and/or who do not assume any ongoing senior managerial or directorship role in the Controlling Shareholders having any material interest in the resolution;

(iv) our Company will disclose any updates relating to the status of fulfilling the undertakings, the decision made and/or matter reviewed by our independent non-executive Directors relating to compliance with and enforcement of the Deed of Non-Competition in our annual reports and/or by way of an announcement;

(v) we are committed that our Board should include a balanced composition of executive Directors and independent non-executive Directors. We have appointed independent non-executive Directors who possess sufficient experience 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 [REDACTED]. For further details of our independent non-executive Directors, please see the section headed "Directors and Senior Management";

(vi) our Directors will (a) report any conflict or potential conflict of interest involving our Controlling Shareholders and their associates to our independent non-executive Directors as soon as practicable upon becoming aware of such conflict; (b) convene a Board meeting to review and evaluate the implications and risk exposure of such conflict; and (c) monitor any material irregular business activities. The conflicted Directors will be required to abstain from participating in the Board meetings where resolutions with material potential conflicts of interest are discussed, unless specifically requested by the majority of independent non-executive Directors;

(vii) our Directors will comply with the Articles of Association which require the interested Director not to vote (nor be counted in the quorum) on any Board resolution approving any contract or arrangement or other proposal in which he/she or any of his/her close associate is materially interested;

(viii) our Directors, including our independent non-executive Directors, will be entitled to seek independent professional advice from external parties in appropriate circumstances;

(ix) our Company will monitor potential or proposed transaction between our Group and our connected persons, and ensure compliance with Chapter 20 of the GEM Listing Rules including, where applicable, the announcement, reporting, annual review and independent Shareholders' approval requirements;

(x) as required by the GEM Listing Rules, our independent non-executive Directors shall review any connected transactions (including continuing connected transactions) annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favourable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole;

(xi) we have appointed Austrax Capital Limited as our compliance adviser to provide advice and guidance to our Group in respect of compliance with the applicable laws and GEM Listing Rules including various requirements relating to directors' duties and internal control;

(xii) our Audit Committee will conduct a review on the effectiveness of the above internal control measures on an annual basis; and

(xiii) our Nomination Committee will from time to time review the independence of our Directors in terms of performing their duties as our Directors to ensure effective management of conflict of interest.

Our Directors (including our independent non-executive Directors) consider that the above corporate governance measures are adequate and sufficient to manage any potential conflict of interests between our Controlling Shareholders and our Group, and to protect the interests of our Shareholders, in particular, the minority Shareholders.

OVERVIEW

We have entered into a number of agreements with our connected persons, details of which are set out below. The transactions disclosed in this section will constitute our continuing connected transactions under Chapter 20 of the GEM Listing Rules upon [REDACTED].

OUR CONNECTED PERSONS

Upon [REDACTED], the following entities will become our connected persons:

Zhejiang Panglong and its associates ("**Zhejiang Panglong Connected Persons**")	Zhejiang Panglong is one of our Controlling Shareholders, thus Zhejiang Panglong and its associates are connected persons of our Company under Chapter 20 of the GEM Listing Rules.

SUMMARY OF CONTINUING CONNECTED TRANSACTIONS

Nature of Transaction	Applicable GEM Listing Rules	Waiver Sought
(A) Continuing connected transactions fully exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements		
Property leasing	20.32, 20.50, 20.74	N/A
Procurement of goods and services	20.32, 20.50, 20.74	N/A
(B) Continuing connected transactions subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements		
Provision of property management and value-added services	20.32, 20.33, 20.34, 20.47, 20.50, 20.51, 20.69, 20.103	Reporting, annual review, announcement and independent shareholders' approval

OUR CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions Fully Exempt from the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements

Property Leasing

We have entered into (i) a lease agreement (the "**Office Lease**") dated 20 March 2026 with Zhejiang Jicheng for a property of a construction area of 756.1 sq.m. for office purpose at an annual rental of RMB90 per sq.m. for a term of three years; and (ii) a lease agreement (the "**Staff Dormitory Lease**", together with the Office Lease, the "**Lease Agreements**") dated 1 January 2026 with Zhejiang Jicheng for a property of a construction area of 756.1 sq.m. for staff dormitory purpose at an annual rental of RMB87,707.6 for a term of one year. We also used to lease properties owned by Zhejiang Panglong Connected Persons in our managed projects and sublease them to tenants. Since 2025, we have adopted the entrusted management services model for most of the properties operated by us, whereby the

property owners, including Zhejiang Panglong Connected Persons, entrust us with the authority to manage their properties, and hence we have ceased to lease the properties from the property owners. For details of our entrusted management services model, please see "Business — Our Business Model — Property Management and Value-added Services — Value-added Services — Operational Support Services — Commercial Operation Services". The total rental payable by us to Zhejiang Panglong Connected Persons pursuant to the relevant lease agreements for property leasing were approximately RMB13.0 million, RMB156,000 and RMB156,000 for FY2024, FY2025 and 1H2026, respectively. The significant decrease in the total rental paid by us to Zhejiang Panglong Connected Persons is mainly due to the change in business model of our commercial operation services as abovementioned. Our Directors confirm that the relevant transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

As the applicable percentage ratio under Chapter 20 of the GEM Listing Rules for the Lease Agreements (on an annual basis) are less 5% and the consideration is less than HK$3 million, such transactions fall within the de minimis threshold under Rule 20.74(1)(c) of the GEM Listing Rules and is exempt from the reporting, annual review and announcement requirements, circular and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Procurement of Goods and Services

During the Track Record Period, we procured repair and installation services from Zhejiang Xingchi New Energy Technology Co., Ltd.* (浙江興馳新能源科技有限公司) ("**Zhejiang Xingchi**"), one of Zhejiang Panglong Connected Persons. Our total procurement of goods and services from Zhejiang Xingchi amounted to approximately RMB92,000, RMB24,000 and nil for FY2024, FY2025 and 1H2026, respectively. Our Directors confirm that the relevant transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interest of our Company and our Shareholders as a whole.

As the applicable percentage ratio under Chapter 20 of the GEM Listing Rules for the procurement of goods and services (on an annual basis) are less than 5% and the consideration is less than HK$3 million, such transactions fall within the de minimis threshold under Rule 20.74(1)(c) of the GEM Listing Rules and is exempt from the reporting, annual review and announcement requirements, circular and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Continuing Connected Transactions Subject to the Reporting, Annual Review, Announcement, Circular and Independent Shareholders' Approval Requirements

Business Framework Agreement

Background

To the best knowledge of our Directors, as a condition under the relevant land grant contracts, Zhejiang Panglong Connected Persons are required to hold around 20% GFA of certain projects developed by them and such properties are prohibited from sales. Furthermore, according to the project development process, there are properties which are pending sale and/or delivery in the projects developed by Zhejiang Panglong Connected Persons. As a result, we provide property management services as mentioned below for such unsold properties, and/or properties pending sale and/or delivery of Zhejiang Panglong Connected Persons as our ordinary course of our business in our managed projects.

During the Track Record Period, we provided property management services to Zhejiang Panglong Connected Persons.

On [●] 2026, we entered into the Business Framework Agreement with Zhejiang Panglong, pursuant to which our Group agreed to provide certain services to Zhejiang Panglong Connected Persons.

Principal Terms of the Business Framework Agreement

The table below summarises the principal terms of the Business Framework Agreement:

Date:	[●] 2026
Parties:	(i) Zhejiang Panglong (ii) our Company
Term:	From the [REDACTED] to 31 December 2028
Scope of services provided by us:	● Property Management Services (the "**Property Management Services**"): provision of (a) basic property management services; and (b) value-added services (a) Basic property management services: provision of basic property management services to Zhejiang Panglong Connected Persons in respect of: (i) properties owned by, or with respect to which Zhejiang Panglong Connected Persons have the right of use; and (ii) properties already developed by Zhejiang Panglong Connected Persons but unsold, or properties already developed and sold but undelivered by Zhejiang Panglong Connected Persons, as well as pre-delivery services comprising acceptance inspection services and basic management services prior to the delivery for new projects (the "**Basic Property Management Services**") (b) Value-added services: provision of (i) operational support services which comprise (a) commercial operational services to the properties owned by, or with respect to which Zhejiang Panglong Connected Persons have the right of use and (b) property sales support services for the sale of unsold properties of Zhejiang Panglong Connected Persons (together the "**Operational Support Services**"); (ii) park ancillary services such as in-unit cleaning services and repair services on a pay-per-use basis to the properties owned by, or with respect to which Zhejiang Panglong Connected Persons have the right to use ("**Park Ancillary Services**"); and (iii) provision of services in relation to the provision of solar energy generation by Huzhou Xingchi New Energy Technology Co., Ltd.* (湖州星馳新能源科技有限公司) ("**Huzhou Xingchi**"), one of Zhejiang Panglong Connected Persons, in one of our managed properties (the "**Energy-related Services**", together with the Operational Support Services and Park Ancillary Services, the "**Value-added Services**")

The Business Framework Agreement will be effective on the [REDACTED] and binding on the parties to the Business Framework Agreement. Relevant entities of both parties will enter into separate agreements which will set out specific provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Business Framework Agreement.

Historical Transaction Amounts

In FY2024, FY2025 and 1H2026, the aggregate historical amounts of service fees received by us from Zhejiang Panglong Connected Persons were RMB7.4 million, RMB21.4 million and RMB11.6 million, representing approximately 10.4%, 26.8% and 28.8% of the revenue of our Group, respectively.

The table below sets forth a breakdown of our historical transaction amounts by types of services for the year indicated:

	FY2024	**FY2025**	**1H2026**
	RMB'000	*RMB'000*	*RMB'000*
Property Management Services	7,448	21,369	11,604
— Basic Property Management Services	*7,059*	*11,416*	*5,308*
— Value-added Services	*389*	*9,952*	*6,296*
• Park Ancillary Services	—	404	57
• Energy-related Services	77	786	548
• Operational Support Services	312	8,762	5,691

Pricing Terms

- Property Management Services

(a) Basic Property Management Services

The service fees that we charge Zhejiang Panglong Connected Persons for the Basic Property Management Services under the Business Framework Agreement have been determined after arm's length negotiations and taking into account, among other factors, (i) the nature, size and location of the properties; (ii) the scope of the services; (iii) the expected operational costs (including labour costs, materials costs and administrative costs) in relation to the provision of the Property Management Services; (iv) the fees charged by us to Independent Third Parties for similar services; and (v) the fees charged by other service providers for similar services in respect of similar types of properties in the market. For details of the pricing method of the Basic Property Management Services, please see the section headed "Business — Our Revenue Model — Property Management and Value-added Services — Basic Property Management Services — Pricing policy". The fees charged by our Group shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and the terms offered by our Group to Zhejiang Panglong Connected Persons shall not be less favourable to our Group than terms offered by our Group to Independent Third Parties for the same or similar type and scope of services.

(b) Value-added Services

In respect of the commercial operation services, we used to provide such services to the owners of our managed properties including Zhejiang Panglong Connected Persons on a sublease model, whereby we leased the properties from property owners and subleased units within the properties to subtenants. Since January 2025, most of the properties were operated by us under the entrusted management services model, whereby property owners including Zhejiang Panglong Connected Persons entrust us with the authority to manage their properties while we, in turn, collect service fees, representing the premium of the actual rent paid by the tenants over the designated floor price retained by the property owners.

In respect of the property sales support services, we provide property sales support services to Zhejiang Panglong Connected Persons which mainly include provision of assistance including preliminary business planning, marketing and promotion, back-office support for property viewings and facilitating property handover procedures, and charge a service fee as a percentage of sale price.

The service fees that we charge Zhejiang Panglong Connected Persons for the Operational Support under the Business Framework Agreement have been determined after arm's length negotiations and taking into account, among other factors, (i) the nature, size and location of the properties; (ii) the scope of the services; (iii) the expected operational costs (including labour costs, materials costs and administrative costs) in relation to the provision of the Operational Support; and (iv) the fees charged by other service providers for similar services in respect of similar types of properties in the market. The terms (including the fees charged) offered by our Group to Zhejiang Panglong Connected Persons shall not be less favourable to our Group than terms offered by our Group to Independent Third Parties for the same or similar type and scope of services.

The service fees that we charge Zhejiang Panglong Connected Persons for the Park Ancillary Services under the Business Framework Agreement have been determined after arm's length negotiations and taking into account, among other factors, (i) the nature, size and location of the properties; (ii) the scope of the services; (iii) the expected operational costs (including labour costs, materials costs and administrative costs) in relation to the provision of the Park Ancillary Services; (iv) the fees charged by us to Independent Third Parties for similar services; and (v) the fees charged by other service providers for similar services in respect of similar types of properties in the market. The fees charged by our Group shall not be higher than the standard fees designated by the relevant regulatory authorities (if applicable), and the terms offered by our Group to Zhejiang Panglong Connected Persons shall not be less favourable to our Group than terms offered by our Group to Independent Third Parties for the same or similar type and scope of services.

During the Track Record Period, Huzhou Xingchi provided solar energy generation services in one of our managed projects (i.e. Nanxun Shuanglin Jicheng Industrial Park (南潯雙林吉成產業園)). In respect of Energy-related Services, Huzhou Xingchi installed solar stations on the rooftops of our managed properties and sold electricity generated therefrom to the residents in our managed properties. We share profits of Huzhou Xingchi in the solar energy project, which represents the difference of the electricity charge and the predetermined unit cost according to the service agreement. We also receive a

fee from Huzhou Xingchi for use of the rooftop space for installation of the solar energy station. For details, please see "Business — Business Model — Property Management and Value-added Services — Value-added Services — Energy-related Services".

The service fees that we charge Huzhou Xingchi for the Energy-related Services under the Business Framework Agreement have been determined after arm's length negotiations and taking into account, among other factors, (i) the expected operational costs (including labour costs, materials costs and administrative costs) in relation to the provision of the Energy-related Services; (ii) the price of electricity announced by national electric grids and (iii) the fees charged by other service providers for similar services in respect of similar types of properties in the market. The terms offered by our Group to Zhejiang Panglong Connected Persons shall not be less favourable to our Group than terms offered by our Group to Independent Third Parties for the same or similar type and scope of services.

Proposed Annual Caps and Basis of Annual Caps

In FY2026, FY2027 and FY2028, it is expected that the aggregate annual caps of the revenue receivable by us under the Business Framework Agreement will be RMB27.4 million, RMB24.8 million and RMB23.2 million, respectively. The table below sets forth a breakdown of the annual caps by types of services to be provided by us to Zhejiang Panglong Connected Persons for the years indicated:

	FY2026	**FY2027**	**FY2028**
	RMB'000	*RMB'000*	*RMB'000*
Property Management Services	27,371	24,760	23,188
— Basic Property Management Services	*12,790*	*13,040*	*12,760*
— Value-added Services	*14,581*	*11,720*	*10,428*

In arriving at the above proposed annual caps, our Directors have considered, among others, the following factors:

- the historical transaction amounts of different types of services during the Track Record Period. The fluctuations of the proposed annual caps as compared to the historical amounts during the Track Record Period were primarily because:

  (i) the increase in the proposed annual caps as compared to the historical amounts for the Basic Property Management Services mainly due to the increase in the GFA estimated to be held by our Parent Group (comprising self-held GFA and GFA pending sale) in our existing and expected new managed projects. The aggregate GFA to be held by our Parent Group in our existing and new managed projects is estimated to be approximately 596,746.2 sq.m., 759,875.7 sq.m. and 514,935.0 sq.m. for FY2026, FY2027 and FY2028 respectively as compared to the aggregate GFA held by our Parent Group in our managed projects of approximately 465,911.5 sq.m. and 457,577.9 sq.m. for FY2024 and FY2025 respectively; and

  (ii) the increase in the proposed annual caps as compared to the historical amounts for the Value-added Services mainly due to the estimated transaction amount for property sales support services provided to our Parent Group in respect of the New Projects and the unsold area of one existing managed project. It is estimated that the aggregate GFA to be sold of the aforesaid projects will amount to approximately 134,000.0 sq.m., 59,000.0 sq.m. and 22,000.0 sq.m. with a unit sale price range of RMB2,100 to RMB3,000 per sq.m. for FY2026, FY2027 and FY2028 respectively.

- in respect of the Basic Property Management Services, the transaction amounts directly relate to the GFA of properties of Zhejiang Panglong Connected Persons managed by us which in turn relate to the self-held GFA of Zhejiang Panglong Connected Persons (for properties Zhejiang Panglong Connected Persons owns or has the right of use) and the sales progress of properties developed by Zhejiang Panglong Connected Persons (for GFA held by Zhejiang Panglong Connected Persons before delivery, as well as the new projects expected to be delivered to us for management). Our Directors have considered the following factors in arriving at the above annual caps for the Basic Property Management Services which are considered to be reasonable and justifiable in the circumstances:

  (i) the projected transaction amounts in respect of the properties developed by Zhejiang Panglong Connected Persons for which we are engaged to provide the Basic Property Management Services under the existing contracts;

  (ii) the estimated GFA and the projected transaction amounts in respect of the properties developed by Zhejiang Panglong Connected Persons for which we anticipate we may be engaged to provide the Basic Property Management Services based on the property development plan and delivery schedule of Zhejiang Panglong Connected Persons. Based on new project contracts signed with and our understanding of the business plan of Zhejiang Panglong Connected Persons, it is estimated that there will be three additional projects, namely Linxiang Jicheng International Outdoor Leisure Industrial Park (臨湘吉成國際戶外休閒產業城) ("**Linxiang Project**"), Guangdong Yangjiang Jicheng Smart Home Industrial Park (廣東陽江吉成智能家居產業園) ("**Yangjiang Project**"), and Xinchang Jicheng Innovative Manufacturing Industrial Park (新昌吉成創新製造產業園) ("**Xinchang Project**", together with Linxiang Project and Yangjiang Project, the "**New Projects**"), delivered for our management within the next three years.

  (iii) one-off service fees for the pre-delivery services for the New Projects.

- in respect of the Value-added Services, the transaction amounts of commercial operation services directly relate to the GFA of properties of Zhejiang Panglong Connected Persons entrusted to us for leasing as well as the rent-out situation of the entrusted properties, while the transaction amounts of property sales support services mainly relate to the sales progress of developed properties of Zhejiang Panglong Connected Persons as well as the sales condition of the properties. Our Directors have considered the following factors in arriving at the above annual caps for the Value-added Services which are considered to be reasonable and justifiable in the circumstances:

  (i) for commercial operation services, (a) the projected transaction amounts in respect of the properties entrusted to us by Zhejiang Panglong Connected Persons under the existing contracts; and (b) the estimated GFA and the projected transaction amounts in respect of the properties developed by Zhejiang Panglong Connected Persons for which we anticipate we may be entrusted to provide the commercial operation services based on the property development plan and delivery schedule of Zhejiang Panglong Connected Persons.

  (ii) for property sales support services, the estimated GFA and the projected transaction amounts in respect of the properties developed by Zhejiang Panglong Connected Persons for which we anticipate we may be engaged to provide property sales support services based on the property development plan and delivery schedule of Zhejiang

Panglong Connected Persons, which mainly relate to the New Projects and the unsold area of one existing managed project, namely Jiangshan Jicheng Intelligent Manufacturing Industrial Park (江山吉成智能製造產業園).

(iii) in respect of the Park Ancillary Services, similar to Basic Property Management Services, the transaction amounts directly relate to the GFA of properties of Zhejiang Panglong Connected Persons managed by us which in turn relate to the self-held GFA of Zhejiang Panglong Connected Persons (for properties Zhejiang Panglong Connected Persons owns or has the right of use) and the sales progress of properties developed by Zhejiang Panglong Connected Persons (for GFA held by Zhejiang Panglong Connected Persons before delivery, as well as the new projects expected to be delivered to us for management).

(iv) in respect of the Energy-related Services, the transaction amounts directly relate to the volume of electricity generated from the solar stations installed by Huzhou Xingchi for solar energy generation services and the size of rooftop space used by Huzhou Xingchi for installation of solar stations .

Listing Rules Implications

Zhejiang Panglong is one of our Controlling Shareholders and therefore Zhejiang Panglong and its associates are connected persons of our Company under the GEM Listing Rules. Accordingly, the transactions under the Business Framework Agreement will constitute continuing connected transactions of our Company under Chapter 20 of the GEM Listing Rules upon [REDACTED].

As it is expected that the applicable percentage ratios under the GEM Listing Rules in respect of the total annual caps for Business Framework Agreement pursuant to the GEM Listing Rules will be more than 5%, the transactions under the Business Framework Agreement shall be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Application for Waiver

The transactions described under the Business Framework Agreement constitute our continuing connected transactions subject to the reporting, annual review, announcement and independent Shareholders' approval requirements ("**Non-Exempt CCTs**") under the GEM Listing Rules. In respect of the Non-Exempt CCTs, pursuant to Rule 20.103 of the GEM Listing Rules, we have applied for, and the Stock Exchange [has granted], waivers exempting us from strict compliance with the announcement, the circular and the independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules, subject to the condition that the aggregate amounts of the Non-Exempt CCTs for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

If any terms of the transactions contemplated under the abovementioned agreements are altered or if our Company enters into any new agreements with any connected persons in the future, we will fully comply with the relevant requirements under Chapter 20 of the GEM Listing Rules unless we apply for and obtain a separate waiver from the Stock Exchange.

Directors' View

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions of our Company including the Non-Exempt CCTs have been and will be carried out: (i) in the ordinary and usual course of our business, (ii) on normal commercial terms or better and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are also of the view that the annual caps or daily cap, as applicable of the Non-Exempt CCTs are fair and reasonable and are in the interests of our Shareholders as a whole.

Sole Sponsor's View

The Sole Sponsor is of the view (i) that the continuing connected transactions of our Company including the Non-Exempt CCTs have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, and each of their terms are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (ii) that the proposed annual caps of the Non-Exempt CCTs are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

OVERVIEW

Upon the [REDACTED], our Board will consist of six Directors, among which, three will be executive Directors and three will be independent non-executive Directors. Our Board is responsible, and has general authority for, the management and operation of our Group. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our senior management is responsible for the day-to-day operations of our Company.

All of our Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the GEM Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth general information regarding the members of our Board:

Name	Age	Position	Date of first appointment as Director	Date of joining our Group	Roles and responsibilities	Relationship with other Directors and/or senior management
Ms. Liu Qiaoling (劉巧玲)	53	Executive Director and chairperson of our Board	25 December 2024	May 2019	Responsible for strategic planning and business direction of our Group	Mother of Mr. Zhou Chengyang and mother-in-law of Mr. Chen Qixing
Mr. Zhou Chengyang (周程揚)	27	Executive Director	10 November 2025	June 2019	Responsible for overall management of daily business operation	Son of Ms. Liu Qiaoling and brother-in-law of Mr. Chen Qixing
Mr. Chen Qixing (陳琦星)	34	Executive Director and general manager	10 November 2025	June 2019	Responsible for overseeing the execution of business plans	Son-in-law of Ms. Liu Qiaoling and brother-in-law of Mr. Zhou Chengyang
Mr. Bian Yang (卞洋)	44	Independent non-executive Director	4 November 2025	November 2025	Responsible for supervising and providing independent opinion and judgement to our Board	Nil
Mr. Chan Yin Tsung (陳彥璁)	46	Independent non-executive Director	17 November 2025	November 2025	Responsible for supervising and providing independent opinion and judgement to our Board	Nil
Mr. Liu Liwei (劉立偉)	36	Independent non-executive Director	4 November 2025	November 2025	Responsible for supervising and providing independent opinion and judgement to our Board	Nil

Executive Directors

Ms. Liu Qiaoling (劉巧玲), aged 53, founder of our Group, was appointed as an executive Director and the chairperson of our Board since 25 December 2024, being the date of incorporation of our Company. Ms. Liu is primarily responsible for the overall strategic planning and business direction of our Group. She is a member of the Nomination Committee as well. Ms. Liu also serves as the executive director and general manager of Zhejiang Lianji.

Ms. Liu has more than 22 years of experience in entrepreneurship in various industries. She began her business journey with the establishment of a company principally engaged in paper product manufacturing and printing since June 2003. After that, Ms. Liu has continuously expanded her business coverage and participated in a variety of business ventures including the business of our Parent Group covering different industries, such as investment and asset management, cultural and art communications, e-commerce, enterprise management consultation, industrial park investment and development, industrial investment, commercial information consultation, crafts production and sales, real estate development, property management and marketing services. She founded Zhejiang Panglong, the holding company of our Parent Group, in April 2016.

Ms. Liu obtained an online bachelor's degree in Civil Engineering from Southwest University of Science and Technology (西南科技大學) in the PRC in January 2015.

Since 2015, Ms. Liu has taken various honorary roles; for example, the honorary president of Yiwu City Fashion Creative Industry Association (義烏市時尚創意產業協會), the honorary president of Chaoshan Chamber of Commerce (義烏市潮汕商會), the honorary president of Yiwu City Learning Lei Feng Public Welfare Association (義烏市學習雷鋒公益協會), the vice president of Yiwu Council of Chamber of Commerce of the China Small Commodity City, the honorary president of Yiwu City Lei Feng Public Welfare Association (義烏市學習雷鋒公益協會) and the executive vice president of the Yiwu Women Entrepreneurs Association (義烏市女企業家協會常務副會長). In 2021, Ms. Liu was awarded the honorary title of "Woman Entrepreneur with a Passion for Public Welfare" ("熱心公益愛心女企業家"), and was elected as the first vice president of Jinhua City Women Entrepreneurs Association (金華市女企業家協會). In 2022, Ms. Liu was appointed as the deputy supervisor of the development committee of the Zheshang Industrial Park (浙商產業園發展委員會). In June 2023, Ms. Liu was awarded with the 2022 Jinhua City Women Entrepreneur of the Year "Perseverance of the Times Award" (金華市女企業家"時代堅毅獎"), recognised as an excellent member of Yiwu City Women Entrepreneurs Association (義烏市女企業家協會優秀會員). In 2024, Ms. Liu was appointed as the honorary curator of Yiwu City Lei Feng Museum (義烏雷鋒館). Ms. Liu served as the deputy to the 15th National People's Congress of Yiwu City from 2017 to 2021. Since 2025, she has also been the vice president of the Presidium of the Zhejiang Business Economic Development Center (浙商經濟發展中心).

Ms. Liu is the mother of Mr. Zhou Chengyang and the mother-in-law of Mr. Chen Qixing.

Ms. Liu was a director, supervisor or manager of the following entities when they were dissolved or within 12 months before they were dissolved. Such entities were established in the PRC and the business licences of such entities had been deregistered as they had already ceased operation or been revocated. The following table sets out further details of the dissolved entities.

Name of entity	Position held	Nature of business	Date of dissolution	Method of dissolution
Yiwu Quande Jewellery Co., Ltd.* (義烏泉德飾品有限公司)	Executive director and general manager	Jewellery and accessory processing and sales	28 September 2007	Deregistered
Yiwu Chengde Daily Necessities Co., Ltd.* (義烏市誠得日用品有限公司)	Supervisor	Sales of daily necessities	22 October 2008	Deregistered

Name of entity	Position held	Nature of business	Date of dissolution	Method of dissolution
Yiwu Yuesheng Market Development Co., Ltd.* (義烏市悦升市場開發有限公司)	Executive director and general manager	Provision of market development and business management consulting services	18 December 2018	Deregistered
Yiwu Hongkun Market Development Co., Ltd.* (義烏市泓坤市場開發有限公司)	Supervisor	Provision of market development and business management consulting services	28 January 2019	Deregistered
Chengdu Shanghai Business Information Consulting Co., Ltd.* (成都商海商務信息諮詢有限公司)	Executive director and general manager	Provision of market development and business management consulting services	30 May 2019	Revocated
Yiwu Hange Import and Export Co., Ltd.* (義烏市瀚閣進出口有限公司)	Supervisor	Import and export trade	26 September 2019	Deregistered
Pujiang County Chiyue Real Estate Co., Ltd.* (浦江縣馳悦置業有限公司)	Executive director and manager	Property development and provision of property management services	8 June 2021	Deregistered
Zhuji Chiyue Market Development Service Co., Ltd.* (諸暨市馳悦市場開發服務有限公司)	Supervisor	Provision of market development and business management consulting services	3 June 2024	Deregistered
Lanzhou Longcheng Logistics Co., Ltd.* (蘭州隴呈物流有限公司)	Executive director and general manager	Provision of rail freight transportation services	27 May 2025	Revocated
Zhejiang Zhuhong Industrial Co., Ltd.* (浙江諸宏實業有限公司)	Executive director and manager	Communication equipment and telecommunications apparatus manufacturing	30 May 2025	Deregistered
Zhejiang Qianrun New Energy Technology Co., Ltd.* (浙江千潤新能源科技有限公司)	Supervisor	Provision of new energy technology services	22 October 2025	Deregistered

Ms. Liu confirmed that (i) to the best of her knowledge, information and belief after making reasonable enquiries, each of the above entities was solvent immediately prior to its dissolution; (ii) there is no wrongful act on her part leading to the dissolutions of the above entities; (iii) she is not aware of any actual or potential claim that has been or will be made against her as a result of the dissolutions of the above entities; and (iv) no misconduct or misfeasance had been involved on her part in the dissolutions of the above entities.

Mr. Zhou Chengyang (周程揚), aged 27, joined our Group in June 2019. He became a supervisor of our Company in December 2024 and subsequently was appointed as an executive Director on 10 November 2025. Mr. Zhou is primarily responsible for the overall management of day-to-day business operation, including the internal control and compliance, human resources and service quality control.

Mr. Zhou obtained his bachelor's degree of science, majored in finance from Oregon State University in the United States in June 2021.

Mr. Zhou has more than four years of experience in entrepreneurship in various industries. Since his graduation in June 2021, Mr. Zhou has been assisting Ms. Liu Qiuling (mother of Mr. Zhou) in the operation and management of her businesses which cover a wide variety of industries.

Mr. Zhou is the son of Ms. Liu Qiaoling and the brother-in-law of Mr. Chen Qixing.

Mr. Chen Qixing (陳琦星) aged 34, joined our Group in June 2019 and was appointed as an executive Director on 10 November 2025. Mr. Chen also serves as the general manager of the Company. Mr. Chen is primarily responsible for the overseeing the execution of business plans, including financial leasing, sales, brand promotion, market expansion and new energy development. He is a member of the Remuneration Committee as well. Mr. Chen also serves as a director of Taizhou Lianji.

Mr. Chen obtained a bachelor's degree in Textile Engineering from Southwest University (西南大學) in the PRC in June 2015.

Mr. Chen has around 10 years of experience in entrepreneurship in various industries. Since his graduation in June 2015, Mr. Chen has been assisting Ms. Liu Qiuling (mother-in-law of Mr. Chen) in the operation and management of her businesses which cover a wide variety of industries.

Mr. Chen is the son-in-law of Ms. Liu Qiaoling and the brother-in-law of Mr. Zhou Chengyang.

Mr. Chen was an executive director and a manager of the following entity when it was dissolved or within 12 months before it was dissolved. Such entity was established in the PRC and the business licences of such entity had been deregistered as it had already ceased operation. The following table sets out further details of the dissolved entity.

Name of entity	Position held	Nature of business	Date of dissolution	Method of dissolution
Chongqing Eiffel Hotel Management Co., Ltd.* (重慶艾菲爾酒店管理有限公司)	Executive director and manager	Hotel management	26 November 2021	Deregistered

Mr. Chen confirmed that (i) to the best of his knowledge, information and belief after making reasonable enquiries, the entity was solvent immediately prior to its dissolution; (ii) there is no wrongful act on her part leading to the dissolution of the above entity; (iii) he is not aware of any actual or potential claim that has been or will be made against her as a result of the dissolutions of the above entity; and (iv) no misconduct or misfeasance had been involved on his part in the dissolutions of the above entity.

Independent Non-executive Directors

Mr. Bian Yang (卞洋), aged 44, was appointed as an independent non-executive Director on 4 November 2025. He is primarily responsible for providing independent opinion and judgment to our Board. Mr. Bian is also the chairman of the Remuneration Committee, as well a member of the Audit Committee and the Nomination Committee.

Mr. Bian has more than 12 years of experience in teaching and researching in Macroeconomics, Monetary Economics, and Real Estate Economics. Since August 2014, Mr. Bian has been teaching in the University of International Business and Economics (對外經濟貿易大學) and was appointed as an associate professor in December 2020, where he was primarily responsible for tutoring undergraduate and postgraduate students. Mr. Bian has also been appointed as an independent director of Zhejiang Jinhua Chengtai Rural Commercial Bank Co., Ltd.* (浙江金華成泰農村商業銀行股份有限公司) since February 2025. Mr. Bian has been recognised for his expertise. Among many other awards and honours, Mr. Bian was being selected in the University of International Business and Economics Special Support Programme for High-level Talents Huiyuan Outstanding Young Scholar (對外經濟貿易大學高層次人才特殊支持計劃惠園優秀青年學者) in 2018, was awarded the "Comprehensive Second Class Award" ("綜合二等獎") in The Seventh University of International Business and Economics Basic Skills Competition for Young Teachers (對外經濟貿易大學第七屆青年教師基本功比賽) in December 2019, "Third Class Award in the Business Development Research Achievement Awards (2021) Report Category" (商務發展研究成果獎(2021年)報告類三等獎) in February 2022, the University of International Business and Economics 2023 Third Class Award for Excellence in Teaching (對外經濟貿易大學2023年優秀教學獎三等獎) in August 2023, and the title of Outstanding Communist Party Member of the University of International Business and Economics (對外經濟貿易大學優秀共產黨員稱號) in June 2024.

Mr. Bian obtained a bachelor's degree in Economics from Fudan University (復旦大學) in the PRC in July 2004, a master's degree in Economics from University at Albany, State University of New York in the United States in May 2006, a master's degree in Economics from Georgetown University in the United States in February 2008, and a doctorate degree in Economics from Georgetown University in the United States in December 2013.

Mr. Chan Yin Tsung (陳彥璁), aged 46, was appointed as an independent non-executive Director on 17 November 2025. He is primarily responsible for providing independent opinion and judgment to our Board. Mr. Chan is also the chairman of the Audit Committee.

Mr. Chan has more than 22 years of experience in the business and finance industry. From November 2003 to April 2007, Mr. Chan worked at Ernst & Young, with his last position as senior accountant in the assurance and advisory business services department. From July 2007 to September 2009, Mr. Chan worked at KPMG, and was a manager at the time of leaving the firm. From December 2009 to July 2010, Mr. Chan worked as the manager of the advisory department at PricewaterhouseCoopers. All of these firms were principally engaged in providing audit and transaction advisory services.

From October 2010 to April 2011, Mr. Chan worked at Essence International Financial Holdings Ltd., a company principally engaged in securities brokerage, futures brokerage, investment advisory, corporate finance and asset management and regulated financial business, and his last position was a senior associate of private equities department where he focused on advising clients in initial public offering. In June 2011, Mr. Chan joined the private equity department of the same company as a senior manager and he was responsible for investment projects' origination, analysis and execution. Since September 2012, Mr. Chan has been the director of ZB Capital Limited, a private principal investment firm incorporated in Hong Kong, and he is responsible for overseeing the investment portfolios of the company.

Mr. Chan also has experience in acting as the independent non-executive directors of various listed companies. Since November 2016, Mr. Chan has been the independent non-executive director, chairman of the audit committee and remuneration committee and the member of nomination committee of China Ludao Technology Company Limited, a company whose shares are listed on the Main Board of the

Stock Exchange (stock code: 2023). From December 2016 to August 2023, Mr. Chan was the independent non-executive director and the chairman of the audit committee of Beijing Jingneng Clean Energy Co., Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 579); from January 2021 to August 2023, Mr. Chan was also a member of the legal and compliance management committee of the same company. Since 2020, he has also been the independent non-executive director and the chairman of the audit committee of Bonny International Holding Limited, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1906).

Mr. Chan has been a Certified Public Accountant certified under the American Institute of Certified Public Accountants since March 2007.

Mr. Chan obtained a bachelor's degree in Commerce from the University of British Columbia in Canada in November 2001, a master's degree in Science (Financial Analysis) from the Hong Kong University of Science and Technology in Hong Kong in November 2011, and an executive master's degree in Business Administration from Peking University in the PRC in January 2022.

Mr. Chan was a director of the following entity when it was dissolved or within 12 months before it was dissolved. Such entity was established in Hong Kong and had been dissolved as it had already ceased operation. The following table sets out further details of the dissolved entity.

Name of entity	Position held	Nature of business	Date of dissolution	Method of dissolution
Aultmore Realty Limited	Director	Investment holding	25 May 2018	Dissolved

Mr. Chan confirmed that (i) to the best of his knowledge, information and belief after making reasonable enquiries, the entity was solvent immediately prior to its dissolution; (ii) there is no wrongful act on her part leading to the dissolution of the above entity; (iii) he is not aware of any actual or potential claim that has been or will be made against her as a result of the dissolutions of the above entity; and (iv) no misconduct or misfeasance had been involved on his part in the dissolutions of the above entity.

Mr. Liu Liwei (劉立偉), aged 36, was appointed as an independent non-executive Director on 4 November 2025. He is primarily responsible for providing independent opinion and judgment to our Board. Mr. Liu is also the chairman of the Nomination Committee, as well as a member of the Audit Committee and the Remuneration Committee.

Mr. Liu has more than 10 years of experience in the corporate governance. From July 2015 to May 2016, Mr. Liu served as the supply chain director at True Love Group Co., Ltd.* (真愛集團有限公司), a company principally engaged in fibre manufacturing, where he was primarily responsible for the supply chain management, and has been serving as its supervisor since December 2014. Since March 2015, Mr. Liu has been serving as the supervisor of Zhejiang Yiwu True Love Netcommerce Warehouse Service Co., Ltd.* (浙江義烏真愛網商倉儲服務有限公司), a company principally engaged in warehouse storage service, where he was primarily responsible for supervising the daily operation of the company. From June 2016 to April 2021, Mr. Liu served as the vice general manager at Zhejiang True Love Fashion Home Co., Ltd.* (浙江真愛時尚家居有限公司), a company principally engaged in fibre and blanket manufacturing, where he was primarily responsible for assisting in the overall strategic planning, business direction and management of our Group, and has been serving as the company director since August 2020. Since August 2020, he has been a director of Zhejiang True Love Vogue Co., Ltd.* (浙江真愛美家股份有限公司) , a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 003041), and has successively served as a member of the audit committee and the remuneration and assessment committee. Since May 2021, Mr. Liu has been serving as the general manager of the

intelligent manufacturing division at Zhejiang True Love Carpet Technology Co., Ltd.* (浙江真愛毯業科技有限公司), a company principally engaged in fibre and blanket manufacturing and processing, where he was primarily responsible for managing the intelligent manufacturing operation. Also, he has been serving as the vice general manager of Zhejiang True Love Vogue Co., Ltd.* since May 2022.

Furthermore, since June 2023, Mr. Liu has been serving as a director of Yiwu Huading Nylon Co., Ltd.* (義烏華鼎錦綸股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 601113).

Mr. Liu obtained a bachelor's degree in Environmental Sciences from Zhejiang Wanli University (浙江萬里學院) in the PRC in June 2012.

Mr. Liu was a manager of the following entity when it was dissolved or within 12 months before it was dissolved. Such entity was established in the PRC and the business licences of such entity had been deregistered as the reorganisation of its relevant group. The following table sets out further details of the dissolved entity.

Name of entity	Position held	Nature of business	Date of dissolution	Method of dissolution
Zhejiang True Love Information Technology Co., Ltd.* (浙江真愛信息科技有限公司)	Manager	Provision of information technology services	25 December 2019	Deregistered

Mr. Liu confirmed that (i) to the best of his knowledge, information and belief after making reasonable enquiries, the entity was solvent immediately prior to its dissolution; (ii) there is no wrongful act on her part leading to the dissolution of the above entity; (iii) he is not aware of any actual or potential claim that has been or will be made against her as a result of the dissolutions of the above entity; and (iv) no misconduct or misfeasance had been involved on his part in the dissolutions of the above entity.

INTERESTS OF DIRECTORS

Save as disclosed in this section, each of our Directors (i) did not hold other positions in our Company as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or substantial or Controlling Shareholder of our Company as at the Latest Practicable Date; (iii) did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date; and (iv) there is no other matter in respect of our Directors that needs to be brought to the attentions of our Shareholders and there is no other information about our Directors that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Saved as disclosed in the sections headed "Our Controlling Shareholders," "Substantial Shareholders" and "Appendix V — Statutory and General Information — C. Further Information about our Directors, Chief Executives and Substantial Shareholders — 1. Disclosure of Interests of Directors, Chief Executives and Substantial Shareholders", as at the Latest Practicable Date, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

SENIOR MANAGEMENT

Ms. Liu Qiaoling (劉巧玲). For details of Ms. Liu's biography, please see "— Board of Directors — Executive Directors" in this section.

Mr. Zhou Chengyang (周程揚). For details of Mr. Zhou's biography, please see "— Board of Directors — Executive Directors" in this section.

Mr. Chen Qixing (陳琦星). For details of Mr. Chen's biography, please see "— Board of Directors — Executive Directors" in this section.

Mr. Li Zhentao (李振濤), aged 38, joined our Group in February 2022 and was appointed as the chief financial officer. Mr. Li is primarily responsible for the financial direction and management of the Company. Mr. Li was a director of Lanxi Lianji from July 2023 to August 2025. He has also served as the chief financial officers of our certain subsidiaries, including Lanxi Lianji since July 2023, Wuyi Lianji and Dongyang Lianji since August 2025, Zhejiang Zhanxu since May 2025 and Taizhou Lianji since November 2025.

Mr. Li has extensive experience in accounting and finance. Prior to joining our Group, Mr. Li worked in several companies such as Zhejiang Senyu Co., Ltd.* (浙江森宇有限公司) and Huatong Group Co., Ltd.* (華統集團有限公司) from 2018 to 2022.

Mr. Li obtained a bachelor's degree in Biological Sciences from Zhejiang Ocean University (浙江海洋大學) (formerly known as Zhejiang Ocean College (浙江海洋學院)) in the PRC in June 2010. He was certified as an intermediate-level accountant by the Jinhua Bureau of Human Resources and Social Security (金華市人力資源和社會保障局) in October 2014.

Ms. Zhang Huanqin (張歡琴), aged 41, joined our Group in February 2023 and was appointed as the chief administrative officer. Ms. Zhang is primarily responsible for the business administration of the Company. She also has taken management roles in our certain subsidiaries. Since April 2023, she has served as a supervisor of Dongyang Lianji. From July 2023 to August 2025, she served as a director of Lanxi Lianji as well.

Ms. Zhang obtained a bachelor's degree in Music from Zhejiang Normal University (浙江師範大學) in the PRC in June 2007. She was qualified as a senior secondary school teacher by Hangzhou Education Bureau (杭州市教育局) in June 2007. She also obtained the junior level of CIC Human Resource Manager Certificate from the National Certification and Evaluation Centre of CIIC Vocational Development Co., Ltd.* (中智職業發展有限公司全國認證評價中心) in January 2024. She was further qualified as a grade-3 senior property manager and obtained the Certificate of Occupational Skill Level from Zhejiang Construction Technician College (浙江建設技術學院) in May 2024.

COMPANY SECRETARY

Ms. Chan Yuk Wing (陳玉穎) ("**Ms. Chan**"), aged 38, is our company secretary. Ms. Chan possesses extensive experiences in the provision of corporate services and compliance services to a number of companies listed on the Stock Exchange. Ms. Chan obtained a master degree holder of Corporate Governance awarded by Hong Kong Metropolitan University in 2021. Ms. Chan possesses the qualifications of a company secretary as required under Rule 5.14 of the GEM Listing Rules. Ms. Chan is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators).

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the GEM Listing Rules, our Company has formed three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

We have established an audit committee to be effective from the [REDACTED] with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision D.3.3 of the CG Code as set out in Appendix C1 to the GEM Listing Rules. The Audit Committee comprises three members, namely Mr. Bian Yang, Mr. Chan Yin Tsung and Mr. Liu Liwei, all being our independent non-executive Directors. The Audit Committee is chaired by Mr. Chan Yin Tsung.

The primary duties of the Audit Committee are to assist our Board in providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of our Company, to oversee the audit process, to develop and review our policies and to perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established a remuneration committee to be effective from the [REDACTED] with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and code provision E.1.2 of the CG Code as set out in Appendix C1 to the GEM Listing Rules. The Remuneration Committee comprises three members, namely Mr. Bian Yang, Mr. Liu Liwei and Mr. Chen Qixing. The Remuneration Committee is chaired by Mr. Bian Yang.

The primary duties of the Remuneration Committee include (but without limitation): (a) making recommendations to our Directors regarding our policy and structure for the remuneration of all our Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (b) making recommendations to our Board on the remuneration packages of our Directors and senior management; and (c) reviewing and approving the management's remuneration proposals with reference to our Board's corporate goals and objectives.

Nomination Committee

We have established a nomination committee to be effective on the [REDACTED] with written terms of reference in compliance with Rule 5.36A of the GEM Listing Rules and code provision B.3.1 of the CG Code as set out in Appendix C1 to the GEM Listing Rules. The Nomination Committee comprises three members, namely Ms. Liu Qiaoling, Mr. Liu Liwei and Mr. Bian Yang. The Nomination Committee is chaired by Mr. Liu Liwei.

The primary duties of the Nomination Committee include, among others, reviewing the structure, size and composition of our Board and selecting or making recommendations on the selection of individuals nominated for directorships.

CONFIRMATION FROM OUR DIRECTORS

Rule 11.04 of the GEM Listing Rules

Each of our Directors confirms that as at the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 11.04 of the GEM Listing Rules.

Rule 5.02D of the GEM Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 5.02D of the GEM Listing Rules, and (ii) understands his or her obligations as a director of a listed issuer on the Stock Exchange under the GEM Listing Rules.

Rule 5.09 of the GEM Listing Rules

Each of the independent non-executive Directors confirms (i) his/her independence as regards each of the factors referred to in Rules 5.09(1) to (8) of the GEM Listing Rules, (ii) that he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the GEM Listing Rules as at the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The Directors and senior management receive their remuneration in the form of Directors' salary and allowances, contributions to our retirement benefit scheme, discretionary bonuses and other benefits in kind (if applicable).

For FY2024, FY2025 and 1H2026, the total remuneration paid to our then Directors was nil, RMB56,000 and RMB223,000, respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors in kind for their service for the years ending 31 December 2026 to be approximately RMB559,000. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

For FY2024, FY2025 and 1H2026, the total emoluments paid to the five highest paid individuals (including nil, nil and one Director respectively) by our Group amounted to approximately RMB1.8 million, RMB1.6 million and RMB1.1 million, respectively.

For FY2024, FY2025 and 1H2026, no emolument was paid by our Group to any of the Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office. None of our Directors has waived or agreed to waive any emoluments during the Track Record Period.

Save as disclosed above, no other payments of remuneration have been made, or are payable, in respect of the Track Record Period, by our Group to or on behalf of any of our Directors.

CORPORATE GOVERNANCE

Our Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Company for achieving effective accountability. Our Company has adopted the code provisions stated in the CG Code as set forth in Appendix C1 to the GEM Listing Rules. Our Company is committed to the view that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on our Board, which can effectively exercise independent judgment.

Our Directors are aware of that upon [REDACTED], we are expected to comply with such code provision. Any such deviation shall however be carefully considered, and the reasons for such deviation shall be given in the interim report and the annual report in respect of the relevant period. We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders as a whole and will comply with the code provisions set out in the CG Code in Appendix C1 to the GEM Listing Rules after the [REDACTED].

As at the Latest Practicable Date, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, our Directors were not aware of any deviation from the code provisions of the CG Code as set out in Appendix C1 to the GEM Listing Rules.

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted the board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to gender, age, cultural background, educational background, industry experience and professional experience. Our Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing its ability to attract talents and to retain and motivate employees. We have also taken and will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels.

Our Directors have a balanced mix of knowledge and skills, including knowledge and experience in the areas of business management, economics, investment and accounting. The ages of our Directors range from 27 years old to 53 years old, and we have both male and female representatives on the Board.

Our Nomination Committee will review and assess the composition of our Board and make recommendations to our Board on appointment of members of our Board. Meanwhile, our Nomination Committee will consider the benefits of all aspects of diversity, including without limitation, professional experience, skills, knowledge, educational background, age, gender, cultural background and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and diversity of perspectives on our Board.

COMPLIANCE ADVISER

We have appointed Austrax Capital as our compliance adviser (the "**Compliance Adviser**") pursuant to Rule 6A.19 of the GEM Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the GEM Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 6A.23 of the GEM Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction under the GEM Listing Rules, is contemplated by our Group, including share issues and share repurchases;

(iii) where our Group proposes to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our Group's business activities, developments or results of operation deviate from any forecast, estimate or other information in this document; and

(iv) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [REDACTED] or [REDACTED] of its [REDACTED] securities or any other matters in accordance with Rule 17.11 of the GEM Listing Rules.

The term of the appointment shall commence on the [REDACTED] and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the [REDACTED] and such appointment may be subject to extension by mutual agreement.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], the following persons will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

			As at the Latest Practicable Date		Immediately following completion of the [REDACTED]*(Note 3)*	
Name of Shareholders	**Class of Shares held after the [REDACTED]**	**Capacity/ Nature of interest**	**Number of Shares held/ Interested** *(Note 2)*	**Approximate percentage of shareholding in our Company**	**Number of Shares held/ Interested** *(Note 2)*	**Approximate percentage of shareholding in our Company**
Zhejiang Panglong*(Note 1)*	H Shares	Beneficial owner	36,000,000 (L)	100.0%	[REDACTED] (L)	[REDACTED]%
Ms. Liu*(Note 1)*	H Shares	Interest in controlled corporation	36,000,000 (L)	100.0%	[REDACTED] (L)	[REDACTED]%
Mr. Zhou*(Note 1)*	H Shares	Interest in controlled corporation	36,000,000 (L)	100.0%	[REDACTED] (L)	[REDACTED]%

Notes:

1. As at the Latest Practicable Date, Zhejiang Panglong holds 36,000,000 Shares in the Company. Zhejiang Panglong is held as to 70.0% and 30.0% by Ms. Liu and Mr. Zhou, respectively. Ms. Liu is the mother of Mr. Zhou. By virtue of the SFO, each of Ms. Liu and Mr. Zhou is deemed to be interested in the equity interests held by Zhejiang Panglong.

2. The letter "L" denotes the person's long position in our Shares.

3. The calculation is based on the total number of [REDACTED] Shares in issue immediately following completion of the [REDACTED] and assuming that the [REDACTED] is not exercised at all.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following the completion of the [REDACTED] and without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

SHARE CAPITAL

As at the Latest Practicable Date, the registered capital of our Company is RMB36,000,000, divided into 36,000,000 [REDACTED] with a nominal value of RMB1.00 each.

Assuming that the [REDACTED] is not exercised, the share capital of our Company immediately following the [REDACTED] will be increased to RMB[REDACTED] and set out as follows:

Number of Shares	Description of Shares	Approximate % of the Enlarged Share Capital after the [REDACTED]
[REDACTED]	H Shares converted from [REDACTED] *(Note 1)*	[REDACTED]%
[REDACTED]	H Shares to be issued under the [REDACTED]	[REDACTED]%
[REDACTED]		[REDACTED]%

Note:

(1) Our Company has applied for H-share Full Circulation to convert the [REDACTED] into H Shares as per the instructions of our Shareholders. The conversion of [REDACTED] into H Shares will involve an aggregate of [REDACTED] [REDACTED], representing [REDACTED]% of the total issued Share capital of our Company upon completion of the conversion of [REDACTED] into H Shares and the [REDACTED] (assuming no exercise of the [REDACTED]).

Assuming that the [REDACTED] is exercised in full, the share capital of our Company immediately following the [REDACTED] will be increased to RMB[REDACTED] and set out as follows:

Number of Shares	Description of Shares	Approximate % of the Enlarged Share Capital after the [REDACTED]
[REDACTED]	H Shares converted from [REDACTED]	[REDACTED]%
[REDACTED]	H Shares to be issued under the [REDACTED]	[REDACTED]%
[REDACTED]		[REDACTED]%

Please see the sections headed "History, Development and Reorganisation — H-Share Full Circulation" and "History, Development and Reorganisation — Shareholding Structure Immediately After the [REDACTED]" for details of the conversion of [REDACTED] to H Shares and the identities of the Shareholders whose Shares will be converted into H Shares upon [REDACTED].

PUBLIC FLOAT REQUIREMENTS

Rule 11.23 of the GEM Listing Rules provides that there must be an open market in the securities for which listing is sought. It normally means that the minimum public float of a listed issuer must at all times be at least 25% of the issuer's total issued share capital.

Based on the information in the above tables, our Company will meet the [REDACTED] requirement under the GEM Listing Rules after the completion of the [REDACTED] (whether or not the [REDACTED] is exercised in full). We will make appropriate disclosure of our [REDACTED] and confirm the sufficiency of our [REDACTED] in successive annual reports after the [REDACTED].

OUR SHARES

Upon completion of the H-Share Full Circulation, the Shares will consist only of H Shares. H Shares and [REDACTED] are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic [REDACTED] in the PRC, qualified PRC [REDACTED] under the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect or other persons who are entitled to hold our H Shares pursuant to the relevant PRC laws and regulations or upon approvals of any competent authorities, including our existing Shareholders who may convert their [REDACTED] into H Shares upon completion of filing with the CSRC, H Shares generally may not be [REDACTED] by or [REDACTED] between legal or natural persons of the PRC.

The [REDACTED] and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document.

All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for [REDACTED] will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF OUR [REDACTED] INTO H SHARES

If any of the [REDACTED] are to be converted, [REDACTED] and [REDACTED] as H Shares on the Stock Exchange, such conversion, [REDACTED] and [REDACTED] will need the filing of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

CSRC filing procedure and H-Share Full Circulation Application

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share listed companies which apply for the conversion of unlisted shares into H shares for listing and circulation on the Stock Exchange shall complete the filing procedure with CSRC. An unlisted domestic joint stock company may apply for an "H-Share Full Circulation" when applying for an overseas initial public offering.

The Company applied for an "H-Share Full Circulation" filing when filing with the CSRC for an overseas [REDACTED] on [●], and submitted the filing reports, authorisation documents of the shareholders of [REDACTED] which applied for the "H-Share Full Circulation", undertaking on the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

The Company has received the filing notice from the CSRC dated [●] in relation to the registration of the overseas [REDACTED] and "H-Share Full Circulation", pursuant to which (1) the Company was approved to issue no more than the maximum number of H Shares with a nominal value of RMB1.0 each that may be issued pursuant to the [REDACTED] and the [REDACTED], which are all ordinary shares, and the Company may be [REDACTED] on GEM of the Stock Exchange; (2) a total of [REDACTED] [REDACTED] held by each of our Shareholders as at the Latest Practicable Date were approved to be converted into H Shares, and the relevant Shares may be [REDACTED] on the Stock Exchange upon completion of the conversion.

[REDACTED] Approval by the Stock Exchange

We have applied to the [REDACTED] of the Stock Exchange for the granting of the [REDACTED] of, and [REDACTED], (i) our H Shares to be issued pursuant to the [REDACTED] (including any H Shares which may be issued pursuant to the exercise of the [REDACTED]); and (ii) the H Shares to be converted from [REDACTED] [REDACTED], which is subject to the approval by the Stock Exchange.

We will perform the following procedures for the conversion of the relevant [REDACTED] into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our [REDACTED] regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the [REDACTED].

If any of the [REDACTED] are to be converted to H Shares and to be [REDACTED] on the Stock Exchange, such conversion requires the approval of the relevant PRC regulatory authorities, including the CSRC. Approval of the Stock Exchange is required for the [REDACTED] of such converted Shares on the Stock Exchange. Subject to fulfilling the procedures below, our Company may apply for the [REDACTED] of all or any portion of the [REDACTED] on the Stock Exchange as H Shares before any proposed conversion so that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the [REDACTED]. As any [REDACTED] of additional Shares after our Company's initial [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require prior application for [REDACTED] as at the time of our Company's initial [REDACTED] in Hong Kong. A vote by our Shareholders in general meeting is not required for the [REDACTED] and [REDACTED] of the converted Shares on an overseas stock exchange. Any [REDACTED] of the converted Shares on the Stock Exchange after the initial [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant [REDACTED] will be withdrawn from the [REDACTED], and our Company will re-register such Shares on the [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on the [REDACTED] of our Company will be on the conditions that (i) the [REDACTED] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the [REDACTED] and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [REDACTED] on the Stock Exchange complies with the GEM Listing Rules and the [REDACTED] and the [REDACTED] force from time to time. Until the converted Shares are re-registered on the [REDACTED] of our Company, such Shares would not be [REDACTED] as H Shares.

[The Company has applied for the Conversion of [REDACTED] into H Shares, which involves [REDACTED] Shares held by one Shareholder.] For details, please see "History, Development and Reorganisation — H-Share Full Circulation" for further details.

RESTRICTIONS ON SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Our Directors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors and members of senior management of our Company.

For details of the [REDACTED] undertaking given by our Controlling Shareholders pursuant to Rule 13.16A(1) of the GEM Listing Rules, please see "[REDACTED]".

INCREASE IN SHARE CAPITAL

As advised by our PRC Legal Advisers, pursuant to the Articles of Association and subject to the requirements of the relevant PRC laws and regulations, our Company, upon the [REDACTED] of our H Shares, is eligible to enlarge its share capital by issuing either new H Shares or new [REDACTED] on condition that such proposed issuance shall be approved by a special resolution of Shareholders in general meeting conducted in accordance with the provisions of the Articles of Association and that such issuance complies with the GEM Listing Rules and other relevant laws and regulations of Hong Kong. To adopt a special resolution of Shareholders in general meeting, more than two-thirds of the votes represented by the Shareholders (including proxies) present at the general meeting must be exercised in favour of the resolution.

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE SHARES

Subject to the completion of the [REDACTED], pursuant to the Shareholders resolutions of our Company, our Board was granted with (a) a general mandate to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares (including any sale or transfer of the treasury Shares out of treasury) in issue as at the date of the resolution granting the general mandate; and (b) a general mandate to repurchase Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued Shares (excluding any treasury Shares) as at the date of the resolution granting the general mandate. For more details of this general mandate, please see "Appendix V — Statutory and General Information — A. Further Information about our Group — 5. Resolutions of the Sole Shareholder Passed on 31 December 2025" to this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which our Shareholders' general meetings are required, please see "Appendix III — Summary of the Articles of Association".

The following discussion and analysis of our financial position and results of operations should be read in conjunction with our historical financial information included in "Appendix I — Accountants' Report". You should read the whole Accountants' Report as set out in Appendix I to this document and not rely merely on the information in this section.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. You should not place undue reliance on any such statements. Our actual future results and timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors", "Forward-Looking Statements" and elsewhere in this document.

In addition, the following discussion and analysis contains certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregation of the figures preceding them, and all monetary amounts and percentages shown are approximate amounts only.

OVERVIEW

Since our inception in 2019, we have established deep roots in Zhejiang Province, specifically in the Jinhua-Yiwu Area (Yiwu City which is located in Jinhua, Zhejiang Province and its surrounding area), which is recognised as "home to the world's largest small commodities market" by the World Bank and in accordance with the World Investment Report published by the United Nations. We differentiate ourselves through a strategic specialisation in industrial park management, distinguishing us from other competitors who primarily focus on residential properties. By establishing a dominant foothold in the Jinhua-Yiwu manufacturing hub, we offer a suite of services tailored specifically for enterprise occupants from various industries. Beyond basic property management services, we offer diversified value-added services including (i) operational support services; (ii) park ancillary services; and (iii) energy-related services. We offer value-added services to property developers, property owners, tenants and occupants. Through the provision of these services, we can establish in-depth cooperative relationships with property developers and also offer a wide spectrum of park value-added services that address the occupants' needs. For further information about our Group's business and operations, please see the section headed "Business".

Our comprehensive service scope comprises:

- **Basic Property Management Services:** We offer a comprehensive suite of basic property management services designed to maintain the safety, functionality, and exterior of the public area of our managed properties. These services cover the full lifecycle of occupancy, from move-in to move-out, and include repair and maintenance, security and safety management, and cleaning and gardening services for all common areas.

- **Value-added Services:** Beyond the basic property management services, we provide diversified optional value-added services to accommodate the specific needs of property developers, owners, tenants and occupants and to enhance the value of commercial assets of our managed portfolio. We are also engaged by property developers and property management company to provide operational support services for properties that are not under our management. We provide value-added services through our own employees or through our network of selected service providers. Our value-added services comprise (i) operational support services; (ii) park ancillary services and (iii) energy-related services.

As at 30 June 2026, our total GFA under management amounted to approximately 3.7 million sq.m. across 22 projects, primarily comprising industrial parks. For the details of our managed properties, please see the section headed "Business — Our Managed Properties".

We experienced steady growth during the Track Record Period, driven by the expansion of our business scale. Financially, we generated revenue of RMB71.7 million for FY2024 and RMB79.7 million for FY2025 and RMB40.2 million for 1H2026. Operationally, we saw significant expansion in our portfolio; the aggregate GFA under management rose from 3.8 million sq.m. for FY2024 to 4.4 million sq.m. for FY2025. As at 30 June 2026, our aggregate GFA under management was approximately 3.7 million sq.m., primarily reflecting the completion of certain property management engagements during the period.

BASIS OF PREPARATION OF FINANCIAL INFORMATION

The historical financial information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the historical financial information and the interim comparative financial information FY2024, FY2025, 1H2025 and 1H2026.

The historical financial information has been prepared under the historical cost convention. For details of our basis of preparation, please refer to Note 2 of the Accountants' Report in Appendix I to this document.

The preparation of the Group's historical financial information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information of our Group are disclosed in Note 3 of the Accountants' Report in Appendix I to this document.

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[1]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
HKFRS 20	*Regulatory Assets and Regulatory Liabilities*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

[1] Effective for annual/reporting periods beginning on or after 1 January 2027
[2] Effective for annual periods beginning on or after 1 January 2029
[3] No mandatory effective date yet determined but available for adoption

We are in the process of making a detailed assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application. So far, we consider that these new and revised HKFRS Accounting Standards may result in changes in certain accounting policies but are unlikely to have a significant impact on the our results of operations and financial position in the period of initial application.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required.

The adoption of the above standards and amendments is not expected to have a significant impact on our operating results, comprehensive income and financial position.

MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND ASSUMPTIONS

We have identified certain accounting policies that we believe are the most significant to the preparation of our consolidated financial statements. Our material accounting policy information, which are important for understanding our results of operations and financial condition, are set forth in Notes 2 and 3 to the Accountants' Report in Appendix I to this document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgment relating to accounting items. In each case, the determination of these items requires management judgment based on information and financial data that may change in future periods. When reviewing our financial statements, you should consider (1) our selection of critical accounting policies, (2) the judgment and other uncertainties affecting the application of such policies, and (3) the sensitivity of reported results to changes in conditions and assumptions.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been and will continue to be affected by a number of factors, including those set out below and in the section headed "Risk Factors":

Our Ability to Respond to Macro Environment and Regulatory Changes of the Real Estate and Property Management Services Industries

Our business and results of operations are subject to the macroeconomy and the changes in the macro environment of the real estate industry, as well as the regulatory environment and measures affecting the property management industry. The number of new property development projects is dependent on the performance of the real estate market, which is subject to the overall economic growth, government policies and planning, the rate of urbanisation, the demographic transition and, consequently, the demand for properties. Any economic downturn, particularly in the regions where we operate, could adversely affect our business and results of operations.

Our Ability to Maintain and Expand Business Scale and Revenue

Our future success is dependent on our ability to maintain an appropriate scale and mix of projects and GFA under our management, enhance the revenue contribution from the projects under our management, and our ability to further penetrate the market by expanding the scope of our service offerings and improving the quality and efficiency of our existing services. The total number of our property management projects increased from 23 in the year ended 31 December 2024 to 25 in the corresponding period in 2025, and the total aggregate GFA under our management of our property management services increased from 3.8 million sq.m. in 2024 to 4.4 million sq.m. in 2025. In the first half of 2026, however, the number of property management projects under our management decreased from 24 in the corresponding period in 2025 to 22, while the aggregate GFA under management decreased from approximately 4.0 million sq.m. to approximately 3.7 million sq.m. Despite such decreases, our revenue from property management services increased, primarily attributable to the increase in the average monthly property management fee per sq.m.

Accordingly, our business and results of operations are affected not only by the number of projects and scale of GFA under our management, but also by the average property management fees we are able to charge, the revenue contribution and service mix of our projects, and our ability to renew existing and secure new service engagements. There can be no assurance that we will be able to maintain or increase our average property management fees or offset any future decrease in the number of projects or GFA under management through higher property management fees or other sources of revenue. Any material decrease in our project portfolio or GFA under management, particularly if not offset by an increase in average property management fees or revenue contribution from our remaining projects, may adversely affect our business, financial condition and results of operations.

Our Parent Group, has contributed and is expected to continue to contribute to our long-term sustainable growth, providing us with strong confidence in our development. During and following the Track Record Period, we have been making continuous efforts to expand our business from Independent Third Parties, aiming to broaden our revenue sources and diversify our customer portfolio. In the future, we will further strengthen independent business development, enhance our expansion capabilities and competitive edges in the market, and reduce our reliance on related parties.

Our Ability to Optimise Business Mix

During the Track Record Period, we derived our revenue from the provision of property management services, which comprise revenue from basic property management services and value-added services. Generally, our gross profit margin for value-added services is higher than that for basic property management services. This is primarily due to our ability to tailor a wide range of value-added services to meet the specific needs of our customers, by effectively aligning these needs with our

available resources. By facilitating these connections, we maintain lower operational costs, as value-added services are typically not labour intensive. Any change in the structure of revenue contribution from our business lines or change in the gross profit margin of any business line may have a corresponding impact on our overall gross profit margin.

Our Ability to Mitigate the Impact of Staff Costs and Subcontracting Costs

Our results of operations and financial position are affected by labour and subcontracting related costs. As property management is a labour-intensive industry, we incurred substantial staff costs and subcontracting costs in the provision of our services. During the Track Record Period, the total staff costs and subcontracting costs amounted to RMB27.2 million for FY2024, RMB31.9 million for FY2025 and RMB14.7 million for 1H2026, representing 59.4%, 77.4% and 76.9% of our total cost of sales, respectively. The increase was primarily attributable to our business expansion and increase in labour-intensive services outsourced to subcontractors. However, any significant increase in our staff costs or subcontracting costs may negatively affect our profit and reduce our profitability.

For illustration purposes only, we set out below a sensitivity analysis of our profit before income tax and profit for the year with reference to the fluctuation of staff costs and subcontracting costs during the Track Record Period. The following table demonstrates the effect of the hypothetical increase in staff costs and subcontracting costs on our profit before income tax and profit or loss for the year, while all other factors remain unchanged:

	FY2024	**FY2025**	**1H2025**	**1H2026**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit before tax	12,600	21,622	1,828	9,420
Profit for the year/period	7,896	15,937	590	7,592
Assuming 5% increase in our staff costs and subcontracting costs				
Impact on our profit before income tax	(1,636)	(1,938)	(979)	(959)
Impact on our profit for the year/period[(1)]	(1,227)	(1,454)	(734)	(720)
Assuming 10% increase in our staff costs and subcontracting costs				
Impact on our profit before income tax	(3,272)	(3,876)	(1,957)	(1,919)
Impact on our profit for the year/period[(1)]	(2,454)	(2,907)	(1,468)	(1,439)

Note:

(1) Impact on profit for the year/period was calculated under the assumption that CIT was 25% for the year/periods.

Our Ability to Compete against Other Market Participants

According to Frost & Sullivan, the competitive landscape of China's property management services industry is relatively fragmented, as at 31 December 2025, there were over 300,000 property management service providers in the market property management. As at 31 December 2025, there were nearly 20,000 property management service providers in Zhejiang Province's property management services market. We compete with a range of property management and related services providers based on a number of factors, including business scale, brand recognition, pricing and service quality. For more details, please see the section headed "Industry Overview — Competitive Landscape of Property Management Services Market in China and Zhejiang Province". Our future and prospects in this industry depend on our ability to effectively compete with our competitors and maintain or improve our market positioning, which is dependent on our ability to strengthen our competitive advantages. In the event that we fail to compete and cannot maintain or expand our total GFA under management, we may lose market share and our revenue and profitability may be adversely affected. For details, please see the section headed "Risk Factors".

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

We have identified certain accounting policies that are significant to the preparation of our consolidated financial information. The preparation of consolidated financial information involves judgements, estimates and assumptions relating to accounting items. We continuously evaluate these estimates and assumptions based on the most recently available information, our own historical experience and other assumptions that are believed to be reasonable under the circumstances. The use of estimates is an integral component of the financial reporting process and actual results seldom equal to our estimates. We will continuously assess our assumptions and estimates going forward. We set out below those policies, estimates and judgements to be critical to an understanding of our consolidated financial information as their application places the most significant demands on our management's judgement. For more details on our significant accounting policies, accounting estimates and judgements, please see Notes 2 and 3 in the Accountants' Report set out in Appendix I.

Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between us and the customer at contract inception. When the contract contains a financing component which provides us with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

We provide property management services, which include basic property management services and value-added services. Basic property management services, include repairs and maintenance, security and safety management, and cleaning and gardening services for common areas. Value-added services mainly consist of energy-related services, park ancillary services and operation support services: (a) energy-related services, mainly comprise introduction services to energy technology companies to invest and install relevant facilities such as solar energy stations and energy storage devices in the industrial park managed by us and thereafter assist energy technology companies with electricity bill collection; (b) park ancillary services, which include a wide range of optional services for the occupants in the industrial park, such as in-unit support services, including cleaning and repair services; and (c) operational support services, mainly consist of (i) property sales support services by assisting the property developers to sell their properties; (ii) commercial operation services, the property owners entrust the Group with the authority to manage the property owners' properties; (iii) vendor sourcing services which assist the occupants by sourcing qualified safety production management consultants to provide safety training and inspection, referring building decoration companies to manufacturing occupants for furniture and equipment services tailored to their operational requirements; and (iv) management services, which assist the consultant companies in organising training sessions and drills for the enterprise occupants within the industrial park.

For basic property management services, we charge property management fees in respect of basic commercial property management services on a lump sum basis. We are entitled to retain the full amount of the property management fees received. We shall bear expenses associated with, repairs and maintenance, security and safety management, and cleaning, and gardening services for common areas. During the terms of the contracts, if the amount of property management fees we collected is not sufficient to cover all the expenses incurred, we are not entitled to request the property owners or property developers to pay the shortfall. Accordingly, on a lump sum basis, we recognise as revenue the full amount of property management fees we charged to the property owners and property developers.

Revenue from basic property management services and park ancillary services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by us.

Revenue from energy-related services is recognised at the point in time when the services have been provided. The service fee is charged on a profit sharing basis between the energy service providers and the Group for those energy projects located at the properties managed by us.

Revenue from property sales support is recognised at the point in time when the property buyer and the certain property developer have executed the sales and purchase agreement and the required payment was fully settled by the buyer or the buyer's mortgaged bank. Certain revenue from property sales support services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by us.

Revenue from commercial operation services is recognised over the rental period agreed by the tenant and the property developer in the rental agreement on a straight-line basis, because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from vendor sourcing services is recognised at the point in time when the vendors introduced by the Group completed their services provided to the customers.

Revenue from management service is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on our net investment outstanding in respect of the leases.

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other Income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Investment Properties

Investment properties are leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if we as intermediate lessor classifies the sublease as a finance lease.

Depreciation is calculated on the straight-line basis to write off the cost of an investment property over its estimated useful life. The estimated useful lives of investment property as follows:

Commercial properties	5.5 to 10 years

Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Leases

We assess at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

We apply a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Employee apartments and office premises	3 to 5 years

If ownership of the leased asset transfers to us by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding investment properties are stated at cost less accumulated depreciation and any impairment losses, in accordance with our policy for "investment properties".

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us and

payments of penalties for termination of a lease, if the lease term reflects us exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

Short-term leases

We apply the short-term lease recognition exemption to its short-term leases of equipment, apartment and parking lot (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a Lessor

When we act as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which we do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, we allocate the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. Amounts due from lessees under finance leases are recognised as finance lease at the amount of our net investment in the leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in profit or loss so as to provide a constant periodic rate of return over the lease terms.

When we are an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which we apply the on-balance sheet recognition exemption, we classify the sublease as an operating lease. Otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset (for example, the item of property, plant or equipment that is the subject of the lease).

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of our historical financial information require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying our accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Accountants' Report:

Property Lease Classification — Group as Lessor

We have entered into commercial property leases on its investment property portfolio. We have determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for Expected Credit Losses on Trade Receivables

We use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for customer segments that have similar loss patterns.

The provision matrix is initially based on our historical expected default rates. We calibrated the matrix to adjust the historical credit loss experience with forward-looking information such as the debtors and the economic environment. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical credit loss rates are adjusted. At each reporting date, the historical credit loss rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical credit loss rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. Our historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. Further details are contained in note 16 to the Accountants' Report.

Leases — Estimating the Incremental Borrowing Rate

We cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what we "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions). We estimate the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

RESULTS OF OPERATIONS

The following table sets out a summary of the results of the Group during the Track Record Period, derived from the Accountants' Report set out in Appendix I to this document.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	FY2024 *RMB'000*	**FY2025** *RMB'000*	**1H2025** *RMB'000* *(unaudited)*	**1H2026** *RMB'000*
REVENUE	71,683	79,672	36,295	40,224
Cost of sales	(45,659)	(41,122)	(21,711)	(19,078)
Gross profit	**26,024**	**38,550**	**14,584**	**21,146**
Other income and gains	4,411	6,287	1,015	215
Selling and distribution expenses	(377)	(2,013)	(867)	(517)
Administrative expenses	(10,854)	(15,610)	(5,645)	(8,643)
Reversals of loss allowance/ (Impairment losses) on financial instruments, net	410	(1,273)	(4,288)	(2,156)
Other expenses	(39)	(585)	(43)	(187)
Finance costs	(6,975)	(3,734)	(2,928)	(365)
Share of the loss of an associate	—	—	—	(73)
PROFIT BEFORE TAX	**12,600**	**21,622**	**1,828**	**9,420**
Income tax expense	(4,704)	(5,685)	(1,238)	(1,828)
PROFIT FOR THE YEAR/PERIOD	**7,896**	**15,937**	**590**	**7,592**
Attributable to:				
Owners of the parent	8,134	15,747	472	7,042
Non-controlling interests	(238)	190	118	550

DESCRIPTION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

By Type of Services

During the Track Record Period, we generated the majority of our revenue from the provision of basic property management services and value-added services to property developers, owners, tenants and occupants in industrial parks, primarily comprising the following core services:

Property management services			
Basic property management services	**Value-added services**		
These services cover the full lifecycle of occupancy, from move-in to move-out, and include repair and maintenance, security and safety management, and cleaning and gardening services for all common areas.	Diversified optional value-added services to accommodate the specific needs of property developers, owners, tenants and occupants and to enhance the value of commercial assets of our managed portfolio. We are also engaged by property developers and property management company to provide operational support services for properties that are not under our management.		
	(i) Operational support services	(ii) Park ancillary services	(iii) Energy-related services
	In the course of interactions with the extensive network of property developers and occupants, we have obtained first-hand information on their needs. Leveraging our resource integration capability, we offer operational support services that address our customers' operational needs in cooperation with third parties service providers. Our operational support services comprise (i) property sales support services; (ii) commercial operation services; and (iii) vendor sourcing and management services.	We provide a wide range of optional services for our occupants. These services are delivered primarily by our dedicated in-house team. By offering these park ancillary services, we empower businesses to optimise their focus on core operations, enhance workplace satisfaction, and improve overall operational convenience. For instance, we deliver a suite of in-unit support services, including cleaning and repair services. Our park ancillary services are generally pay-per-use.	We introduce energy technology companies to invest in and install solar energy stations (including solar panels and cells) in our managed projects. We charge a service fee from the energy technology companies, comprising (i) a fee per area for the provision of rooftop space and (ii) the difference between the electricity charge and the predetermined unit cost according to the service agreement.

The following table sets forth a breakdown of our total revenue and GFA under our management for the year/period indicated by services we provide:

	FY2024			**FY2025**			**1H2025**			**1H2026**		
	GFA	**Revenue**	**%**	**GFA**	**Revenue**	**%**	**GFA**	**Revenue**	**%**	**GFA**	**Revenue**	**%**
	(sq.m.'000)	*RMB'000*		*(sq.m.'000)*	*RMB'000*		*(sq.m.'000)*	*RMB'000*		*(sq.m.'000)*	*RMB'000*	
								(unaudited)				
Property Management Services												
Basic services	**3,790**	**42,521**	**59.3**	**4,430**	**53,402**	**67.0**	**3,975**	**25,725**	**70.9**	**3,706**	**27,451**	**68.2**
Value-added Services	**N/A**	**29,162**	**40.7**	**N/A**	**26,270**	**33.0**	**N/A**	**10,570**	**29.1**	**N/A**	**12,773**	**31.8**
Operational support services[1]	N/A	22,503	31.4	N/A	16,715	21.0	N/A	6,112	16.8	N/A	7,902	19.7
Park ancillary services	N/A	3,377	4.7	N/A	4,981	6.3	N/A	2,426	6.7	N/A	2,772	6.9
Energy-related services[1]	N/A	3,282	4.6	N/A	4,574	5.7	N/A	2,032	5.6	N/A	2,099	5.2
Total	3,790	71,683	100.0	4,430	79,672	100.0	3,975	36,295	100.0	3,706	40,224	100.0

Note:

1. Included in operational support services and energy-related services were also finance income on net investment in lease and gross rental income from investment property operating leases. For details, please see "Description of Key Items of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue — By type of service — value-added services" in this section.

Basic services

Basic property management services was our largest revenue contributor during the Track Record Period and demonstrated an increasing trend in terms of both amount and proportion, which amounted to RMB42.5 million and RMB53.4 million for FY2024 and FY2025 and RMB25.7 million and RMB27.5 million for 1H2025 and 1H2026, respectively, representing 59.3%, 67.0%, 70.9% and 68.2% of our total revenue. The overall increase in revenue from basic property management services during the Track Record Period was primarily driven by the expansion of our business scale, as our total GFA under management increased from 3.8 million sq.m. in FY2024 to 4.4 million sq.m. in FY2025. While the number of property management projects decreased from 24 in 1H2025 to 22 in 1H2026, property management revenue remained relatively stable as a result of the higher average monthly property management fee in 1H2026. Our monthly average property management fee, on the other hand, decreased in FY2025.

The following table sets forth our average monthly basic property management fee for the year/period indicated under basic property management services.

	FY2024	**FY2025**	**1H2025**	**1H2026**
	Average monthly basic property management fee			
	RMB per sq.m.	*RMB per sq.m.*	*RMB per sq.m.*	*RMB per sq.m.*
Basic Property Management Services	1.17	1.08	1.08	1.23

Our average monthly property management fee per sq.m. decreased from RMB1.17 for FY2024 to RMB1.08 for FY2025. Such decrease was primarily attributable to the relatively lower property management fees charged in 2025 for several projects located in Wuyi County of Jinhua City, namely Jiuyao Technology Small Enterprise Park (久耀科技小微園), Xingyao Technology Small Enterprise Park (興耀科技小微園) and Wuyi County Optical & Electronic Industrial Park (武義縣光電產業園). As confirmed by Frost & Sullivan, property management service fees in Wuyi County are generally lower than those in more economically developed areas due to local market conditions, relatively lower operating costs and tenant profiles in the region. In addition, Wuyi County Optical & Electronic Industrial Park was undertaken by the Group as a strategic project to establish a cooperative relationship with the project developer, which is a state-owned enterprise, with a view to facilitating potential opportunities to secure additional projects in the future.

The decrease was also attributable to certain project-specific factors. In particular, the property management fees for Yiwu Digital and Intelligent Industrial Community (義烏數字與智能化產業社區) decreased by approximately 50% from RMB0.8 per sq.m. in 2024 to RMB0.4 per sq.m in 2025 as discounted management fees were offered during the year due to the relatively low occupancy rate of the project. In light of the relatively low management fee levels and the limited profitability of the project, and taking into account that its financial performance was not expected to improve materially, the Group elected not to renew the relevant property management contract upon its expiry in November 2025. In addition, the property management fees for Lanchuang Shoutian Plastic Products Industrial Park (蘭創首田塑料製品產業園) were relatively lower during the year as Phase II of the project was only delivered towards the end of 2025, and preferential management fee arrangements were granted to the project developer prior to the delivery of the units. Upon the delivery of phase II of the project, the average monthly property management fee increased to RMB0.5 per sq.m. in 1H2026 from RMB0.3 per sq.m. in the 1H2025.

Our average monthly property management fee per sq.m. increased from RMB1.08 for 1H2025 to RMB1.26 for 1H2026, representing an increase of 16.7%. The increase was primarily attributable to property management projects sourced from Independent Third Parties, in particular Lanxi Hongtu Smart Technology Industrial Park (蘭溪市鴻圖智能科技產業園) and Lanxi City Lanchuang Jiuyu Science and Technology Innovation Valley Industrial Park (蘭溪市蘭創九聿科創智谷產業園).

The average monthly property management fee per sq.m. for Lanxi Hongtu Smart Technology Industrial Park of RMB2.1 in 1H2026 was higher than the average by 66.6%, which was mainly attributable to the recovery of certain outstanding property management fees relating to prior years. Under the previous service arrangement, settlement with the intermediary property management company was based on amounts collected by it from the ultimate property owners/users. Such outstanding fees were previously considered difficult to recover and no settlement was expected by the Group. During 1H2026, the Group assisted in recovering such fees from the relevant property owners/users, following which the intermediary property management company made the corresponding additional settlement to the Group, resulting in higher property management revenue during the period.

The average monthly property management fee per sq.m. for Lanxi City Lanchuang Jiuyu Science and Technology Innovation Valley Industrial Park of RMB1.4 in 1H2026 was higher than the average by 11.1%, which was mainly attributable to the Group's direct engagement by the property developer commencing in February 2026, replacing the previous arrangement under which the Group provided services through an intermediary property management company and a portion of the service fees was retained by such intermediary.

The increase was also attributable to the Group's portfolio optimisation strategy. In particular, the Group did not renew the property management engagement for Yiwu Digital and Intelligent Industries Community (義烏數字與智能化產業社區) in 2025, which generated a relatively low average monthly property management fee of approximately RMB0.4 per sq.m. The exclusion of this lower-fee project from the Group's property management portfolio contributed to the increase in the Group's overall average monthly property management fee per sq.m.

The increase was partially offset by the termination of two other Independent Third-party Property management projects, namely Optical Film Industry Chain Science and Technology Innovation Park (光學膜產業鏈科創園) and Tudian Town Intelligent Innovation Park (屠甸鎮智創園), and the commencement of a new property management project, Xingyao Technology Small Enterprise Park (興耀科技小微園). The average monthly property management fee of Xingyao Technology Small Enterprise Park was comparatively lower primarily because the project is located in Wuyi County, where the prevailing property management fee level is generally lower, and the project had a relatively low tenant occupancy rate during the initial stage of operation, for which the Group offered preferential property management fees.

During the Track Record Period, the monthly average property management fee appears to be lower than the industry average of RMB1.85 in 2024 and RMB1.88 in 2025 primarily due to (i) the reasons aforementioned; and (ii) the variability in operational and management requirements among different industrial parks, which can vary significantly depending on the nature and composition of the tenant companies within each park; some properties necessitate higher standards for cleaning and security services, as outlined in the industry report. Additionally, for unsold properties within industrial parks, we may offer property developers a discount on the overall property management fee, depending on the sales progress. This practice further contributes to the lower average compared to industry standards.

Value-added services

Our value-added services include (i) operational support services, being the largest component of value-added services; (ii) park ancillary services; and (iii) energy-related services. Our historical commercial operation services model in operational support services involved subleasing arrangements, while its energy-related services involved the entrusted management of rooftop spaces owned by property owners, which are then made available to energy technology companies for solar energy installations. In both cases, the Group receives consideration from tenants or energy technology companies for the occupation and use of the relevant properties or spaces.

Such arrangements are accounted for as leases under HKFRS 16 Leases and are classified into different categories depending on the terms of the relevant lease agreements. For further details, please refer to the subsections headed "DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION — Net Investment in Lease and Investment Properties" in this section.

In substance, these transactions represent lease income derived from the use of property space; however, their accounting treatment differs depending on the classification of the underlying lease arrangements under applicable accounting standards. Such lease-related income is accounted for under HKFRS 16 Leases and is presented separately from revenue recognised under HKFRS 15 Revenue from Contracts with Customers in the Accountants' Report.

For the purpose of illustrating the Group's business model and revenue streams, revenue in the "Summary" and "Business" sections is presented based on the nature of services provided by the Group, which includes the aforesaid leasing-related income. The table below illustrates how the leasing-related income separately presented in the Accountants' Report is reflected within the revenue breakdown presented in the "Summary" and "Business" sections.

	FY2024 *RMB'000*	**FY2025** *RMB'000*	**1H2025** *RMB'000 (unaudited)*	**1H2026** *RMB'000*
Value-added Services	**29,162**	**26,270**	**10,570**	**12,773**
— Operational support services	**22,503**	**16,715**	**6,112**	**7,902**
• Commercial operation services				
• finance income on net investment in leases[(1)]	223	439	6	35
• rental income from operating leases[(2)]	20,224	904	428	364
• entrusted management	—	7,874	3,816	4,131
• Vendor sourcing and management	2,056	2,695	1,320	274
• Property sales support services	—	4,803	542	3,098
— Park ancillary services	**3,377**	**4,981**	**2,426**	**2,772**
— Energy-related services	**3,282**	**4,574**	**2,032**	**2,099**
• finance income on net investment in leases[(1)]	1,028	1,419	690	694
• Others	2,254	3,155	1,342	1,405

Notes:

1. Finance income represents the interest income recognised over the lease term on the net investment in lease, which mainly comprises subleases under our sublease model and leased rooftops in certain industrial parks that are classified as finance leases, under which the lease terms granted to tenants cover substantially all of the remaining lease terms of the corresponding head leases.

2. Rental income from operating leases represents lease payments receivable from tenants for the use of the leased properties under the sublease model, recognised on a straight-line basis over the lease term, and mainly arises from subleases that are classified as operating leases, under which the lease terms granted to tenants do not cover substantially all of the remaining lease terms of the corresponding head leases.

Value-added services decreased from RMB29.2 million for FY2024 to RMB26.3 million for FY2025, with its contribution to total revenue falling from 40.7% to 33.0%. The primary factor behind this decline was the substantial cessation of the sublease model for our commercial operation services under our operational support services at the end of 2024. Under the sublease model, the Group recognised primarily gross rental income from tenants as revenue, whereas under the entrusted management services model, only a service fee is recognised, which is significantly lower as it represents premium of the actual rent paid by the tenants over the designated floor price retained by the property owners.

In 2024, we originally leased properties from owners of our managed properties and subleased them to tenants. Under this model, the Group was required to bear fixed rental costs regardless of whether tenants were secured. When market conditions were favourable, higher occupancy rates and rental levels enabled us to achieve higher revenue and profit. However, during economic downturns, commercial and industrial properties may experience reduced occupancy or extended vacancy periods, which could result in revenue falling short of fixed rental commitments.

There was one commercial operation services contract under the sublease model for which we recorded losses in both FY2024 and FY2025, as the rental income generated from subleasing the premises was insufficient to cover the corresponding lease costs incurred by us. According to Frost & Sullivan, during 2022 to 2025, China and Zhejiang Province experienced an economic downturn affected by factors including the deep adjustment of the real estate market, subdued consumer confidence, weakened corporate investment appetite, and heightened uncertainty in external demand. As a result, enterprises adopted more cautious leasing strategies and cost-control measures, which led to pressure on occupancy rates and prolonged vacancy periods for commercial and industrial properties in Zhejiang Province during the Track Record Period. In particular, such market conditions contributed to lower occupancy utilisation and limited our Group's ability to achieve higher rental rates for the relevant premises.

In light of the continued losses, we proactively engaged with the landlord, which is a state-owned enterprise, and negotiated an early termination of the lease agreement in August 2025 pursuant to a termination agreement, without any compensation payable by us. The original head lease, which would otherwise have remained in effect until March 2034, was accordingly terminated in August 2025, and the corresponding sublease arrangement with the tenant was also terminated. To the best knowledge of the Directors, the tenancy arrangement with the tenant was subsequently taken over by another lessee of the landlord.

Since then, to mitigate business risk, particularly in less favourable market conditions, we made the strategic decision to substantially discontinue our sublease model at the end of 2024. Nevertheless, we continue to offer operational support services to our clients who have specific needs in their operation, including property sales support services. In 2025, most of the properties were operated by us under the entrusted management services model, whereby property owners including our Parent Group entrust us with the authority to manage their properties, including the factories, units in the ancillary building and the rooftop. Under the entrusted management services agreement, we and property owners agree on a designated floor price of the properties, which will be retained by the property owners as their return and is determined taking into account (i) the comparable market rent for properties in the surrounding area, which is the expected rent payable by the tenants; and (ii) our operation costs incurred. Our service fee is the premium of the actual rent paid by the tenants over the designated floor price, which is economically similar to the margin between rental income and rental and operational costs under the sublease model. Under this arrangement, the Group no longer bears fixed rental obligations to property owners. This shift reduces our exposure to fixed-cost risks while allowing us to continue offering value-added services to property owners, tenants and occupants. For details of pricing basis, see "Business — Our Business Model — Value-added Services — commercial operation services".

As we work to discontinue the sublease model, not all projects have transitioned to the new entrusted management services model. During FY2025, two contracts remained under the sublease model which will continue until their respective contracts expire. These remaining contracts are expected to be phased out upon the expiry of their existing terms, one of which expired in August 2025 and the other is expected to expire in 2028. The complexities involved in changing these contracts have led to their continued use for the time being. During 1H2026, only one contract remained under the sublease model. As a result, the revenue generated from the sublease business further decreased to RMB0.4 million, representing only 8.8% of the Group's revenue from commercial operation services, and approximately 1.0% of the Group's total revenue for the period.

The table below sets forth a further breakdown of our commercial operation services into the two service models, sublease model and the entrusted management services model for the year/period indicated:

	FY2024		**FY2025**		**1H2025**		**1H2026**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Commercial operation services	20,447	100	9,217	100	4,250	100	4,530	100
• Subleasing	20,447	100	1,343	14.6	434	10.2	399	8.8
• Entrusted management services	—	—	7,874	85.4	3,816	89.8	4,131	91.2

In line with the substantial discontinuity of the sublease model, the pattern of revenue recognition has also changed. In FY2024, the Group's arrangements under the sublease model were predominantly operating leases, under which rental income received from tenants was recognised on a gross basis, with the associated rental expenses recorded separately. Both in FY2024 and FY2025, the Group also had finance lease arrangements, which the Group recognised finance income based on the net investment in the lease. By contrast, under entrusted management services, we only charge and recognise a service fee, rather than the full rental proceeds. The reported revenue from the commercial operation services segment, therefore, decreased significantly from RMB20.4 million in FY2024 to RMB9.2 million in FY2025. The decline of RMB11.2 million due to the model change completely offset the revenue increases from both property sales support services and vendor sourcing and management services within the operational support services. Revenue from commercial operation services increased slightly from RMB4.3 million for 1H2025 to RMB4.5 million for 1H2026, primarily attributable to the increase in entrusted management services due to a new property entrusted to us for management in 1H2026.

The increase in entrusted management services contributed partially to the overall increase in revenue from operational support services, which increased from RMB6.1 million for 1H2025 to RMB7.9 million for 1H2026. Revenue from property sales support services also increased significantly from RMB0.5 million for 1H2025 to RMB3.1 million for 1H2026, primarily attributable to the increase in property sales support services provided to our Parent Group and Independent Third Parties developers in respect of properties under development that are being marketed for sales during 1H2026.

The aforesaid increases were partially offset by a decrease in revenue from vendor sourcing and management services from RMB1.3 million for 1H2025 to RMB0.3 million for 1H2026, primarily because such services are provided on a demand-driven basis and demand from customers decreased during the period.

By Geographic Region

The following tables set forth breakdown by geographic region of the revenue from our services for the year/period indicated:

	FY2024		FY2025		1H2025		1H2026	
	Revenue *RMB'000*	%	Revenue *RMB'000*	%	Revenue *RMB'000* *(unaudited)*	%	Revenue *RMB'000*	%
Zhejiang Province	70,641	98.5	77,429	97.2	35,660	98.3	37,906	94.2
— Jinhua-Yiwu area	54,679	76.3	59,732	75.0	26,984	74.3	30,093	74.8
Hebei Province	1,042	1.5	1,470	1.8	635	1.7	745	1.9
Guangdong Province	—	—	773	1.0	—	0.0	1,481	3.7
Hunan Province	—	—	—	—	—	—	92	0.2
Total	71,683	100.0	79,672	100.0	36,295	100.0	40,224	100.0

During the Track Record Period, over 94.0% of our revenue was generated from Zhejiang Province, reflecting our strategic focus on this region. In particular, Yiwu City, recognised as the world's largest small commodity market, has fostered vibrant trading activities that drive sustained demand for high-quality supporting services in surrounding industrial parks. Leveraging this favourable environment, we have established a strong market presence. We expanded our footprint to other key regions, including Guangdong Province and Hunan Province in 2025. During the FY2025, the revenue generated in Guangdong Province and Hunan Province was primarily derived from property sales support services. These services were provided to the property developer in respect of an industrial park project in Guangdong for which we had been engaged but where property management services had not yet commenced. We assisted the developers in the sales process by providing preliminary business planning support, marketing assistance, back-end support for property viewings, and facilitating property handover procedures.

By Source of Projects

During the Track Record Period, we managed properties developed by our Parent Group and Independent Third Parties developers. The following tables set forth breakdowns of our revenue, GFA under our management and number of projects under our management by source of projects for the year/period indicated:

	FY2024				FY2025				1H2025				1H2026			
	Revenue *RMB'000*	%	GFA under management[1] *sq.m. '000*	Number of projects under management[1]	Revenue *RMB'000*	%	GFA under management[1] *sq.m. '000*	Number of projects under management[1]	Revenue *RMB'000*	%	GFA under management[1] *sq.m. '000*	Number of projects under management[1]	Revenue *RMB'000*	%	GFA under management[1] *sq.m. '000*	Number of projects under management[1]
Property management service projects sourced from																
— Our Parent Group[2]	55,939	78.0	1,768	12	50,748	63.7	1,768	12	24,604	67.8	1,768	12	25,350	63.0	1,768	12
— Independent Third Parties	15,744	22.0	2,022	11	28,924	36.3	2,662	13	11,691	32.2	2,207	12	14,874	37.0	1,938	10
Total	71,683	100.0	3,790	23	79,672	100.0	4,430	25	36,295	100	3,975	24	40,224	100	3,706	22

Notes:

1. Both GFA under management and number of projects under management refer to projects which we provide basic property management services and exclude projects which we are engaged to provide value-added services only.

2. Refer to projects developed by Zhejiang Panglong, its subsidiaries and associates.

The above breakdowns categorise GFA under our management and revenue by the source of the projects, distinguishing between those secured through our Parent Group and those obtained from Independent Third Parties, irrespective of who the customers are. During the Track Record Period, we secured projects from both our Parent Group and Independent Third Parties. The growth in our property management services is mainly driven by projects secured from Independent Third Parties which recorded an increase by two projects and a significant increase in GFA under management by 31.7% from 2.0 million sq.m. for FY2024 to 2.6 million sq.m. in the same period in 2025, resulting in a substantial increase in revenue from RMB15.7 million for FY2024 to RMB28.9 million in 2025, representing a robust growth of 83.7%. The proportion of revenue from projects developed by Independent Third Parties increased correspondingly from 22.0% for FY2024 to 36.3% for the same period in 2025. While the number of projects sourced from the Parent Group remained consistent at 12 for FY2024 and FY2025, revenue generated from these projects decreased from RMB55.9 million to RMB50.7 million during the corresponding periods. The decline was attributed to a combination of factors: (i) a substantial decrease in revenue from commercial operation services under operational support services, as we substantially ceased the sublease model and no longer recognised rental proceeds from properties owned by Parent Group; and partially offset by (ii) a rise in park ancillary services; and (iii) the service fees charged for property sales support services within our operational support services.

During FY2024, FY2025, 1H2025 and 1H2026, despite a decrease in both the GFA under management and the number of property management projects sourced from Independent Third Parties, revenue from property management services sourced from Independent Third Parties increased by RMB3.2 million in 1H2026 and remained the principal driver of the Group's overall revenue growth of RMB3.9 million in 1H2026. Such increase was primarily attributable to (i) the increase in the average monthly property management fee per sq.m. previously discussed; and (ii) the increase in revenue from value-added services, primarily driven by higher property sales support service income generated from properties under development by the Parent Group as well as Independent Third Parties that are being marketed for sale during 1H2026.

By Type of Customers

The following table sets forth a breakdown of our revenue by type of customers for the year/period indicated:

	FY2024		**FY2025**		**1H2025**		**1H2026**	
	Revenue *RMB'000*	**%**	**Revenue** *RMB'000*	**%**	**Revenue** *RMB'000* *(unaudited)*	**%**	**Revenue** *RMB'000*	**%**
Our Parent Group[*Note*]	7,448	10.4	21,369	26.8	9,771	26.9	11,604	28.8
Independent Third Parties	64,235	89.6	58,303	73.2	26,524	73.1	28,620	71.2
Total	71,683	100.0	79,672	100.0	36,295	100.0	40,224	100.0

Note: Refer to Zhejiang Panglong, its subsidiaries and associates.

During the Track Record Period, our customer base primarily consisted of property developers, owners, tenants, occupants and value-added service partners. Historically, the majority of our revenue was derived from independent third-party customers. However, our revenue from these independent customers decreased from RMB64.2 million in FY2024 to RMB58.3 million in FY2025. This decline was primarily driven by a strategic shift in our business model of commercial operation services from a sublease model to the entrusted management service model.

In FY2024, the Group's arrangements under the sublease model were predominantly operating leases, under which we acted as the master tenant, receiving full rental payments directly from end-tenants and recognising that entire stream as revenue. Under the new entrusted management service model, we charge a service fee for managing their properties. This fundamental change means we no longer book the full rental value from independent tenants, but instead record a significantly smaller, service fee from the property owners, which include our Parent Group.

This model transition has also altered the internal composition of our revenue. Notably, nine entrusted management service contracts involve properties sourced from our Parent Group. As a result, we recognised increased service fee revenue from our Parent Group for the entrusted management services for FY2025. Simultaneously, we have ceased recognising any rental proceeds from independent tenants occupying properties owned by our property owners, as those leases are now direct service agreements between us and the properties owners. Therefore, the observed revenue shift reflects both the structural change from rental income to service fees and a realignment in revenue sources between independent tenants and Parent Group.

With the impact of the Group's business model transition largely subsiding by 2025 and 2026, the proportion of the Group's revenue ultimately generated from our Parent Group remained relatively stable at approximately 26.9% and 28.8% for 1H2025 and 1H2026, respectively. Accordingly, revenue ultimately generated from Independent Third Parties customers consistently accounted for over 70% of the Group's total revenue during the corresponding periods.

Cost of Sales

Our cost of sales mainly consists of (i) staff costs; (ii) subcontracting costs; (iii) rental costs; (iv) equipment maintenance expenses; (v) depreciation expenses; and (vi) other expenses. The table below sets forth a breakdown of our cost of sales for the year/period indicated:

	FY2024 cost of sales *RMB'000*	**%**	**FY2025 cost of sales** *RMB'000*	**%**	**1H2025 cost of sales** *RMB'000* *(unaudited)*	**%**	**1H2026 cost of sales** *RMB'000*	**%**
Staff costs	22,152	48.5	15,219	37.0	7,904	36.4	7,396	38.8
Subcontracting costs	4,998	10.9	16,631	40.4	8,224	37.9	7,271	38.1
Rental costs	13,409	29.4	2,535	6.2	2,214	10.2	170	0.9
Upkeep and maintenance	3,292	7.2	3,398	8.3	1,656	7.6	1,833	9.6
Depreciation	1,052	2.3	1,077	2.6	568	2.6	540	2.8
Professional fee	—	—	848	2.1	—	0.0	207	1.1
Others	756	1.7	1,414	3.4	1,145	5.3	1,661	8.7
Total	45,659	100.0	41,122	100.0	21,711	100.0	19,078	100.0

Our staff costs represent expenses relating to salaries and benefits paid to our staff engaged in property management services. Staff costs decreased from RMB22.2 million in FY2024 to RMB15.2 million in FY2025, reflecting our ongoing efforts to optimise our operating model and allocate resources more efficiently. As part of this optimisation, certain on-site, labour-intensive project-based functions such as security, cleaning and waste management were shifted to qualified external service providers, leading to a corresponding increase in subcontracting costs from RMB5.0 million in FY2024 to RMB16.6 million in FY2025, which represent fees paid for outsourced personnel services. This

approach enhances our operational flexibility, enabling us to align manpower more effectively with project requirements. For details of the subcontracting arrangement, please see "Business — Our Suppliers and Subcontractors — Management of Subcontractors".

The combined amount of staff costs and subcontracting costs increased from RMB27.2 million in FY2024 to RMB31.9 million in FY2025. This increase was primarily attributable to the expansion of our business operations and the growth in the number of property management projects undertaken during the year. Following the termination of three property management projects in the second half of 2025 and the commencement of one new property management project, the number of property management projects under management decreased from 24 for 1H2025 to 22 for 1H2026. As the Group ceased to provide property management services for the terminated projects, the related staffing and subcontracting requirements were correspondingly reduced, resulting in a decrease in the aggregate staff costs and subcontracting costs from RMB16.1 million for 1H2025 to RMB14.7 million for 1H2026.

Our rental costs decreased significantly from RMB13.4 million in FY2024 to RMB2.5 million in FY2025, primarily due to the transition of the commercial operation service model. Under the new entrusted management service model implemented in 2025, the Group is no longer required to bear rental costs to the same extent as under the sublease model. The remaining RMB2.5 million mainly represented rental expenses associated with the two contracts that continued to operate under the sublease model. As only one contract under the sublease model remained in the first half of 2026, the rental costs further decreased to RMB0.2 million in 1H2026 compared to RMB2.2 million in 1H2025.

Gross Profit and Gross Profit Margin

During the Track Record Period, our overall gross profit was RMB26.0 million, RMB38.6 million, RMB14.6 million and RMB21.1 million for FY2024, FY2025, 1H2025 and 1H2026, respectively and the corresponding gross profit margins were 36.3%, 48.4%, 40.2% and 52.6%.

The following table sets forth the breakdown of gross profit by type of services and their respective gross profit margin for the year/period indicated:

	FY2024		**FY2025**		**1H2025**		**1H2026**	
	Gross profit *RMB'000*	**Gross profit margin (%)**	**Gross profit** *RMB'000*	**Gross profit margin (%)**	**Gross profit** *RMB'000* *(unaudited)*	**Gross profit margin (%)**	**Gross profit** *RMB'000*	**Gross profit margin (%)**
Basic property management services	**16,170**	**38.0**	**22,092**	**41.4**	**9,466**	**36.8**	**11,737**	**42.8**
Value-added services	**9,854**	**33.8**	**16,458**	**62.6**	**5,118**	**48.4**	**9,409**	**73.7**
— Operational support services	5,184	23.0	9,277	55.5	2,159	35.3	5,762	72.9
— Commercial operation services	*3,128*	*15.3*	*3,789*	*41.1*	*489*	*11.5*	*3,269*	*72.2*
— Sublease	*3,128*	*15.3*	*(1,196)*	*(89.1)*	*(1,779)*	*(409.9)*	*279*	*69.9*
— Entrusted management	*—*	*—*	*4,985*	*63.3*	*2,268*	*59.4*	*2,990*	*72.4*
— Property sales support	*—*	*—*	*2,793*	*58.2*	*350*	*64.6*	*2,219*	*71.6*
— Vendor sourcing and management	*2,056*	*100.0*	*2,695*	*100.0*	*1,320*	*100.0*	*274*	*100.0*
— Park ancillary services	1,388	41.1	2,607	52.3	927	38.2	1,548	55.8
— Energy-related services	3,282	100.0	4,574	100.0	2,032	100.0	2,099	100.0
Total	26,024	36.3	38,550	48.4	14,584	40.2	21,146	52.6

Our gross profit increased significantly from RMB26.0 million in FY2024 to RMB38.6 million in FY2025. The increase of RMB12.6 million, or 48.5%, was driven by both our basic property management services and value-added services, which recorded gross profit growth of RMB5.9 million and RMB6.6 million, respectively. The growth in gross profit from property management services was primarily attributable to the increase in the number of projects, GFA under management and the enhanced operational efficiency.

The increase in gross profit from value-added services was mainly driven by (i) an increase of RMB4.1 million from operational support services, which was in turn attributable to (a) gross profit of RMB2.8 million generated from property sales support services following the commencement of such services and the securing of relevant contracts in FY2025, and (b) an increase of RMB0.7 million resulting from the transition to the entrusted management service model, partially offset by losses incurred from subleasing operations largely as a result of economic downturn; and (ii) an increase of RMB1.2 million from park ancillary services, driven by the expansion of such services to a greater number of projects under management.

Our gross profit margin increased by 12.1 percentage points, from 36.3% in FY2024 to 48.4% in FY2025, primarily attributable to the improvement in the profitability of our value-added services. In particular, the gross profit margin of our operational support services increased significantly from 23.0% in FY2024 to 55.5% in FY2025, representing an increase of 32.5 percentage points, largely due to the substantial transition from the subleasing model to the entrusted management service model.

Under the entrusted management service model, the Group recognises service revenue on a net basis, resulting in a higher gross profit margin. In contrast, under the subleasing model, revenue was recognised on a gross basis based on the full rental proceeds from tenants, which led to comparatively lower gross profit margins. High gross margin arises in vendor sourcing and management services and energy-related services because these businesses are primarily service-based and agency-like in nature, where our Group earns commission or profit-sharing income without directly incurring the underlying service delivery costs, which are borne by vendors or energy partners. In addition, our energy-related services also include arrangements accounted for as finance leases, under which finance income is recognised over time, and no corresponding cost of sales is recognised. The overall improvement was partially offset by a loss-making subleasing contract which was terminated in August 2025 because the rental income generated from subleasing the premises was insufficient to cover the corresponding lease costs incurred by us.

Our gross profit increased from RMB14.6 million for 1H2025 to RMB21.1 million for 1H2026, representing an increase of RMB6.5 million, or 44.5%. Such increase was driven by both our basic property management services and value-added services, which recorded increases in gross profit of RMB2.3 million and RMB4.3 million, respectively.

The increase in gross profit from basic property management services was primarily attributable to (i) the increase in the average monthly property management fee per sq.m.; and (ii) the termination of less profitable projects, which together contributed to an increase in the gross profit margin from 36.8% for 1H2025 to 42.8% for 1H2026.

The increase in gross profit from value-added services was primarily attributable to the significant increase in revenue from property sales support services, which recorded a gross profit margin of 71.6%, as well as the termination of one loss-making sublease contract in August 2025, which reduced the losses incurred under the sublease contract and enabled the sublease business to return to profitability

during 1H2026, thereby contributing to a significant increase in the gross profit margin of value-added services from 48.4% for 1H2025 to 73.7% for 1H2026. As a result of the above, our gross profit margin increased to 52.6% in 1H2026 from 40.2% in 1H2025.

The following table sets forth the breakdown of gross profit by source of projects for the year/period indicated:

	FY2024			FY2025			1H2025			1H2026		
	RMB'000	%	Gross profit margin (%)	RMB'000	%	Gross profit margin (%)	RMB'000	%	Gross profit margin (%)	RMB'000	%	Gross profit margin (%)
Our Parent Group	23,841	91.6	42.6	31,350	81.3	61.8	14,146	97.0	57.5	15,687	74.2	61.9
Independent third parties	2,183	8.4	13.9	7,200	18.7	24.9	438	3.0	3.7	5,459	25.8	36.7
	26,024	100.0	36.3	38,550	100.0	48.4	14,584	100.0	40.2	21,146	100.0	52.6

While the share of the Group's revenue generated from projects sourced from Independent Third Parties has increased over the Track Record Period, from 22.0% in FY2024 to 37.0% in 1H2026, their contribution to gross profit has remained proportionately lower. Projects sourced from our Parent Group accounted for approximately 91.6%, 81.3% and 74.2% of the Group's gross profit for FY2024, FY2025 and 1H2026, respectively, demonstrating a decreasing trend in the Group's reliance on projects sourced from our Parent Group for gross profit contribution. This was primarily attributable to the higher profitability of both basic property management services and value-added services for projects sourced from our Parent Group during FY2024 and FY2025. The specific projects sourced from independent third parties discussed under the subsection headed "Revenue — Basic Property Management Services" in this section recorded lower average monthly property management fees.

In addition, value-added services were primarily provided to projects sourced from our Parent Group, where the Group is able to leverage established relationships and a strong understanding of the Parent Group's operational requirements, enabling more efficient service delivery. In contrast, projects sourced from independent third parties often require coordination with multiple external suppliers or service providers, which may reduce the Group's operational flexibility and limit its ability to provide value-added services.

Furthermore, the loss-making subleasing contract was sourced from an independent third party, which further adversely affected the overall profitability of projects sourced from independent third party in both 2024 and 2025. Following the termination of the loss-making sublease contract, together with the increase in the average monthly property management fee per sq.m. and the termination of less profitable projects, the profitability of projects sourced from Independent Third Parties improved significantly during 1H2026. As a result, gross profit generated from such projects increased from RMB0.4 million for 1H2025 to RMB5.5 million for 1H2026, reflecting the Group's strategic efforts to improve the profitability of projects sourced from Independent Third Parties.

Despite this, the gross profit contribution from Independent Third Parties projects has been rising steadily, from 8.4% in FY2024 to 18.7% in FY2025 and further to 25.8% (with the corresponding gross profit margin improving from 13.9% to 24.9% and further to 36.7%) in 1H2026, reflecting the Group's improving operational capability in serving external clients. This trend indicates that, over time, Independent Third Parties projects are contributing more meaningfully to gross profit, supporting the Group's strategy to diversify its client base and reduce reliance on the Parent Group while maintaining profitability.

Other Income and Gains

	FY2024		FY2025		1H2025		1H2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Other income								
Bank interest income	12	0.2	6	0.1	4	0.4	28	13.0
Government grants	216	4.9	—	—	—	—	—	—
Others	20	0.5	163	2.6	32	3.2	187	87.0
	248	5.6	169	2.7	36	3.6	215	100.0
Gains								
Gain on derecognition of investment properties	1,795	40.7	1,825	29.0	979	96.4	—	—
Gain on early termination of lease arrangements	2,368	53.7	4,293	68.3	—	—	—	—
Total	4,411	100.0	6,287	100.0	1,015	100.0	215	100.0

Other income and gains increased significantly from RMB4.4 million in 2024 to RMB6.3 million in 2025. The increase was mainly attributable to a gain recognised upon the early termination of a contract under our commercial operation services. When the contract ended, investment properties, net investment in lease and lease liabilities were required to be derecognised in accordance with applicable accounting standards, resulting in a non-recurring accounting gain. There is no such one-off gain recorded in 2026, thereby significant reducing the other income and gains to RMB0.2 million in 1H2026.

Government grants of RMB0.2 million for FY2024, mainly represent incentives received from the local government in connection with certain financial support to local business enterprises. There are no unfulfilled conditions or contingencies relating to these grants.

Selling and Distribution Expenses

Selling and distribution expenses increased significantly from RMB0.4 million in 2024 to RMB2.0 million in 2025. The increase was primarily attributable to higher staff cost incurred, which rose by RMB1.2 million, reflecting the expansion of our marketing team to support the growth of our value-added services. Our selling and distribution expenses decreased from RMB0.9 million for 1H2025 to RMB0.5 million for 1H2026 because the relevant expenses were recognised as cost of sales following the successful acquisition and commencement of value-added services.

Administrative Expenses

	FY2024		FY2025		1H2025		1H2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
					(unaudited)			
Staff costs	5,551	51.2	5,706	36.5	2,808	49.8	4,273	49.4
Depreciation & amortisation	883	8.1	1,008	6.4	542	9.6	533	6.2
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Consulting fee	371	3.4	477	3.1	221	3.9	1,130	13.1
Business development expenses	524	4.8	149	1.0	98	1.8	98	1.1
Office expenses	1,242	11.5	1,312	8.4	290	5.1	589	6.8
Others	955	8.8	665	4.3	205	3.6	207	2.4
Total	10,854	100.0	15,610	100.0	5,645	100.0	8,643	100.0

Our administrative expenses increased significantly by 43.1% from RMB10.9 million in FY2024 to RMB15.6 million in the corresponding period in FY2025, which was mainly contributed by the [REDACTED] which was incurred in the preparation of the [REDACTED]. Our administrative expenses further increased from RMB5.6 million for 1H2025 to RMB8.6 million for 1H2026, primarily attributable to the increase in staff costs.

Reversals of Loss Allowance/(Impairment Losses) on Financial Instruments, Net

Our reversals of loss allowance on financial assets for FY2024 is RMB0.4 million, and for FY2025, our impairment losses on financial assets is RMB1.3 million comprising impairment of trade receivables of RMB3.6 million and partially offset by the remeasurement of financial guarantee contracts of RMB2.3 million. During 1H2025 and 1H2026, we recorded impairment losses on financial assets of RMB4.3 million and RMB2.2 million, respectively, comprising mainly of impairment losses on trade receivables. For details, please see analysis on trade receivables in this section below.

Finance Costs

Finance costs decreased from RMB7.0 million in FY2024 to RMB3.7 million in the corresponding period in FY2025 as a result of the repayment of bank borrowings in 2025. Finance costs reduced to RMB0.4 million for 1H2026.

Income Tax Expenses

Our income tax expense comprises PRC corporate income tax.

For FY2024, FY2025 and 1H2026, our income tax expense was RMB4.7 million, RMB5.7 million and RMB1.8 million, respectively. The following table sets forth a breakdown of our income tax expenses for the year/period indicated:

	FY2024	FY2025	1H2025	1H2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Current tax	4,484	5,751	2,875	2,260
Deferred tax	220	(66)	(1,637)	(432)
Total	4,704	5,685	1,238	1,828

According to the applicable PRC tax regulations, the general corporate income tax rate in the PRC is 25% and most our PRC entities had been subject to the statutory enterprise income tax rate during the Track Record Period.

Our effective tax rate, representing income tax expense divided by profit before income tax, was 37.3%, 26.3%, 67.7% and 19.4% for FY2024,FY2025, 1H2025 and 1H2026, respectively. Our income tax expense for each year/period can be reconciled to the profit before income tax as follows:

	FY2024	**FY2025**	**1H2025**	**1H2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Profit/(loss) before income tax	12,600	21,622	1,828	9,420
Tax calculated at a tax rate of 25%	3,150	5,406	457	2,355
Effect of different tax rates	(215)	(236)	109	(439)
Tax losses not recognised	63	29	36	—
Tax losses utilized from previous periods	—	(49)	(9)	(6)
Expenses not deductible for tax purposes	1,706	535	645	(82)
Tax charges at the Group's effective tax rate	4,704	5,685	1,238	1,828

In 2024, the effective income tax rate was higher than 25% was mainly due to certain expenses not deductible for tax purposes. In 2025, the effective tax rate was 26.3%, slightly higher than 25% mainly because certain expenses are not deductible for tax purposes. In 1H2026, our effective tax rate was lower than 25% primarily because certain of our subsidiaries were qualified as small and micro enterprises and subject to a preferential income tax rate of 5%.

Profit for the Year/Period

As a result of the foregoing, we recorded a net profit of RMB15.9 million for FY2025 from net profit of RMB7.9 million for FY2024. Our net profit for 1H2026 increased significantly to RMB7.6 million from RMB0.6 million for 1H2025.

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated.

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	6,658	4,722	4,133
Investment properties	21,648	511	393
Right-of-use assets	75	315	427
Net investment in leases	34,682	24,167	26,022
Intangible assets	317	492	712
Investments in an associate	—	135	62
Prepayments, other receivables and other assets	760	689	995
Deferred tax assets	5	58	43
Total non-current assets	**64,145**	**31,089**	**32,787**
CURRENT ASSETS			
Trade receivables	18,874	22,368	25,771
Net investment in leases	6,432	7,150	5,641
Prepayments, other receivables and other assets	174,350	44,320	44,779
Restricted bank deposits	5,524	657	752
Cash and cash equivalents	8,931	15,211	16,877
Total current assets	**214,111**	**89,706**	**93,820**
CURRENT LIABILITIES			
Trade payables	4,413	7,866	3,795
Other payables and accruals	105,270	35,257	37,617
Interest-bearing bank borrowings	5,119	—	—
Lease liabilities	10,357	3,830	3,179
Tax payable	9,189	3,722	3,767
Total current liabilities	134,348	50,675	48,358
NET CURRENT ASSETS	79,763	39,031	45,462

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	80,000	—	—
Lease liabilities	39,501	12,067	13,051
Deferred tax liabilities	3,022	3,009	2,562
Total non-current liabilities	**122,523**	**15,076**	**15,613**
Net assets	21,385	55,044	62,636
EQUITY			
Equity attributable to owners of the parent			
Share capital	3,000	36,000	36,000
Reserves	18,553	18,662	25,704
	21,553	54,662	61,704
Non-controlling interests	(168)	382	932
Total equity	**21,385**	**55,044**	**62,636**

Property, Plant and Equipment

Our property, plant and equipment primarily consist of electronics and office equipment, motor vehicles and leasehold improvements. Our property, plant and equipment decreased from RMB6.7 million as at 31 December 2024 to RMB4.7 million as at 31 December 2025 and further to RMB4.1 million as at 30 June 2026 largely as a result of depreciation.

Investment Properties

Our investment properties mainly comprise subleases that are classified as operating leases, under which the lease terms granted to tenants do not cover substantially all of the remaining lease terms of the corresponding head leases. Accordingly, we retain substantially all the risks and rewards incidental to the right of use of the underlying properties. As at 31 December 2024 and 2025, our investment properties primarily consisted of factory and office buildings and apartments in the industrial parks managed by the Group, as well as certain retail stores and office premises in commercial properties in the PRC, which are held to earn income and subleased by the Group to third parties under operating leases. In 2024, the Group recorded additions of RMB66.5 million to investment properties, representing the initial recognition of several sublease arrangements as part of its expansion of industrial park operations under the sublease model.

During 2024, one sublease project subsequently became loss-making. As a result, to mitigate business risk, particularly in less favourable market conditions, we made the strategic decision to substantially discontinue our sublease model at the end of 2024. Under this new arrangement, the Group ceased to hold the leasehold interests and no longer recognises the underlying properties as investment properties, and instead earns entrusted management service fees without exposure to lease-related risks, such as the risk of vacancy losses or rental shortfalls. Accordingly, the relevant investment properties were derecognised, resulting in the RMB42.4 million disposals recorded in the same year.

The carrying amount of investment properties further decreased substantially from RMB21.6 million as at 31 December 2024 to RMB0.5 million as at 31 December 2025. The significant reduction was primarily due to the early termination of a major head lease associated with one of the properties under the sublease model in August 2025, which resulted in the derecognition of the related investment property balance. The decision to early terminate the lease was driven by the project's sustained unprofitability, as the rental income generated was insufficient to cover the corresponding rental obligations payable by the Group to its client. The Company proactively engaged with the landlord and negotiated an early termination of the lease agreement. This outcome allowed the Group to cease further financial losses associated with the project and mitigate future downside exposure. As the Group continues transitioning from the sublease model to the entrusted management service model, only one contract associated with the sublease model remained as at 31 December 2025. Investment properties further decreased to RMB0.4 million as at 30 June 2026 as a result of depreciation and disposal.

Right-of-use Assets

Our right-of-use assets mainly refer to lease contracts for employee apartments and office premises used in its operation.

Net Investment in Leases

Our net investment in leases mainly comprises subleases that are classified as finance leases, under which the lease terms granted to tenants cover substantially all of the remaining lease terms of the corresponding head leases. Where a sublease is classified as a finance lease, the Group is regarded as having transferred substantially all the risks and rewards incidental to the right of use of the underlying property to the tenants.

As at 31 December 2024 and 2025, our net investment in leases primarily represented leased rooftop areas in certain industrial parks managed by the Group, which were leased from property owners and subleased under finance lease arrangements for energy-related services, as well as certain retail stores and office premises in commercial properties in the PRC held under finance subleasing arrangements to earn rental income.

Net investment in leases (including both current and non-current portion) decreased from RMB41.1 million as at 31 December 2024 to RMB31.3 million as at 31 December 2025, primarily because the Group substantially ceased its subleasing arrangements towards the end of 2024. The remaining balance as at 31 December 2025 mainly comprised leased rooftops for energy-related services and finance lease subleases relating to the one project that continued to operate under the subleasing model in 2025. Net investment in leases remained stable at RMB31.7 million as at 30 June 2026.

Trade Receivables

Our trade receivables, net of allowance for impairment, amounted to RMB18.9 million, RMB22.4 million and RMB25.8 million as at 31 December 2024 and 2025 and 30 June 2026, respectively. The increase in gross trade receivables before impairment was primarily attributable to: (i) the growth in our revenue; and (ii) a decline in property fee collection rates due to broader market and economic conditions.

The following table sets forth a breakdown of our trade receivables as at the dates indicated:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	19,967	27,014	32,573
— Related parties	5,084	5,827	6,265
— Independent third parties	14,883	21,187	26,308
Less: allowance for impairment of trade receivables	(1,093)	(4,646)	(6,802)
Trade receivables — net	18,874	22,368	25,771

An impairment analysis is performed at each reporting date using a provision matrix based on customer credit risk, and our historical credit loss experience, to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss. Allowance for impairment of trade receivables increased significantly from RMB1.1 million as at 31 December 2024 to RMB4.6 million as at 31 December 2025 and further to RMB6.8 million as at 30 June 2026, which was due to (i) defaulted receivables from certain customers in Zhezhong Jicheng International Smart Beauty Valley Industrial Park of RMB2.7 million as at 31 December 2025 and RMB3.3 million as at 30 June 2026 (for details, please see subsection headed "*Trade Receivables Turnover Days*"); and (ii) based on its ageing analysis, the trade receivable that was overdue for more than 1 year but within two years also increased significantly from RMB0.3 million as at 31 December 2024 to RMB1.3 million as at 31 December 2025 and further to RMB3.0 million as at 30 June 2026 and the expected credit loss rate was high at 63.99% as at 31 December 2025 and 65.56% as at 30 June 2026. In determining the recoverability of trade receivables from the property management services, we take into consideration a number of indicators, including subsequent settlement status, historical write-off experience and management fee collection rate of the customers, in estimating the future cash flow from the receivables.

As at the Latest Practicable Date, RMB8.5 million, or 26.3%, of our trade receivables before deduction of allowance for impairment of trade receivables as at 30 June 2026 were subsequently settled. As at the Latest Practicable Date, RMB3.8 million, or 61.2%, of our trade receivables before deduction of allowance for impairment of trade receivables from related parties as at 30 June 2026 were subsequently settled. As at the Latest Practicable Date, RMB4.7 million, or 18.0%, of our trade receivables before deduction of allowance for impairment of trade receivables from third parties as at 30 June 2026 were subsequently settled.

The following table sets forth an ageing analysis of our gross trade receivables based on the invoice date as at the date indicated:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	19,643	22,964	25,959
1 to 2 years	302	1,280	3,014
Over 2 years	22	83	279
Defaulted receivables	—	2,687	3,321
	19,967	27,014	32,573

Our trade receivables aged within one year increased from RMB19.6 million as at 31 December 2024 to RMB23.0 million as at 31 December 2025 and further to RMB26.0 million as at 30 June 2026. Our trade receivables aged between one to two years increased significantly from RMB0.3 million as at 31 December 2024 to RMB1.3 million as at 31 December 2025, primarily due to certain customers delaying settlement of invoices. Such balance increased to RMB3.0 million as at 30 June 2026 because of the timing of collection and settlement and the relatively longer internal settlement process of certain state-owned enterprise customers. Our trade receivables aging over two years remained low at approximately RMB22,000 as at 31 December 2024, RMB83,000 as at 31 December 2025 and RMB0.3 million as at 30 June 2026, representing less than 1.0% of our total trade receivables.

In determining the recoverability of trade receivables from the property management and value-added services, we have conducted an impairment assessment for our trade receivables. We use a provision matrix to calculate the expected credit losses (the "ECL") for trade receivables, trade receivables have been grouped based on shared credit risk characteristics and ageing periods. The ECL for trade receivables is based on its historical credit loss experience, adjusted for forwarding looking factors specific to the debtors and the economic environment. In addition to the ECL assessment, the Group has implemented a series of measures to stabilise and accelerate the collection of trade receivables. These measures include closely monitoring overdue accounts, maintaining regular communication with customers to follow up on pending payments, coordinating with developers-including the Parent Group, where relevant, to resolve any operational or delivery-related issues affecting settlements, and establishing clear payment schedules with customers. The Group also regularly reviews the collectability of receivables and updates impairment provisions as appropriate to ensure that the financial statements reflect recoverable amounts. Given our diligent credit assessments, continuous monitoring, proactive follow-ups as mentioned above, we confirm provision was adequate and we do not expect to experience any material issue in the recoverability of our trade receivables in the foreseeable future.

Trade Receivables Turnover Days

The following table sets forth the average turnover days of our trade receivables for the year indicated:

	FY2024	**FY2025**	**1H2026**
Trade receivables turnover days	84	113	136
Trade receivables turnover days for related parties	170	93	93
Trade receivables for independent third parties	59	108	153

Note: The trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade receivables in that year/period by revenue for the corresponding year/period and then multiplying by the number of days in that year or period (i.e., 365 days for FY2024 and FY2025 and 183 days for 1H2026).

Our average trade receivables turnover days increased significantly from 84 days to 113 days. This deterioration was primarily attributable to a material lengthening in the collection period from independent third-party customers, which extended from 59 days for FY2024 to 108 days for FY2025 and further to 153 days for 1H2026. The lengthening of the trade receivables collection period from independent third parties was primarily attributable to several factors. In particular, one of the Group's largest customers, a state-owned enterprise, which subcontracted property management services to the

Group for four industrial park projects and accounted for around 40% and 30% of the Group's net trade receivables as at 31 December 2025 and 30 June 2026, respectively, typically required a longer timeframe to complete its internal payment approval and settlement procedures.

Such extended settlement cycles are not uncommon for state-owned enterprises in the PRC, as payments are often subject to more stringent internal review, budgeting and approval processes. As a result, the collection period for receivables from such customers is generally longer compared to those from private sector customers.

In addition, certain customers in the Zhezhong Jicheng International Smart Beauty Valley Industrial Park (浙中吉成國際智享美谷產業園) experienced delays in settling their property management fees during the Track Record Period. These delays were primarily attributable to the delayed delivery of industrial park units by the developer, which is part of our Parent Group, and the customers were in the process of coordinating solutions with the developer, which affected the timing of their payments to the Group. As no settlement was reached during the Track Record Period, the relevant trade receivables of RMB2.7 million and RMB3.3 million were fully impaired as at 31 December 2025 and 30 June 2026.

The Group has implemented a series of measures to stabilise and accelerate the collection of trade receivables. These measures include closely monitoring overdue accounts, maintaining regular communication with customers to follow up on pending payments, coordinating with developers-including the Parent Group, where relevant, to resolve any operational or delivery-related issues affecting settlements, and establishing clear payment schedules with customers. The Group also regularly reviews the collectability of receivables and updates impairment provisions as appropriate to ensure that the financial statements reflect recoverable amounts.

Prepayments, Other Receivables and Other Assets

Below sets forth a breakdown of the prepayments, other receivables and other assets as at the dates indicated:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current assets			
Prepayments	208	380	193
Other current assets	236	—	2
Other receivables	173,463	41,510	41,550
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	174,350	44,320	44,779
Non-current assets			
Other receivables	635	635	335
Advance payments for property, plant and equipment and intangible assets	125	54	660
Total	760	689	995

Prepayments, other receivables and other assets mainly comprise other receivables from related parties, which are loan advances to related parties. Prepayments, other receivables and other assets decreased significantly from RMB174.4 million as at 31 December 2024 to RMB44.3 million as at 31 December 2025, primarily driven by the decrease in other receivables from RMB173.5 million to RMB41.5 million as a result of the settlement from related parties. The remaining non-trade balances with related parties will be settled prior to the [REDACTED]. The balance remained stable at RMB44.8 million as at 30 June 2026. As at the Latest Practicable Date, RMB0.5 million or 1.2% of our other receivables as at 31 December 2025 were subsequently settled.

Trade Payables

Trade payables mainly represent amount payable to suppliers and subcontractors. Our trade payables increased from RMB4.4 million as at 31 December 2024 to RMB7.9 million as at 31 December 2025. The increase in trade payables was mainly due to: (i) an increase in subcontracting costs as we outsourced some labour-intensive project-based functions to external service providers; and (ii) the commencement of operations in new industrial parks in 2025, which resulted in higher payables for cleaning and waste disposal services. Trade payables decreased to RMB3.8 million as at 30 June 2026 as a result of settlement made to our suppliers.

Trade Payables Turnover Days

The following table sets forth our trade payables turnover days for the year/period indicated:

	FY2024	**FY2025**	**1H2026**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables turnover days	58	54	56

Note: The trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade payables in that year by cost of sales for the corresponding year and then multiplying by the number of days in that year or period (i.e., 365 days for FY2024 and FY2025 and 183 days for 1H2026).

The following table sets forth an ageing analysis of our trade payables based on the invoice date as at the date indicated:

	As at 31 December		**As at 30 June**
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,743	5,071	3,788
Over 1 year	2,670	2,795	7
Total	4,413	7,866	3,795

As at the Latest Practicable Date, RMB1.8 million or 46.7% of our trade payables as at 31 December 2025 were subsequently settled.

Other Payables and Accruals

The following table sets forth a breakdown of our other payables and accruals as at the date indicated:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Other payables	70,347	9,919	16,955
Financial guarantee contract	10,300	—	—
Contract liabilities	5,191	8,166	6,342
Receipt in advance	5,767	463	291
Payroll payables	9,479	7,927	6,317
Other tax payables	3,445	2,489	2,225
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	105,270	35,257	37,617

Other payables is our largest component of other payables and accruals, representing approximately 66.8%, 28.1% and 45.1% of the total as at 31 December 2024, 2025 and 30 June 2026, respectively. The following table sets forth a further breakdown of other payables as at the date indicated:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to related companies	48,114	13	2,444
Deposits	5,871	6,236	6,020
Government subsidy	6,040	617	617
Utilities	7,197	988	541
Professional fee	1,694	—	—
Platform service fees	1,050	639	343
Receipt on behalf	—	—	5,000
Others	381	1,426	1,990
Total	70,347	9,919	16,955

In the Group's other payables, amounts due to related companies decreased significantly from approximately RMB48.1 million as at 31 December 2024 to approximately RMB13,000 following subsequent settlement during 2025. Amounts due to related companies represented unsecured, interest-free balances with related parties that were repayable on demand.

Government subsidy represents special funds received under the Not*ice on Further Strengthening the Management of Affordable Rental Housing Construction* (Zhe Jian Bao Fa [2022] No. 97) and the *Nanxun District Interim Measures for the Management of Affordable Rental Housing Special Funds* (Xun Cai Zong [2022] No. 70), which are designated to support eligible construction, renovation, or acquisition of affordable rental housing. The balance declined significantly from RMB6.0 million in 2024 to RMB0.6 million in 2025 as at 31 December 2025 and as at 30 June 2026 due to the subsequent utilization of these funds for eligible project expenditures during the period. As the funds are strictly

disbursed based on actual project costs incurred (e.g., construction and renovation outlays), the drawdown reflects the progression of the underlying affordable housing projects. The remaining balance of RMB0.6 million is reserved for future qualifying expenditures. Utilities, which mainly represented the collection of water and electricity changes on behalf of customers which, declined from RMB7.2 million as at 31 December 2024 to RMB1.0 million as at 31 December 2025 and RMB0.5 million as at 30 June 2026 after the Group discontinued such collection and pass-through arrangements to minimise administrative burden.

The decrease in other payables among other payable and accruals was largely offset by an increase in accrued [REDACTED], which rose from RMB[REDACTED] million in 2024 to RMB[REDACTED] million in 2025, reflecting the Group's increased activities in preparing for its proposed [REDACTED].

In 2024, we provided financial guarantee to a related party in respect of its banking facilities. Under the guarantee, we were liable to compensate the bank for principal and interest in the event of a default. The banking facilities totalled RMB87.2 million, of which RMB58.0 million was utilised by the related party. In December 2025, the financial guarantee had been released. Remaining other payables with related parties will be settled prior to the [REDACTED].

As at the Latest Practicable Date, RMB3.7 million or 21.8% of our other payables as at 30 June 2026 were subsequently settled.

Other payables increased from RMB9.9 million as at 31 December 2025 to RMB17.0 million as at 30 June 2026, primarily due to an increase of RMB5.0 million receipts on behalf of an Independent Third Parties developer, representing intention deposits received from numerous potential purchasers on behalf of the developer in connection with the provision of our property sales support services.

Our contract liabilities mainly represent advances received from customers for property management services and our obligations to provide the contracted services. Our contract liabilities increased from RMB5.2 million as at 31 December 2024 and RMB8.2 million as at 31 December 2025 as a result of business expansion. Such balance decreased to RMB6.3 million as at 30 June 2026. As at 31 August 2026, RMB5.1 million or 81.0% of our contract liabilities had been recognised as revenue.

Lease Liabilities

We lease various properties in the PRC mainly for the provision of our commercial operation services under the sublease model and also for our offices. The following table sets forth a breakdown of our lease liabilities as at the dates indicated:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Lease liabilities			
— Current portion	10,357	3,830	3,179
— Non-current portion	39,501	12,067	13,051
Total	49,858	15,897	16,230

Our lease liabilities decreased substantially from RMB49.9 million as at 31 December 2024 to RMB15.9 million as at 31 December 2025 mainly as a result of the early termination of one of the sublease contracts under our commercial operation services, which resulted in derecognition of lease liabilities. Lease liabilities then remained stable at RMB16.2 million as at 30 June 2026.

CURRENT ASSETS AND CURRENT LIABILITIES

The following table sets forth a breakdown of our current assets, current liabilities, and net current assets as at the dates indicated:

	As at 31 December		As at 30 June	As at 31 July
	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current assets				
Trade receivables	18,874	22,368	25,771	25,205
Net investment in leases	6,432	7,150	5,641	5,503
Prepayments, other receivables and other assets	174,350	44,320	44,779	44,416
Restricted bank deposits	5,524	657	752	752
Cash and cash equivalent	8,931	15,211	16,877	18,172
Total current assets	214,111	89,706	93,820	94,048
Current liabilities				
Trade payables	4,413	7,866	3,795	4,008
Other payables and accruals	105,270	35,257	37,617	38,550
Interest-bearing bank borrowings	5,119	—	—	—
Lease liabilities	10,357	3,830	3,179	3,260
Tax payable	9,189	3,722	3,767	2,371
Total current liabilities	134,348	50,675	48,358	48,189
Net current assets	79,763	39,031	45,462	45,859

Our net current assets decreased significantly from RMB79.8 million as at 31 December 2024 to RMB39.0 million as at 31 December 2025, which was primarily due to the decrease in other receivables upon subsequent settlement from related parties and the decrease in restricted bank deposits and cash and cash equivalent which was used to repay other payables with related parties and bank borrowings. As such, our total current liabilities also decreased significantly from RMB134.3 million as at 31 December 2024 to RMB50.7 million as at 31 December 2025 with the decrease in other payables and accruals and interest-bearing bank borrowings.

Our net current assets increased slightly from RMB39.0 million as at 31 December 2025 to RMB45.5 million as at 30 June 2026, which was mainly due to combined effect of (i) the increase in trade receivables; (ii) increase in cash and cash equivalents; (iii) the decrease in trade payables; and offset by (iv) the decrease in net investment in leases. Our net current assets remained stable at RMB45.9 million as at 31 July 2026.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirement principally from cash generated from our business operations. Subsequent to the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, and the [REDACTED] from the [REDACTED]. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future.

Cash Flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the year indicated:

	FY2024	**FY2025**	**1H2026**
	RMB'000	*RMB'000*	*RMB'000*
Cash flows from operating activities			
Net cash generated from operating activities	30,972	2,176	4,466
Cash flows from investing activities			
Net cash (used in)/generated from investing activities	(94,862)	123,908	(1,510)
Cash flows from financing activities			
Net cash generated from/(used in) financing activities	69,686	(119,804)	(1,290)
Net increase in cash and cash equivalents	5,796	6,280	1,666
Cash and cash equivalents at beginning of the year/period	3,135	8,931	15,211
Cash and cash equivalents at the end of the year/period	8,931	15,211	16,877

Cash Flows in relation to Operating Activities

Net cash flow from operating activities mainly comprises fees received from the provision of our property management and commercial operation services. Our cash flow from operating activities mainly reflects (i) our profit before income tax adjusted for non-cash and non-operating items such as depreciation of property, plant and equipment and investment properties, depreciation of right-of-use assets, provision for impairment losses on financial assets and the net gain on disposal of investment properties; (ii) the effects of movements in working capital such as changes in trade receivables, prepayments, other receivables and other assets, trade payables and other payables and accruals and contract liabilities, restricted bank deposits; and (iii) income tax paid.

For 1H2026, our net cash flow from operating activities was RMB4.5 million. This represents our profit before income tax of RMB9.4 million, adjusted mainly by (i) net impairment losses on financial assets of RMB2.2 million; and (ii) depreciation of right-of-use assets. Changes in the working capital contributed to a cash outflow of RMB6.8 million, primarily consisting of the increase in trade receivables of RMB5.6 million and the decrease in trade payables of RMB4.1 million, partially offset by the increase in other payables and accruals of RMB2.4 million. We also paid income tax of RMB2.2 million for 1H2026.

For FY2025, our net cash flow from operating activities was merely RMB2.2 million. This represents our profit before income tax of RMB21.6 million, adjusted mainly by (i) provision of impairment loss on trade receivables of RMB3.6 million; (ii) depreciation of property, plant and equipment, right-of-use assets, and investment properties in an aggregate of RMB4.1 million; (iii)

finance cost of RMB3.7 million, partially offset by remeasurement of financial guarantee contracts of RMB2.3 million, and gain on early termination of lease arrangement of RMB4.3 million. Changes in working capital contributed a cash outflow of RMB11.3 million, primarily consisting of decrease in other payables and accruals of RMB18.1 million and increase in trade receivables of RMB7.0 million, partially offset by decrease in prepayments, other receivables and other assets of RMB5.4 million, withdrawal in restricted bank deposits of RMB4.9 million and increase in trade payables of RMB3.5 million. We also paid income tax of RMB11.2 million for FY2025.

For FY2024, our net cash flow generated from operating activities was RMB31.0 million. This represents our profit before income tax of RMB12.6 million, adjusted mainly by (i) depreciation of investment properties of RMB13.4 million; (ii) finance costs of RMB7.0 million; (iii) depreciation of property, plant and equipment of RMB2.1 million, partially offset by gain on disposal of investment properties of RMB1.8 million and gain on early termination of lease arrangement of RMB2.4 million. Changes in working capital contributed a cash inflow of RMB1.0 million, primarily consisting of increase in other payables and accruals of RMB25.3 million, partially offset by increase in trade receivables of RMB5.4 million, placement in restricted bank deposits of RMB5.4 million, decrease in trade payables of RMB5.7 million, increase in prepayments, other receivables and other assets of RMB6.6 million.

Cash Flows in relation to Investing Activities

For 1H2026, we used RMB1.5 million in our investing activities, primarily consisting of RMB1.0 million purchases of intangible assets and RMB0.5 million purchases of items of property, plant and equipment.

For FY2025, we generated RMB123.9 million from investing activities, primarily consisting of repayment of loans to related parties of RMB165.8 million and advances of loans to related parties of RMB41.2 million.

For FY2024, we used RMB94.9 million in our investing activities, primarily consisting of (i) advances of loans to related parties of RMB139.9 million; (ii) repayment of loans to related parties of RMB46.9 million and (iii) purchase of items of property, plant and equipment of RMB1.7 million.

Cash Flows in relation to Financing Activities

For 1H2026, we used RMB1.3 million in our financing activities, primarily consisting of RMB0.8 million of payment of [REDACTED] and the principal portion of lease liabilities of RMB0.5 million.

For FY2025, we used RMB119.8 million in our financing activities, primarily consisting of repayment of bank borrowings of RMB85.0 million and repayment of related parties borrowings of RMB65.2 million, partially offset by proceeds from loans from related parties of RMB23.6 million, capital contribution by shareholders of RMB3.0 million and the RMB7.0 million proceeds from issuance of shares.

For FY2024, we generated RMB69.7 million from financing activities, primarily consisting of drawdown of new bank borrowings of RMB90.0 million, proceeds from loans from related parties of RMB35.2 million, partially offset by repayment of related parties' borrowings of RMB37.0 million, payment of principal portion of lease liabilities of RMB11.4 million, repayment of bank borrowings of RMB5.0 million and interest payment of RMB4.9 million.

INDEBTEDNESS

Borrowings

The following table sets forth a breakdown of our indebtedness as at the dates indicated:

	As at 31 December		As at 30 June	As at 31 July
	2024	2025	2026	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)
Current liabilities				
— Interest-bearing bank borrowings	5,119	—	—	—
— Amounts due to related parties (non-trade nature)	41,611	13	—	—
— Lease liabilities	10,357	3,830	3,179	3,260
	57,087	3,843	3,179	3,260
Non-current liabilities				
— Interest-bearing bank borrowings	80,000	—	—	—
— Lease liabilities	39,501	12,067	13,051	13,028
	176,588	15,910	16,230	16,288

As at 31 December 2024, we had interest-bearing borrowings of RMB85.1 million from a bank. In 2024, two entities of the Parent Group have entered the maximum mortgage guarantee contracts to guarantee bank facilities made to the Group. As at 31 December 2024 and 31 December 2025, the not yet past due facilities drawn by the Group was RMB85.1 million and nil, respectively. As the Group did not, at the relevant time, have sufficient standalone credit profile or assets to secure external financing on its own, such bank borrowings were obtained with the support of the Parent Group, including the provision of fixed assets of the Parent Group as collateral.

The drawdown of such bank borrowings was also substantially utilised for the funding needs of the Parent Group, which gave rise to corresponding amounts due from the Parent Group recorded in the Group's accounts.

As part of the Group's preparation for [REDACTED], the Directors have taken active steps to enhance the Group's financial and operational independence from the Parent Group. In June 2025, the guarantee contracts from related parties were terminated, and the Group fully repaid the aforesaid bank borrowings in 2025, thereby ceasing reliance on financing arrangements supported by the Parent Group's assets. As at 30 June 2026, we only had lease liabilities of RMB16.2 million. As of the Latest Practicable Date, the Group no longer has any bank borrowings secured by the assets of the Parent Group.

Our Directors confirm that there was no default in payments of our liabilities, and/or breach of covenants or undertakings relating to our outstanding debts, guarantees, pledges over assets, or other contingent obligations during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining credit facilities, or withdrawal of facilities or requests for early repayment.

Lease liabilities

We recorded total lease liabilities, including current portion and non-current portion, of RMB49.9 million, RMB15.9 million, RMB16.2 million and RMB16.3 million as at 31 December 2024, 31 December 2025, 30 June 2026 and 31 July 2026, respectively. See "Discussion of Selected Items from the Consolidated Statements of Financial Position — Lease Liabilities."

Except as disclosed in this document or any intra-group liabilities, as at 31 July 2026, we did not have any outstanding or authorised to be issued but unissued debt securities, term loans, borrowings or indebtedness in nature of borrowing, acceptance credits, hire purchase commitments, mortgages and charges, contingent liabilities or guarantees. As at the Latest Practicable Date, we did not have any banking facilities or outstanding borrowings, and was not subject to any material covenants or undertakings, nor did it have any material guarantees, pledges over key assets, or other contingent obligations. Our Directors confirm that, save as disclosed above, since 31 July 2026, and up to the Latest Practicable Date, there had not been any material changes to our indebtedness.

Contingent Liabilities

As at 30 June 2026, we did not have any material contingent liabilities. Our Directors have confirmed that there was no material adverse change in our Group's contingent liabilities since 30 June 2026 and up to the Latest Practicable Date.

CAPITAL EXPENDITURE

The following table sets forth a breakdown of our historical capital expenditure for the year/period indicated:

	Year ended 31 December		Six months ended
	2024	**2025**	**30 June 2026**
	RMB'000	*RMB'000*	*RMB'000*
Additions of property, plant and equipment	1,825	438	591
Additions of investment properties	66,533	1,330	259
Additions of right-of-use assets	—	375	180
Additions of intangible assets	206	259	973
Total	68,564	2,402	2,003

During the Track Record Period, we incurred the largest capital expenditure for the acquisition of investment properties and net investment in lease to support our sublease model under the commercial operation services in FY2024. However, as we progressively transitioned the sublease model to entrusted management services model, the additions of investment properties in lease for commercial operation services have decreased significantly subsequently for FY2025.

RELATED PARTY TRANSACTIONS AND BALANCES

Related Party Transactions

The related party transactions were conducted during the Track Record Period in accordance with terms as agreed between us and the respective related parties. Our Directors have confirmed that all related party transactions during the Track Record Period were conducted on normal commercial terms that are reasonable and in the interest of our Group as a whole. Our Directors further confirmed that these related party transactions would not distort our results of operations for the Track Record Period or make our historical result not reflective of our future performance.

The following table sets out the breakdown of our related party transactions for the year/period indicated:

	FY2024	**FY2025**	**1H2025**	**1H2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Basic property management services	7,059	11,417	5,683	5,308
Value-added services	389	9,952	4,089	6,303
— Energy-related services	77	786	270	547
— Park ancillary services	—	404	—	64
— Operational support services	312	8,762	3,819	5,692
Purchase of services	12,253	24	16	—
Rental charges	60	135	67	68

Revenue from basic property management services provided to related parties increased from RMB7.1 million in 2024 to RMB11.4 million in 2025, primarily due to the substantial transition to the entrusted management service model. Under this model, basic property management fees are paid to the Group by the Parent Group rather than directly by independent tenants, as the Group no longer enters into agreements directly with the tenants. Under the sublease model, we as tenants bore the basic property management service fees if the properties were not rented out, therefore we did not recognise the basic property management services revenue for unoccupied units. Under the entrusted management service model, however, the property owner (the Parent Group) bore those fees regardless of occupancy. Revenue from basic property management services provided to related parties remained stable at RMB5.7 million and RMB5.3 million for 1H2025 and 1H2026, respectively.

Revenue from value-added services provided to related parties increased significantly from RMB0.4 million in 2024 to RMB10.0 million in 2025, driven by (i) the strategic shift in the Group's commercial operation service model from a sublease model to an entrusted management model, under which the Group directly charges service fees from related parties for managing their properties, and (ii) the expansion of the Group's value-added service offerings. Revenue from value-added services provided to related parties increased from RMB4.1 million for 1H2025 to RMB6.3 million for 1H2026, mainly driven by the growth in property sales support services.

Purchases of services from related parties mainly represent the leasing of properties from related parties for subleasing to tenants. Following the shift in the commercial operation service model, such purchases decreased significantly from RMB12.3 million in FY2024 to approximately RMB24,000 in FY2025 and nil in 1H2026.

Rental charges represent leasing expenses for offices and staff dormitories for the Group's own use.

For more details on related party transactions, please see Note 26 in the Accountants' Report set out in Appendix I.

Related Party Balances

The following table sets out the breakdown of our major related party balances as at the dates indicated:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Due from related companies:			
Trading:			
Yiwu Lianji Enterprise Management Consulting Co., Ltd.	1,233	—	631
Jinhua Zhiyu E-commerce Co., Ltd.	1,667	110	834
Chengde Baida Real Estate Co., Ltd.	499	1,440	939
Huzhou Panglong Jicheng Industrial Co., Ltd.	1,188	318	651
Zhejiang Jicheng Industrial Co., Ltd.	—	852	1,010
Others	497	3,107	2,200
Subtotal	5,084	5,827	6,265
Non-trading:			
Zhejiang Chuanzhuo Construction Engineering Co., Ltd.	90,000	—	—
Yiwu Lianji Enterprise Management Consulting Co., Ltd.	73,792	39,873	39,873
Others	2,341	80	15
Subtotal	166,133	39,953	39,888
Total	171,217	45,780	46,153
Due to related companies:			
Trading:			
Huzhou Jicheng Industrial Co., Ltd.	3,024	—	81
Others	3,479	—	2,364
Subtotal	6,503	—	2,445
Non-trading:			
Zhejiang Jicheng Industrial Co.,Ltd.	39,811	—	—
Others	1,800	13	—
Subtotal	41,611	13	—
Total	48,114	13	2,445

Trade receivables from related companies were primarily derived from the Group's provision of basic property management services and value-added services to related companies. The increase in trade receivables from related companies was mainly attributable to the increase in revenue from basic property management services and operational support services following the adoption of a service model under which the Group began charging service fees to various related companies for managing their properties.

Other receivables from related companies decreased significantly from RMB166.1 million as at 31 December 2024 to RMB40.0 million as at 31 December 2025. The amount of RMB90.0 million as at 31 December 2024 due from Zhejiang Chuanzhuo Construction Engineering Co., Ltd. represented loans advanced for its working capital purposes, which were largely funded by bank borrowings obtained by the Group and secured by mortgage guarantees provided by the Parent Group. The guarantee contracts from related parties were terminated in June 2025, and the aforesaid RMB90.0 million other receivables have also been fully settled. The balance remained stable at RMB39.9 million as at 30 June 2026.

The Group also recorded other receivables of RMB73.8 million from Yiwu Lianji Enterprise Management Consulting Co., Ltd., which primarily represented outstanding balance relating to historical equity acquisition consideration and project construction funding. Partial settlement has been received from Yiwu Lianji Enterprise Management Consulting Co., Ltd., reducing the outstanding balance to approximately RMB39.9 million as at 31 December 2025. The remaining non-trade balances with related companies are expected to be fully settled prior to the [REDACTED]. Our non-trade other payables to related companies as at 31 December 2024 have been substantially settled in 2025 and remained nil as at 30 June 2026.

SUMMARY OF FINANCIAL RATIOS

The following table sets out certain financial ratios relating to our Group as at the dates or for the year indicated:

	FY2024	FY2025	1H2026
Current ratio[(1)]	1.59	1.77	1.94
Liabilities to assets ratio[(2)]	0.92	0.54	0.50
Gearing ratio[(3)]	631.2%	28.9%	25.9%
Return on equity[(4)]	36.8%	41.7%	N/A
Return on total assets[(5)]	3.8%	8.0%	N/A

Notes:

(1) Current ratio is calculated based on our total current assets as at the end of the relevant years/period divided by our total current liabilities as at the end of the corresponding year/period.

(2) Liabilities to assets ratio is calculated based on our total liabilities as at the end of the relevant years/period divided by our total assets as at the end of the corresponding year/period.

(3) Gearing ratio is calculated as the sum of interest-bearing bank borrowings and lease liabilities divided by total equity as at the end of the relevant year/period and multiplied by 100%.

(4) Return on equity is calculated based on our profit for the years divided by the average of our total equity as at the beginning and the end of the corresponding year and multiplied by 100%.

(5) Return on total assets is calculated based on our profit for the year divided by our average total assets as at the beginning and the end of the corresponding year and multiplied by 100%.

Current Ratio

Our current ratio increased from 1.59 as at 31 December 2024 to 1.77 as at 31 December 2025. This increase was primarily due to the increase in trade receivables by RMB3.5 million and decrease in bank borrowings by RMB5.1 million during FY2025. Our current ratio further improved to 1.96 as at 30 June 2026, primarily attributable to an increase in trade receivables in line with the growth in revenue and a decrease in trade payables following the settlement of outstanding balances.

Liabilities to Asset Ratio

Our liabilities to asset ratio decreased significantly from 0.92 as at 31 December 2024 to 0.54 as at 31 December 2025 and further to 0.50 as at 30 June 2026. This decrease was primarily due to the higher decrease in liabilities than assets mainly because of the repayment of interest-bearing borrowings of RMB85.1 million.

Gearing Ratio

Gearing ratio decreased substantially from 631.2% as at 31 December 2024 to 28.9% as at 31 December 2025 and further to 25.7% as at 30 June 2026 because the interest-bearing borrowings were fully settled in 2025.

Return on Equity

Our return on equity for FY2024 and FY2025 was 36.8% and 41.7% respectively. Such increase was mainly due to the extent of increase in net profits by RMB8.0 million being greater than the increase in equity.

Return on Total Assets

Our return on total assets for FY2024 and FY2025 was 3.8% and 8.0% respectively mainly due to the increase in profit for FY2025 by RMB8.0 million.

COMMITMENTS

As at 31 December 2024 and 2025 and as at 30 June 2026, we did not have any material capital commitment and we, as a lessee, had no lease contracts that have not yet commenced as at 31 December 2024, 2025 and 30 June 2026, respectively.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period, we have not entered into any material financial guarantees or other commitments to guarantee the payment obligations of any Independent Third Parties. We have not entered into any derivative contracts that are indexed to our equity interests and classified as shareholder's equity, or that are not reflected in our consolidated financial statements. We do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISK

Market risk is the risk of loss associated to adverse changes in the market prices of financial instruments. During the ordinary course of our business, we are exposed to a variety of market risks, including credit risk and liquidity risk, as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. For more details, please see Note 30 in the Accountants' Report set out in Appendix I.

DIVIDEND AND DIVIDEND POLICY

No dividend was paid or declared by our Group during the Track Record Period and up to the Latest Practicable Date.

Our Board is responsible for submitting proposals in respect of dividend payments, if any, to the Shareholders' general meeting for approval. Our Board may declare dividends in the future after taking into account our distributable profits, financial condition, cash flows, expected future capital expenditure, return to our Shareholders, capital requirements, finance costs, the external financing environment and any other factors that the Directors may deem relevant. Any declaration and payment, as well as the amount of, dividends will be subject to the requirements of our Article of Association and the PRC Company Law. According to the PRC Company Law and our Articles of Association, dividends are distributed to our Shareholders in proportion to their shareholdings. The payment of dividends may also be limited by legal restrictions.

As at the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. However, subject to the availability of our cash and distributable reserves, investment requirements, our cashflows and working capital requirements and the approval of our Shareholders, our Directors currently intend to declare and recommend dividend amount to not less than 20% of the annual distributable profit, if any, from ordinary activities starting from the financial year ending 31 December 2027 subsequent to the [REDACTED].

WORKING CAPITAL SUFFICIENCY

We finance our working capital needs primarily through cash flow from cash generated from operating activities. Taking into account the financial resources available to us, including the cash flow from operating activities, our cash and cash equivalents of RMB16.9 million as at 30 June 2026 and estimated [REDACTED] from the [REDACTED], after due and careful inquiry, our Directors are of the view that we have sufficient working capital available for at least the next 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As at 30 June 2026, our Group had retained earnings of RMB24.1 million under HKFRS Accounting Standards, as reserves available for distribution to our Shareholders.

[REDACTED]

Our [REDACTED] mainly include [REDACTED] fees and legal and professional fees in relation to the [REDACTED]. Assuming an [REDACTED] of HK$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] range), the [REDACTED] to be borne by our Group is estimated to be approximately HK$[REDACTED] million (equivalent to RMB[REDACTED] million) (being [REDACTED]% of the gross [REDACTED]), of which RMB[REDACTED] million, RMB[REDACTED] million and RMB[REDACTED] million have been charged to our consolidated

statements of profit or loss and other comprehensive income in FY2024, FY2025 and 1H2026, respectively, approximately RMB[REDACTED] million is expected to be charged to profit or loss and other comprehensive income after the Track Record Period, and approximately RMB[REDACTED] million is directly attributable to the [REDACTED] and [REDACTED] of our [REDACTED] and will be deducted from equity upon the [REDACTED]. By nature, our [REDACTED] are composed of (i) [REDACTED] of approximately HK$[REDACTED] million, and (ii) non-[REDACTED] related expenses of approximately HK$[REDACTED] million, which consist of fees and expenses of legal advisers and Reporting Accountants of approximately HK$[REDACTED] million and other fees and expenses of approximately HK$[REDACTED] million. The estimated [REDACTED] are subject to adjustment based on the actual amount incurred or to be incurred.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [REDACTED] Financial Information."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Please see the section headed "Summary — Recent Developments and No Material Adverse Change" of this document for details.

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since 30 June 2026, being the end date of the latest reporting period of our consolidated financial statements, and there has been no event since 30 June 2026 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors confirm that, as at the Latest Practicable Date, there were no circumstances which would have given rise to any disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

FUTURE PLANS

For details of our future plans, please see the section headed "Business — Our Strategies".

[REDACTED]

Based on the [REDACTED] of HK$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] range of HK$[REDACTED] to HK$[REDACTED] per [REDACTED] (assuming that the [REDACTED] is not exercised), we will receive [REDACTED] of HK$[REDACTED] million (equivalent to RMB[REDACTED] million).

The [REDACTED] from the [REDACTED] are estimated to be HK$[REDACTED] million (equivalent to RMB[REDACTED] million), after deducting the [REDACTED] and other estimated [REDACTED] in the aggregate amount of HK$[REDACTED] million (equivalent to RMB[REDACTED] million) paid and payable by our Company in relation to the [REDACTED].

We intend to apply such [REDACTED] from the [REDACTED] (based on the [REDACTED] of HK$[REDACTED], the [REDACTED] of the [REDACTED] range) (assuming that the [REDACTED] is not exercised) for the following purposes.

	1H2027 *RMB'000*	**2H2027** *RMB'000*	**1H2028** *RMB'000*	**2H2028** *RMB'000*	**Total** *RMB'000*	**% of [REDACTED] from the [REDACTED]** *%*
Developing Smart Park System	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Setting up solar energy power stations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Improving our value-added services	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Establishing joint venture companies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
General working capital	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Total	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]%**

If the final [REDACTED] is set at the highest or lowest point of the indicative [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by HK$[REDACTED] million (equivalent to RMB[REDACTED] million). The [REDACTED] are intended to be used in approximately the same proportions as disclosed above irrespective of whether the [REDACTED] is determined at the highest or lowest point of the indicative [REDACTED] range.

If the [REDACTED] is fully exercised, we will receive additional [REDACTED] of approximately HK$[REDACTED] million for [REDACTED] Shares to be allotted and issued upon the full exercise of the [REDACTED] based on the [REDACTED] of HK$[REDACTED] per [REDACTED], and after deducting the [REDACTED] fees and [REDACTED] payable by our Company. The additional amount raised will be applied to investment in solar energy power facilities.

To the extent that the [REDACTED] from the [REDACTED] are not immediately applied for the above purposes and to the extent permitted by applicable law and regulations, it is the present intention of our Directors that such [REDACTED] will be placed on short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions as defined under the SFO or applicable laws and regulations in other jurisdictions.

The [REDACTED] described above may change in light of our evolving business development and/or material changes in circumstances such as changes in government policies or force majeure. In the event that any of our plans does not proceed or any material modification to the [REDACTED] as described above is needed, our Directors will carefully evaluate the situation and may reallocate such funds for other purposes. In this connection, our Company will issue an announcement and make disclosure in its annual report for the relevant year as required by the GEM Listing Rules.

IMPLEMENTATION PLANS

In the pursuance of our business objectives, we will adopt the implementation plans set forth below for each of the six-month periods from the [REDACTED] until 31 December 2028.

[REDACTED] should note that the following implementation plans are formulated on the bases and assumptions referred to "— Bases and Assumptions" in this section below. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set forth in the section headed "Risk Factors".

(1) Developing Smart Park System

As part of our expansion plan, we intend to develop a customised Smart Park System which centralises control and monitoring of multiple operational aspects of the industrial parks, including access control, security, personnel, vehicles and energy consumption. In order to develop the Smart Park System, we are required to, among others, (i) set up server room(s) and upgrade the internet system; (ii) engage an external IT technology company to design and develop a customised IT cloud platform; and (iii) maintain a sufficient number of technical personnel. As such, we will apply the [REDACTED] to acquire relevant facilities, engage the IT technology company and hire technical personnel, details of which are set out in the paragraphs below.

According to Frost & Sullivan, the integration of information technologies such as artificial intelligence and big data into the operations of industrial parks is one of the key market drivers in the industrial park property management services market. The application of next-generation information technologies within industrial parks continues to deepen, with smart management platforms and digital operation systems increasingly integrated into areas such as security, energy, equipment, and customer services. In order to maintain our market share and seize opportunities to attract future business, the [REDACTED] to invest in the Smart Park System is essential for driving operational efficiency and creating long-term value across our managed projects. This system will enable centralized and intelligent management of critical functions, including access control, security, vehicle and personnel tracking, energy consumption, and facility operations. By integrating these elements into a unified platform, we will significantly enhance the user experience for both park administrators and enterprise tenants, while reducing manual oversight and operational costs. Furthermore, the platform's data integration capabilities will provide the Group with real-time analytics and decision-making tools essential for scaling our property park management business. Through the development of the Smart Park System, we intend to build a technological infrastructure that will generate recurring operational savings and deliver competitive advantages in the industrial property management sector.

We expect that the total costs for developing the Smart Park System will be approximately RMB[REDACTED] million (equivalent to HK$[REDACTED] million), of which RMB[REDACTED] million (equivalent to HK$[REDACTED] million) will be funded by the [REDACTED] of the [REDACTED] and RMB[REDACTED] million (equivalent to HK$[REDACTED] million) has been or will be funded by the internal resources of our Company.

Set out below is the expected timeline for the aforementioned [REDACTED] from the [REDACTED].

Period	Action Plan	Use of [REDACTED] from the [REDACTED]	
		(RMB'000)	*(HK$'000)*
1H2027	Upgrade the data centre, servers, and network infrastructure, and enhance the IT gateway framework	[REDACTED]	[REDACTED]
	Remuneration for IT support staff	[REDACTED]	[REDACTED]
	Annual maintenance	[REDACTED]	[REDACTED]
2H2027	Establish data reporting system*Note*	[REDACTED]	[REDACTED]
	Implement the Smart Park System	[REDACTED]	[REDACTED]
	Integrate with third-party platform*Note*	[REDACTED]	[REDACTED]
	Remuneration for IT support staff	[REDACTED]	[REDACTED]
1H2028	Develop the functions for the property management's use*Note*	[REDACTED]	[REDACTED]
	Annual maintenance	[REDACTED]	[REDACTED]
	Remuneration for IT support staff	[REDACTED]	[REDACTED]
2H2028	Develop the payment and disbursement control platform*Note*	[REDACTED]	[REDACTED]
	Construct platform for data integration*Note*	[REDACTED]	[REDACTED]
	Remuneration for IT support staff	[REDACTED]	[REDACTED]
	Total	[REDACTED]	[REDACTED]

Note: Our Company will engage an external IT technology company to carry out these tasks.

(2) Setting up Solar Energy Power Stations

We intend to set up two solar energy power stations, one in each of the industrial parks namely, Chengde Jicheng Industrial Park (承德吉成產業園) and Guangdong Yangjiang Jicheng Smart Home Industrial Park (廣東陽江吉成智能家居產業園). We intend to lease the rooftops of our managed to be managed properties for setting up solar energy power stations. We will engage a qualified solar energy construction company to design, set up and install the solar energy power stations on the rooftop in the aforementioned industrial parks. Each solar energy power station is expected to have a capacity of 4 megawatts and we intend to sell the electricity generated from the solar power stations to the tenants or property owners of our managed properties.

We have introduced energy technology companies to invest in and install solar energy stations across our managed projects since 2022. As at 30 June 2026, these facilities have been commissioned at eight of our managed properties. Under our energy-related services, we bridge the gap between property owners and energy technology companies by arranging to provide the rooftop of our managed properties and introduce energy technology companies to our managed projects. We have therefore developed an understanding of the infrastructure and installation requirements and a network of the energy technology partners and vendors of the equipment. We share profits with the energy technology companies through the provision of our energy-related services and thus gain direct access into the revenue model and profitability of the investment of solar energy stations. Therefore, we believe that investing in the solar energy stations will broaden our revenue base and enhance our profit. For details of the payback period of setting up solar energy power stations, please see "Business — Our Strategies — Expand our Business Scale and Solidify our Market Position — Vertical integration".

We expect that the total costs for setting up two solar energy power stations will be approximately RMB[REDACTED] million (equivalent to HK$[REDACTED] million), of which RMB[REDACTED] million (equivalent to HK$[REDACTED] million) will be funded by the [REDACTED] from the [REDACTED] and RMB[REDACTED] million (equivalent to HK$[REDACTED] million) will be funded by the internal resources of our Company. Set out below is the expected timeline for the aforementioned [REDACTED] from the [REDACTED].

Period	**Action Plan**	**Use of [REDACTED] from the [REDACTED]**	
		(RMB'000)	*(HK$'000)*
1H2027	Set up one solar energy power station in Chengde Jicheng Industrial Park ("**Chengde Solar Energy Power Station**")	[REDACTED]	[REDACTED]
2H2027	Set up one solar energy power station in Guangdong Yangjiang Jicheng Smart Home Industrial Park ("**Yangjiang Solar Energy Power Station**")	[REDACTED]	[REDACTED]
1H2028	—	[REDACTED]	[REDACTED]
2H2028	—	[REDACTED]	[REDACTED]
	Total	[REDACTED]	[REDACTED]

Timetable

Below are the key stages and expected timing for establishment of our Chengde Solar Energy Power Station and Yangjiang Solar Energy Power Station:

	Expected Timeline	
Key stages	**Chengde Solar Energy Power Station**	**Yangjiang Solar Energy Power Station**
Project delivered to us for management	N/A[Note]	By December 2026
Engage the solar energy construction company	March 2027	June 2027
Acquire solar energy panels	April 2027	July 2027
Set up and install the solar energy panels	April to September 2027	July to December 2027
Conduct acceptance testing	September 2027	December 2027
Commence operation	October 2027	January 2028

Note: Chengde Jicheng Industrial Park was under our management during the Track Record Period and as at the Latest Practicable Date.

Capital Expenditure

Below is our planned allocation of capital expenditure of RMB [REDACTED] million for setting up the solar power stations:

Use	**Estimated capital expenditure** *(RMB' million)*	**%**
Acquisition of solar panels	[REDACTED]	[REDACTED]
Acquisition of mounting system, cable and other ancillary equipment	[REDACTED]	[REDACTED]
Design and installation of power stations	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

(3) Improving our Value-added Services

As we are dedicated to strengthening our capabilities in providing and diversifying our value-added services, we intend to allocate a total of RMB[REDACTED] million from the [REDACTED] to purchase equipment for the enhancement of these services. We intend to upgrade our equipment for our in-unit cleaning, in-unit repair and car-washing services, such as ride-on scrubbers, industrial humidifier and automatic car-washing machines. To enhance our capability in providing value-added services, we intend to employ 30 additional personnel for in-unit cleaning services. Such in-unit cleaning of industrial properties demands a higher standard from employees, including the use of specialised tools and machinery, and maintaining these personnel in-house ensures quality control of our value-added services. We also plan to carry out marketing initiatives to promote our value-added services to occupants of our managed properties.

Set out below is the expected timeline for the aforementioned [REDACTED] from the [REDACTED].

Period	Action Plan	Use of [REDACTED] from the [REDACTED] *(RMB'000)*	*(HK$'000)*
1H2027	Purchase equipment for in-unit cleaning services	[REDACTED]	[REDACTED]
	marketing expenses	[REDACTED]	[REDACTED]
2H2027	Purchase equipment for in-unit repair services	[REDACTED]	[REDACTED]
	Purchase equipment for in-unit cleaning services	[REDACTED]	[REDACTED]
	Purchase equipment for car-washing services	[REDACTED]	[REDACTED]
	marketing expenses	[REDACTED]	[REDACTED]
1H2028	Employ 20 additional staff for in-unit cleaning services	[REDACTED]	[REDACTED]
	Purchase equipment for in-unit cleaning services	[REDACTED]	[REDACTED]
	marketing expenses	[REDACTED]	[REDACTED]
2H2028	Employ 10 additional staff for in-unit cleaning services	[REDACTED]	[REDACTED]
	Payment of staff cost of the 20 additional staff for in-unit cleaning services	[REDACTED]	[REDACTED]
	marketing expenses and others	[REDACTED]	[REDACTED]
	Total	**[REDACTED]**	**[REDACTED]**

(4) Establishing Joint Venture

As we will proactively pursue new engagements from Independent Third Party property developers, we intend to establish two to three joint venture companies through the cooperation with local governments and property developers. We expect that the total costs for establishing the joint venture companies will be approximately RMB[REDACTED] million (equivalent to HK$[REDACTED] million), which will be funded by the [REDACTED] of the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] to cover the initial setup costs and provide the registered capital for the joint venture companies. This capital injection will provide the new joint venture entities with the working capital needed to commence operations.

According to Frost & Sullivan, the current property management services industry is relatively fragmented. We intend to leverage our experience in the industrial property management market in Zhejiang province to expand our market share in our existing market and further penetrate new markets. We plan to evaluate opportunities in Zhejiang Province, Anhui Province and Pearl River Delta Region, which the industrial park property management services markets are expected to be expanding, according to Frost & Sullivan. We will actively seek opportunities to partner through establishing joint venture companies with local governments and property developers to obtain property management mandate for non-residential properties such as industrial parks.

We would consider joint venture partner(s) that fulfils the following criteria:

(i) has property development projects in Jinhua-Yiwu Area, Zhejiang Province, Anhui Province and Pearl River Delta Region;

(ii) holds industrial properties with a total construction area of at least 500,000 sq.m., or land reserves of at least 500,000 sq.m. intended for industrial property development;

(iii) has sufficient working capital for business operation;

(iv) was not involved in any litigation or arbitration proceeding, or experienced any non-compliance, that would have a material adverse effect on the business, financial condition or results of operation of the joint venture.

As at the Latest Practicable Date, we had not engaged in any commercial negotiation or entered into any letter of intent or agreement for potential acquisitions, and had yet to identify any joint venture target. As time is required for us to identify and negotiate with the potential target, we expect to complete the establishment of joint venture companies by the end of 2H2028.

BASES AND ASSUMPTIONS

[REDACTED] should note that our ability to achieve our business objectives and implementation plans depends on a number of bases and assumptions, in particular:

- there will be no material changes in the existing political, legal, fiscal, social or economic conditions in the PRC and any other places in which any member of our Company will carry on business and provides services;
- we will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate;
- there will be no material changes in the prevailing laws (whether in the PRC or any other part of the world), policies or industry or regulatory treatments relating to us, or in the political, economic and market conditions in the places in which we operate or will operate our business;
- we will retain our key staff in our management team;
- there will be no material changes in the bases or rates of taxation in the PRC;
- there will be no significant changes in our business relationship with our existing strategic and business partners;
- there will be no significant changes in our business relationship with our major customers and suppliers;
- the [REDACTED] will be completed in accordance with and as described in the section headed "Structure and Conditions of the [REDACTED]";
- there will be no material changes in the funding required for each of the scheduled achievements as outlined under "— Implementation Plans" in this section;
- we will not be materially affected by the risk factors as set out in the section headed "Risk Factors"; and
- we will be able to continue its operations in substantially the same manner as we have been operating during the Track Record Period and we will be able to carry out the development plans without disruptions adversely affecting its operations or business objectives in any way.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HEBEI LIANJI QICHENG INDUSTRIAL PARK OPERATION MANAGEMENT CO., LTD. AND AUSTRAX CAPITAL LIMITED

Introduction

We report on the historical financial information of Hebei Lianji Qicheng Industrial Park Operation Management Co., Ltd. (the "Company") (formerly known as Hebei Lianji Technology Industrial Development Co., Ltd.) and its subsidiaries (together, the "Group") set out on pages I-4 to I-76, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2024 and 2025 and the six months ended 30 June 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2024 and 2025 and 30 June 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-76 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated *[date]* (the "Document") in connection with the initial [REDACTED] of the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and 2025 and 30 June 2026, and of the financial performance and cash flows of the Group for the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of Interim Comparative Financial Information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months ended 30 June 2025 and other explanatory information (the "Interim Comparative Financial Information").

The directors of the Company are responsible for the presentation and preparation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-3] have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

[●]
Certified Public Accountants
Hong Kong
[Date]

I HISTORICAL FINANCIAL INFORMATION

PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		Six months ended 30 June	
		2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
REVENUE	*5*	71,683	79,672	36,295	40,224
Cost of sales		(45,659)	(41,122)	(21,711)	(19,078)
Gross profit		26,024	38,550	14,584	21,146
Other income and gains	*5*	4,411	6,287	1,015	215
Selling and distribution expenses		(377)	(2,013)	(867)	(517)
Administrative expenses		(10,854)	(15,610)	(5,645)	(8,643)
Reversals of loss allowance/ (impairment losses) on financial instruments, net		410	(1,273)	(4,288)	(2,156)
Other expenses		(39)	(585)	(43)	(187)
Finance costs	*7*	(6,975)	(3,734)	(2,928)	(365)
Share of the loss of an associate		—	—	—	(73)
PROFIT BEFORE TAX	*6*	12,600	21,622	1,828	9,420
Income tax expense	*10*	(4,704)	(5,685)	(1,238)	(1,828)
PROFIT FOR THE YEAR/ PERIOD		7,896	15,937	590	7,592
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/ PERIOD		7,896	15,937	590	7,592
Attributable to:					
Owners of the parent		8,134	15,747	472	7,042
Non-controlling interests		(238)	190	118	550
		7,896	15,937	590	7,592
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT					
Basic and diluted	*12*	N/A	N/A	N/A	N/A

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2024 RMB'000	2025 RMB'000	As at 30 June 2026 RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	*13*	6,658	4,722	4,133
Investment properties	*14*	21,648	511	393
Right-of-use assets	*15*	75	315	427
Net investment in leases	*15*	34,682	24,167	26,022
Intangible assets		317	492	712
Investments in an associate		—	135	62
Prepayments, other receivables and other assets	*17*	760	689	995
Deferred tax assets	*22*	5	58	43
Total non-current assets		64,145	31,089	32,787
CURRENT ASSETS				
Trade receivables	*16*	18,874	22,368	25,771
Net investment in leases	*15*	6,432	7,150	5,641
Prepayments, other receivables and other assets	*17*	174,350	44,320	44,779
Restricted bank deposits	*18*	5,524	657	752
Cash and cash equivalents	*18*	8,931	15,211	16,877
Total current assets		214,111	89,706	93,820
CURRENT LIABILITIES				
Trade payables	*19*	4,413	7,866	3,795
Other payables and accruals	*20*	105,270	35,257	37,617
Interest-bearing bank borrowings	*21*	5,119	—	—
Lease liabilities	*15*	10,357	3,830	3,179
Tax payable		9,189	3,722	3,767
Total current liabilities		134,348	50,675	48,358

	Notes	As at 31 December 2024 RMB'000	2025 RMB'000	As at 30 June 2026 RMB'000
NET CURRENT ASSETS		79,763	39,031	45,462
TOTAL ASSETS LESS CURRENT LIABILITIES		143,908	70,120	78,249
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	*21*	80,000	—	—
Lease liabilities	*15*	39,501	12,067	13,051
Deferred tax liabilities	*22*	3,022	3,009	2,562
Total non-current liabilities		122,523	15,076	15,613
Net assets		21,385	55,044	62,636
EQUITY				
Equity attributable to owners of the parent				
Share capital	*23*	3,000	36,000	36,000
Reserves	*24*	18,553	18,662	25,704
		21,553	54,662	61,704
Non-controlling interests		(168)	382	932
Total equity		21,385	55,044	62,636

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						
	Share capital *RMB'000 (note 23)*	**Capital reserve*** *RMB'000 (note 24)*	**Statutory surplus reserve*** *RMB'000 (note 24)*	**Retained profits*** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total equity** *RMB'000*
At 1 January 2024	—	5,000	1,940	14,479	21,419	70	21,489
Profit and total comprehensive income for the year	—	—	—	8,134	8,134	(238)	7,896
Issuance of shares	3,000	—	—	—	3,000	—	3,000
Deemed distribution for a financial guarantee contract for a related party	—	(11,000)	—	—	(11,000)	—	(11,000)
Transfer to statutory surplus reserve	—	—	720	(720)	—	—	—
As at 31 December 2024	3,000	(6,000)	2,660	21,893	21,553	(168)	21,385
At 1 January 2025	3,000	(6,000)	2,660	21,893	21,553	(168)	21,385
Profit and total comprehensive income for the year	—	—	—	15,747	15,747	190	15,937
Contributions from the then shareholder of a subsidiary	—	3,000	—	—	3,000	—	3,000
Issuance of shares	33,000	(7,000)	—	(19,000)	7,000	—	7,000
Acquisition of a subsidiary under common control	—	(381)	—	—	(381)	—	(381)
Capital injection from non-controlling shareholders of a subsidiary	—	—	—	—	—	180	180
Acquisition of non-controlling interests	—	(180)	—	—	(180)	180	—
Disposal of a subsidiary	—	(97)	—	—	(97)	—	(97)
Transfer to statutory surplus reserve	—	—	1,594	(1,594)	—	—	—
Termination of a financial guarantee contract	—	8,020	—	—	8,020	—	8,020
As at 31 December 2025	36,000	(2,638)	4,254	17,046	54,662	382	55,044
At 1 January 2025	3,000	(6,000)	2,660	21,893	21,553	(168)	21,385
Profit and total comprehensive income for the period (unaudited)	—	—	—	472	472	118	590
Contributions from the then shareholder of a subsidiary (unaudited)	—	3,000	—	—	3,000	—	3,000
Acquisition of a subsidiary under common control (unaudited)	—	(381)	—	—	(381)	—	(381)
As at 30 June 2025 (unaudited)	3,000	(3,381)	2,660	22,365	24,644	(50)	24,594
At 1 January 2026	36,000	(2,638)	4,254	17,046	54,662	382	55,044
Profit and total comprehensive income for the period	—	—	—	7,042	7,042	550	7,592
As at 30 June 2026	36,000	(2,638)	4,254	24,088	61,704	932	62,636

* These reserve accounts comprise the consolidated reserves of RMB18,553,000, RMB18,662,000 and RMB25,704,000 in the consolidated statements of financial position as at 31 December 2024 and 2025 and 30 June 2026, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2024 RMB'000	2025 RMB'000	Six months ended 30 June 2025 RMB'000 (Unaudited)	2026 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		12,600	21,622	1,828	9,420
Adjustments for:					
Finance costs	*7*	6,975	3,734	2,928	365
Bank interest income	*5*	(12)	(6)	(4)	(28)
Depreciation of investment properties	*14*	13,376	1,591	1,109	118
Impairment losses on financial assets, net	*6*	290	3,553	5,399	2,156
Remeasurement of financial guarantee contracts	*6*	(700)	(2,280)	(1,111)	—
Depreciation of property, plant and equipment	*6*	2,100	2,374	988	1,180
Depreciation of right-of-use assets	*6*	60	135	67	68
Amortisation of intangible assets	*6*	82	84	40	93
(Gain)/loss on disposal of investment properties	*6*	(1,795)	(1,825)	(979)	19
Gain on early termination of lease arrangements	*6*	(2,368)	(4,293)	—	—
Share of loss of an associate		—	—	—	73
		30,608	24,689	10,265	13,464
Increase in trade receivables		(5,435)	(7,047)	(21,689)	(5,559)
Decrease/(increase) in net investment in leases		(1,139)	184	682	(106)
Decrease/(increase) in prepayments, other receivables and other assets		(6,602)	5,357	1,124	647
Withdrawal/(placement) of restricted bank deposits		(5,442)	4,867	4,870	(95)
Increase/(decrease) in trade payables		(5,676)	3,453	3,100	(4,071)
Increase/(decrease) in other payables and accruals		25,264	(18,115)	9,866	2,373

	Notes	Year ended 31 December 2024 RMB'000	2025 RMB'000	Six months ended 30 June 2025 RMB'000 (Unaudited)	2026 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES		31,578	13,388	8,218	6,653
Interest received		12	6	4	28
Income tax paid		(618)	(11,218)	(1,427)	(2,215)
Net cash flows from operating activities		30,972	2,176	6,795	4,466
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment		(1,656)	(367)	(256)	(537)
Advances of loans to related parties		(139,910)	(41,163)	(25,412)	—
Repayment of loans to related parties		46,910	165,832	89,055	—
Purchases of intangible assets		(206)	(259)	—	(973)
Investment in an associate		—	(135)	(135)	—
Net cash flows (used in)/from investing activities		(94,862)	123,908	63,252	(1,510)
CASH FLOWS FROM FINANCING ACTIVITIES					
New bank borrowings		90,000	—	—	—
Repayment of bank borrowings		(5,000)	(85,000)	(65,000)	—
Loans from related parties		35,174	23,593	—	—
Interest paid		(4,856)	(1,983)	(1,932)	(19)
Repayment of loans to related parties		(37,022)	(65,191)	(6,761)	(13)
Payment of [REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Principal portion of lease liabilities		(11,352)	(929)	(668)	(452)
Proceeds from issue of shares		3,000	7,000	—	—
Contributions from the then shareholder of a subsidiary		—	3,000	3,000	—
Capital injection from non-controlling shareholders of a subsidiary		—	180	—	—
Net cash flows from/(used in) financing activities		69,686	(119,804)	(71,449)	(1,290)

	Notes	Year ended 31 December 2024 RMB'000	2025 RMB'000	Six months ended 30 June 2025 RMB'000 (Unaudited)	2026 RMB'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,796	6,280	(1,402)	1,666
Cash and cash equivalents at beginning of year/period		3,135	8,931	8,931	15,211
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	*18*	8,931	15,211	7,529	16,877
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalents as stated in the consolidated statements of financial position		8,931	15,211	7,529	16,877
Cash and cash equivalents as stated in the consolidated statements of cash flows		8,931	15,211	7,529	16,877

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2024	2025	As at 30 June 2026
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Investments in a subsidiary	*1*	—	8,000	8,000
Total non-current assets		—	8,000	8,000
CURRENT ASSETS				
Prepayments, other receivables and other assets	*17*	—	29,450	29,452
Cash and cash equivalents	*18*	3,000	17	11
Total current assets		3,000	29,467	29,463
CURRENT LIABILITIES				
Other payables and accruals		—	3	—
Total current liabilities		—	3	—
NET CURRENT ASSETS		3,000	29,464	29,463
TOTAL ASSETS LESS CURRENT LIABILITIES		3,000	37,464	37,463
Net assets		3,000	37,464	37,463
EQUITY				
Share capital	*23*	3,000	36,000	36,000
Reserves	*24*	—	1,000	1,000
Retained profits	*24*	—	464	463
Total equity		3,000	37,464	37,463

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited company established in the People's Republic of China ("PRC") on 25 December 2024. The registered office of the Company is located at Phase I of Chengde Jicheng Industrial Park Project, Plot J03-14-01, Shangbancheng, Development Zone, Chengde City, Hebei Province.

In the opinion of the directors, the immediate and ultimate holding company of the Company is Zhejiang Panglong Group Co., Ltd., which is incorporated in the PRC.

The Company is an investment holding company. During the Relevant Periods, the Company's subsidiaries were principally involved in standard property management services and commercial operation services.

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the paragraph headed "Reorganisation" in the section headed "History, Development and Reorganisation" in the Document. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), all of which are private limited liability companies, the particulars of the Company's subsidiaries are set out below:

Name	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Zhejiang Lianji Industrial Development Group Co., Ltd.* ("Zhejiang Lianji") (浙江聯吉產業發展集團有限公司)	PRC/Chinese mainland 7 May 2019	RMB50,000,000	—	100	Property management Services
Jinhua City Lianji Chuangtong Information Technology Co., Ltd.* ("Jinhua Lianji") (金華市聯吉創通信息科技有限公司)	PRC/Chinese mainland 24 June 2021	RMB1,000,000	—	100	Commercial leasing agency services and property management services
Tongxiang City Lianji Property Service Co., Ltd.* (桐鄉市聯吉物業服務有限公司)	PRC/Chinese mainland 7 June 2021	RMB30,000,000	—	100	Property management services
Dongyang Lianji Property Management Co., Ltd.* (東陽聯吉物業管理有限公司)	PRC/Chinese mainland 19 April 2023	RMB1,000,000	—	51	Property management services
Wuyi Lianji Property Management Co., Ltd.* (武義聯吉物業管理有限公司)	PRC/Chinese mainland 30 March 2023	RMB1,000,000	—	100	Property management services

Name	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Lanxi Lianji Property Management Co., Ltd.* (蘭溪聯吉物業管理有限公司)	PRC/Chinese mainland 5 July 2023	RMB1,000,000	—	51	Property management services
Zhejiang Zhanxu Firefighting Technology Co., Ltd.* (浙江展旭消防科技有限公司)	PRC/Chinese mainland 13 December 2024	RMB10,000,000	—	51	Property management services
Huzhou Lianji Industrial Operation Service Co., Ltd.* (湖州聯吉產業運營服務有限公司)	PRC/Chinese mainland 10 November 2022	RMB20,000,000	—	70	Dormant
Chengde Lianji Technology Co., Ltd.* (承德聯吉科技有限公司)	PRC/Chinese mainland 18 June 2020	RMB1,000,000	—	70	Dormant
Lishui Lianji Commercial Operation Management Co., Ltd.* (麗水聯吉商業運營管理有限公司)	PRC/Chinese mainland 16 October 2023	RMB5,000,000	—	51	Dormant
Hangzhou Lianji Property Service Co., Ltd.* (杭州聯吉物業服務有限公司)	PRC/Chinese mainland 17 May 2021	RMB1,000,000	—	100	Dormant
Taizhou Lianji CaiGen Industrial Operation Service Co., Ltd.* (台州聯吉菜根產業運營服務有限公司)	PRC/Chinese mainland 11 November 2025	RMB1,090,000	—	70	Dormant
Lanxi Jiuyu Property Management Co., Ltd.* (蘭溪九聿物業管理有限公司)	PRC/Chinese mainland 30 December 2025	RMB500,000	—	55	Property management services
Yiwu Zhongwei New Energy Technology Co., Ltd.* (義烏中維新能源科技有限公司)	PRC/Chinese mainland 9 May 2026	RMB1,000,000	—	100	Dormant

No audited financial statements have been prepared for all these entities during the years ended 31 December 2024 and 2025 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.

* The English name of these entities registered in the PRC represents the best efforts made by the management of the Company to directly translate their Chinese name as have not registered with any official English names.

The Company

The carrying amounts of the Company's investment in a subsidiary is as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Investment in a subsidiary	—	8,000	8,000

The Company's investment in a subsidiary is stated at cost less any impairment losses.

2. ACCOUNTING POLICIES

2.1 Basis of Presentation

Pursuant to the Reorganisation as more fully explained in the paragraph headed "Reorganisation" in the section headed "History, Development and Reorganisation" in the Document, the Company became the holding company of the companies now comprising the Group on 15 January 2025. As the Reorganisation only involved inserting a new holding company at the top of the existing group and has not resulted in any change of economic substances, the Historical Financial Information has been prepared on a continuation basis of the existing group using the pooling of interests method as if the group structure had been in place at the beginning of the Relevant Periods.

Accordingly, the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods are prepared as if the current group structure had been in existence throughout the Relevant Periods. The consolidated statements of financial position of the Group as at 31 December 2024 and 2025 and 30 June 2026 have been prepared to present the assets and liabilities of the subsidiaries now comprising the Group as if the current group structure had been in existence at those dates. No adjustments are made to reflect fair values or recognise any new assets or liabilities as a result of the Reorganisation.

All intra-group transactions and balances have been eliminated on combination.

2.2 Basis of Preparation

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information and the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Issued but not yet Effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[1]
HKFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
HKFRS 20	*Regulatory Assets and Regulatory Liabilities*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

[1] Effective for annual/reporting periods beginning on or after 1 January 2027
[2] Effective for annual periods beginning on or after 1 January 2029
[3] No mandatory effective date yet determined but available for adoption

The Group is in the process of making a detailed assessment of the impact of these new and amended HKFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended HKFRS Accounting Standards may result in changes in certain accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position in the period of initial application.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share and* HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required.

The adoption of the above standards and amendments is not expected to have a significant impact on the operating results, comprehensive income and financial position of the Group.

2.4 Material Accounting Policies

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	—	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of the reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Leasehold improvements	The shorter of the lease term and 5 years
Electronic and office equipment	3 to 5 years
Motor vehicles	3 to 5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as an intermediate lessor classifies the sublease as a finance lease.

Depreciation is calculated on the straight-line basis to write off the cost of an investment property over its estimated useful life. The estimated useful lives of investment properties are as follows:

Commercial properties	5.5 to 10 years

Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Employee apartments and office premises	3 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding investment properties are stated at cost less accumulated depreciation and any impairment losses, in accordance with the Group's policy for "investment properties".

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of equipment, apartments and parking lots (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. Amounts due from lessees under finance leases are recognised as finance leases at the amount of the Group's net investment in the leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the leases. The finance income on the net investment in the leases is recognised in profit or loss so as to provide a constant periodic rate of return over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease. Otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset (for example, the item of property, plant or equipment that is the subject of the lease).

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets measured at amortised cost (including cash and cash equivalents, restricted bank deposits, trade and other receivables). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component and operating lease receivables included in trade receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, and interest-bearing bank borrowings.

Subsequent measurement

After initial recognition, trade and other payables, and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of the reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

The Group provides property management services, which include basic property management services and value-added services.

Basic property management services include repairs and maintenance, security and safety management, cleaning and gardening, and ancillary services for common areas.

Value-added services mainly consist of energy-related services, park ancillary services and operational support services:

(a) energy-related services, mainly comprise introduction services to energy technology companies to invest and install relevant facilities such as solar energy stations and energy storage devices in the industrial park managed by the Group and thereafter assist energy technology companies with electricity bill collection;

(b) park ancillary services which include a wide range of optional services for the occupants in the industrial park, such as in-unit support services, including cleaning and repairs service; and

(c) operational support services, mainly consist of:

    (i) property sales support services, by assisting the property developers to sell their properties;

    (ii) commercial operation services: the property owners entrust the Group with the authority to manage the property owners' properties;

    (iii) vendor sourcing services, which assist the occupants by sourcing qualified safety production management consultants to provide safety training and inspection, and referring building decoration companies to manufacturing occupants for furniture and equipment services tailored to their operational requirements; and

    (iv) management services, which assist the consultant companies in organising training sessions and drills for the enterprise occupants within the industrial park.

For basic property management services, the Group charges property management fees in respect of basic property management services on a lump sum basis. The Group is entitled to retain the full amount of the property management fees received. The Group shall bear expenses associated with repairs and maintenance, security and safety management, and cleaning and gardening services for common areas. During the terms of the contracts, if the amount of property management fees the Group collected is not sufficient to cover all the expenses incurred, the Group is not entitled to request the property owners or property developers to pay the shortfall. Accordingly, on a lump sum basis, the Group recognises as revenue the full amount of property management fees the Group charged to the property owners and property developers.

Revenue from basic property management services and park ancillary services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from energy-related services is recognised at the point in time when the services have been provided. The service fee is charged on a profit sharing basis between the energy service providers and the Group for those energy projects located at the properties managed by the Group.

Certain revenue from property sales support services is recognised at the point in time when the property buyer and the property developer have executed the sales and purchase agreement and the required payment was fully settled by the buyer or the buyer's mortgaged bank. Certain revenue from property sales support services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from commercial operation services is recognised over the rental period agreed by the tenant and the property developer in the rental agreement on a straight-line basis, because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from vendor sourcing services is recognised at the point in time when the vendors introduced by the Group completed their services provided to the customers.

Revenue from management service is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Employee benefits

Pension schemes

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in central pension schemes operated by the local municipal governments. The subsidiaries operating in the Chinese mainland are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Property lease classification — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains substantially all the significant risks and rewards incidental to ownership of these properties which are leased out and accounts for the contracts as operating leases.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical expected default rates. The Group calibrated the matrix to adjust the historical credit loss experience with forward-looking information such as the debtors and the economic environment. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical credit loss rates are adjusted. At each reporting date, the historical credit loss rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical credit loss rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. Further details are contained in note 16 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's businesses which include property management services and commercial operation services for the purpose of making decisions about resource allocation and performance assessment. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

During the Relevant Periods, the Group operated within one geographical location because all of its revenue was generated in the Chinese mainland and all of its non-current assets/capital expenditure were located/incurred in the Chinese mainland. Accordingly, no geographical information is presented.

Information about major customers

Revenue from the major customer (aggregated if under common control) which amounted to 10% or more of the Group's revenue is set out below:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Customer 1	N/A*	19,825	9,232	10,727
Customer 2	N/A*	10,050	N/A*	4,796

* The corresponding revenue from the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the Relevant Periods and the six months ended 30 June 2025.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Revenue from contracts with customers				
Property management services:				
Basic property management services	42,521	53,402	25,725	27,451
Value-added services:				
Energy-related services	2,254	3,155	1,342	1,405
Park ancillary services	3,377	4,981	2,426	2,772
Operational support services	2,056	15,372	5,678	7,503
	50,208	76,910	35,171	39,131
Revenue from other sources				
Finance income on the net investment in the lease	1,251	1,858	696	729
Gross rental income from investment property operating leases:				
Fixed lease payments	20,224	904	428	364
Revenue from contracts with customers	21,475	2,762	1,124	1,093
Total	71,683	79,672	36,295	40,224

(a) *Disaggregated revenue information*

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Type of services				
Basic property management services	42,521	53,402	25,725	27,451
Value-added services:				
Energy-related services	2,254	3,155	1,342	1,405
Park ancillary services	3,377	4,981	2,426	2,772
Operational support services	2,056	15,372	5,678	7,503
Total revenue from contracts with customers	50,208	76,910	35,171	39,131
Geographical markets				
Chinese mainland	50,208	76,910	35,171	39,131
Timing of revenue recognition				
Transferred over time	46,261	66,823	29,814	31,821
Transferred at a point in time	3,947	10,087	5,357	7,310
Total	50,208	76,910	35,171	39,131

The following table shows the amounts of revenue recognised during the Relevant Periods and the six months ended 30 June 2025, that were included in the contract liabilities at the beginning of the respective periods:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Revenue recognised that was included in contract liabilities at beginning of year/period:				
Property management services	5,138	5,191	3,881	6,146

(b) ***Performance obligations***

Information about the Group's performance obligations of property management services are summarised below:

Basic property management services

The performance obligation is satisfied over time as services are rendered and payment is generally paid on a monthly, quarterly or annual basis, where payment in advance is normally required.

Value-added services

Energy-related services

The performance obligation is satisfied when the service is rendered and payment is generally paid on a monthly basis.

Park ancillary services

The performance obligation is satisfied over time as services are rendered and payment is generally paid on a monthly or annual basis.

Operational support services

(i) Property sales support services

The performance obligation related to certain property sales support services is satisfied when the services are rendered and accepted by the customers and payment is generally due within 30 days. The performance obligation related to certain property sales support services is satisfied over time as services are rendered and payment is generally due within 30 days.

(ii) Vendor sourcing services

The performance obligation of vendor sourcing services is satisfied when the services are rendered and accepted by the customers. Payment is generally due within 30 days.

(iii) Commercial operation services

The performance obligation of commercial operation services is satisfied over the rental period agreed by the tenant and the property developer in the rental agreement on a straight-line basis. Payment is generally due within 30 days.

(iv) Management services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days.

By applying the practical expedient in HKFRS 15, information about the remaining performance obligations is not disclosed as all the contracts with customers have an original expected duration of one year or less.

An analysis of other income and gains is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Other income				
Bank interest income	12	6	4	28
Government grants*	216	—	—	—
Others	20	163	32	187
Total other income	248	169	36	215
Gains				
Gain on disposal of investment properties	1,795	1,825	979	—
Gain on early termination of lease arrangements	2,368	4,293	—	—
Total gains	4,163	6,118	979	—
Total other income and gains	4,411	6,287	1,015	215

* The government grants mainly represent incentives received from the local government in connection with certain financial support to local business enterprises. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December 2024 RMB'000	2025 RMB'000	Six months ended 30 June 2025 RMB'000 (Unaudited)	2026 RMB'000
Cost of services provided*		45,659	41,122	21,711	19,078
Depreciation of investment properties	*14*	13,376	1,591	1,109	118
Depreciation of property, plant and equipment**	*13*	2,100	2,374	988	1,180
Depreciation of right-of-use assets	*15(a)*	60	135	67	68
Amortisation of intangible assets**		82	84	40	93
(Gain)/loss on disposal of investment properties		(1,795)	(1,825)	(979)	19
Gain on early termination of lease arrangements		(2,368)	(4,293)	—	—
Impairment losses on financial assets, net	*16*	290	3,553	5,399	2,156
Remeasurement of financial guarantee contracts		(700)	(2,280)	(1,111)	—
Lease payments not included in the measurement of lease liabilities	*15(c)*	141	209	74	49
[REDACTED]	*25(b)*	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Bank interest income	*5*	(12)	(6)	(4)	(28)
Employee benefit expense (excluding directors', chief executive's and supervisor's remuneration *(note 8)*):					
Wages, salaries and bonuses		24,772	22,319	10,278	11,460
Pension scheme contributions***		3,126	2,890	1,496	1,409
Total		27,898	25,209	11,774	12,869
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		11,751	1,884	1,683	170
Direct operating expenses (including repairs and maintenance) arising from an investment property that did not generate rental income during the year/period		2,963	651	531	—

* The cost of services provided for the Relevant Periods included staff costs, depreciation of property, plant and equipment and depreciation of investment properties, which were also included in the respective total amounts disclosed above for each of these types of expenses.

** The depreciation of property, plant and equipment is included in "Cost of sales" and "Administrative expenses" in the consolidated statements of profit or loss and other comprehensive income, and the amortisation of intangible assets is included in "Administrative expenses" in the consolidated statements of profit or loss and other comprehensive income.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Interest on bank borrowings	4,232	1,825	1,785	—
Interest on lease liabilities *(note 15(c))*	2,743	1,909	1,143	365
Total	6,975	3,734	2,928	365

8. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISOR'S REMUNERATION

The remuneration of the directors, chief executive and supervisor as recorded is set out below:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(unaudited)	
Fees	—	—	—	—
Other emoluments:				
Salaries, bonuses, allowances and benefits in kind	—	50	—	202
Pension scheme contributions	—	6	—	21
Subtotal	—	56	—	223
Total fees and other emoluments	—	56	—	223

(a) Independent non-executive directors

On 4 November 2025, Mr. Bian Yang and Mr. Liu Liwei were appointed as independent non-executive directors of the Company. On 17 November 2025, Mr. Chan Yin Tsung was appointed as an independent non-executive director of the Company.

There were no fees and other emoluments payable to the independent non-executive directors during the Relevant Periods and the six months ended 30 June 2025.

(b) Executive directors and the chief executive

	Salaries, bonuses, allowances and benefits in kind *RMB'000*	Pension scheme contributions *RMB'000*	Total remuneration *RMB'000*
Year ended 31 December 2024			
Executive directors:			
Ms. Liu Qiaoling*	—	—	—
Mr. Zhou Chengyang**	—	—	—
Mr. Chen Qixing**	—	—	—
Total	—	—	—
Year ended 31 December 2025			
Executive directors:			
Ms. Liu Qiaoling*	—	—	—
Mr. Zhou Chengyang**	—	—	—
Mr. Chen Qixing**	50	6	56
Total	50	6	56
Six months ended 30 June 2025 (unaudited)			
Executive directors:			
Ms. Liu Qiaoling*	—	—	—
Mr. Zhou Chengyang**	—	—	—
Mr. Chen Qixing**	—	—	—
Total	—	—	—
Six months ended 30 June 2026			
Executive directors:			
Ms. Liu Qiaoling*	—	—	—
Mr. Zhou Chengyang**	—	—	—
Mr. Chen Qixing**	202	21	223
Total	202	21	223

* Ms. Liu Qiaoling was appointed as an executive director, the chief executive and general manager of the Company on 25 December 2024.

** Mr. Zhou Chengyang and Mr. Chen Qixing were appointed as executive directors of the Company on 10 November 2025.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2025.

(c) Supervisor

Mr. Zhou Chengyang was appointed as supervisor of the Company on 25 December 2024 and resigned as a supervisor on 10 November 2025.

There were no fees and other emoluments payable to the supervisor during the Relevant Periods and the six months ended 30 June 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the six months ended 30 June 2025 included nil, nil, nil and one director, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining five, five, five and four highest paid employees who are neither a director nor chief executive/supervisor of the Company during the Relevant Periods and the six months ended 30 June 2025 are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000* (Unaudited)	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	1,555	1,405	688	797
Pension scheme contributions	220	176	96	86
Total	1,775	1,581	784	883

The numbers of non-director, non-chief executive and non-supervisor highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	Number of employees	*Number of employees*	*Number of employees* (Unaudited)	*Number of employees*
Nil to HK$1,000,000	5	5	5	4

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled or operate.

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, a company which operates in the Chinese mainland is subject to corporate income tax at a rate of 25% on the taxable income for the year.

Pursuant to the Corporate Income Tax of the PRC and the respective regulations, the Company's subsidiaries, except for Zhejiang Lianji and Jinhua Lianji, were qualified as small and micro enterprises during the Relevant Periods and the six months ended 30 June 2025 and were entitled to a preferential income tax rate of 5% for the first RMB3,000,000 of assessable profits. Zhejiang Lianji is subject to tax at the statutory rate of 25% on the taxable profits during the Relevant Periods and the six months ended 30 June 2025. Jinhua Lianji was qualified as small and micro enterprises and entitled to a preferential income tax rate of 5% for the first RMB3,000,000 of assessable profits during the year ended 31 December 2024. Jinhua Lianji was no longer qualified as small and micro enterprises since 2025 and is subject to tax at the statutory rate of 25% on the taxable profits during the year ended 31 December 2025 and the six months ended 30 June 2025 and 2026.

The income tax expense of the Group during the Relevant Periods and the six months ended 30 June 2025 is analysed as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Current tax — Chinese mainland				
Charge for the year/period	4,484	5,751	2,875	2,260
Deferred tax *(note 22)*	220	(66)	(1,637)	(432)
Total tax charge for the year/period	4,704	5,685	1,238	1,828

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Profit before tax	12,600	21,622	1,828	9,420
Tax at the statutory tax rate of (25%)	3,150	5,406	457	2,355
Effect of different tax rates	(215)	(236)	109	(439)
Tax losses not recognised	63	29	36	—
Tax losses utilised from previous periods	—	(49)	(9)	(6)
Expenses not deductible for tax	1,706	535	645	(82)
Tax charge at the Group's effective tax rate	4,704	5,685	1,238	1,828

11. DIVIDENDS

No dividends were paid or declared by the Company during the Relevant Periods.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Earnings per share information is not presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful due to the Reorganisation and the basis of presentation of the Group for the Relevant Periods and the six months ended 30 June 2025 as disclosed in note 2.1 to the Historical Financial Information.

13. PROPERTY, PLANT AND EQUIPMENT

31 December 2024	**Leasehold improvements** *RMB'000*	**Electronic and office equipment** *RMB'000*	**Motor vehicles** *RMB'000*	**Construction in progress** *RMB'000*	**Total** *RMB'000*
At 1 January 2024:					
Cost	1,070	5,248	1,172	911	8,401
Accumulated depreciation	(76)	(1,070)	(322)	—	(1,468)
Net carrying amount	994	4,178	850	911	6,933
At 1 January 2024, net of accumulated depreciation	994	4,178	850	911	6,933
Additions	33	799	993	—	1,825
Depreciation provided during the year *(note 6)*	(356)	(1,385)	(359)	—	(2,100)
Transfer within property, plant and equipment	—	911	—	(911)	—
At 31 December 2024, net of accumulated depreciation	671	4,503	1,484	—	6,658
At 31 December 2024:					
Cost	1,103	6,958	2,165	—	10,226
Accumulated depreciation	(432)	(2,455)	(681)	—	(3,568)
Net carrying amount	671	4,503	1,484	—	6,658

31 December 2025	**Leasehold improvements** *RMB'000*	**Electronic and office equipment** *RMB'000*	**Motor vehicles** *RMB'000*	**Total** *RMB'000*
At 1 January 2025:				
Cost	1,103	6,958	2,165	10,226
Accumulated depreciation	(432)	(2,455)	(681)	(3,568)
Net carrying amount	671	4,503	1,484	6,658
At 1 January 2025, net of accumulated depreciation	671	4,503	1,484	6,658
Additions	117	257	64	438
Depreciation provided during the year *(note 6)*	(392)	(1,465)	(517)	(2,374)
At 31 December 2025, net of accumulated depreciation	396	3,295	1,031	4,722
At 31 December 2025:				
Cost	1,220	7,215	2,229	10,664
Accumulated depreciation	(824)	(3,920)	(1,198)	(5,942)
Net carrying amount	396	3,295	1,031	4,722

30 June 2026	**Leasehold improvements** *RMB'000*	**Electronic and office equipment** *RMB'000*	**Motor vehicles** *RMB'000*	**Total** *RMB'000*
At 1 January 2026:				
Cost	1,220	7,215	2,229	10,664
Accumulated depreciation	(824)	(3,920)	(1,198)	(5,942)
Net carrying amount	396	3,295	1,031	4,722
At 1 January 2026, net of accumulated depreciation	396	3,295	1,031	4,722
Additions	—	444	147	591
Depreciation provided during the period *(note 6)*	(178)	(774)	(228)	(1,180)
At 30 June 2026, net of accumulated depreciation	218	2,965	950	4,133
At 30 June 2026:				
Cost	1,220	7,659	2,376	11,255
Accumulated depreciation	(1,002)	(4,694)	(1,426)	(7,122)
Net carrying amount	218	2,965	950	4,133

14. INVESTMENT PROPERTIES

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of year/period			
Cost	11,515	23,107	747
Accumulated depreciation	(587)	(1,459)	(236)
Net carrying amount at the beginning of year/period	10,928	21,648	511
At the beginning of year, net of accumulated depreciation	10,928	21,648	511
Additions	66,533	1,330	259
Depreciation charge *(note 6)*	(13,376)	(1,591)	(118)
Disposal	(42,437)	(20,876)	(259)
At the end of year/period, net of accumulated depreciation	21,648	511	393
At the end of year/period			
Cost	23,107	747	747
Accumulated depreciation	(1,459)	(236)	(354)
Net carrying amount at the end of year/period	21,648	511	393

The Group's investment properties consist of factory/office buildings and apartments in the industrial parks managed by the Group and certain retail stores and office premises in commercial properties located in the Chinese mainland held to earn rental income, which are recognised as right-of-use assets and subleased by the Group to third parties under operating leases, further details of which are included in note 15 to the Historical Financial Information. At the end of 2024, the Group terminated the lease contracts for factory/office buildings and apartments with the property owners who are related parties. In August 2025, the Group terminated the lease contract for office premises with the third-party property owner.

The investment properties are measured at cost. The fair values of the investment properties were RMB22,073,000, RMB640,000 and RMB430,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively based on valuation performed by the Company, respectively.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2024 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement for:				
Commercial properties — retail stores and office premises	—	—	22,073	22,073

	Fair value measurement as at 31 December 2025 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement for:				
Commercial properties — retail stores and office premises	—	—	640	640

	Fair value measurement as at 30 June 2026 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement for:				
Commercial properties — retail stores	—	—	430	430

Under the discounted cash flow method, the fair value is estimated by discounting the expected annual net rental income of the property to the present value as at the valuation date using an applicable discount rate. Rental income shall be determined based on the contractual rent agreed by both parties during the lease term, and at the prevailing market rent upon expiry of the lease term. The sum of such present values for all projected years represents the fair value of the properties. The discount rate is determined as the sum of the risk-free rate of return and the comprehensive risk premium (risk adjustment factor).

15. LEASES

The Group as a lessee

The Group has lease contracts for employee apartments and office premises used in its operations. Leases of employee apartments generally have lease terms of five years, while office premises generally have lease terms of three years with fixed lease payments.

As disclosed in note 14 to the Historical Financial Information, the Group leased eight commercial properties located in the Chinese mainland from a property owner, which is a related party of the Group, in January 2024 for fixed terms of 2 to 3 years with fixed lease payments. Such operating lease arrangements are amended and terminated at the end of 2024.

The Group also leased rooftops in certain industrial parks managed by the Group from the property owners and certain retail stores and office premises in commercial properties located in the Chinese mainland from the third-party property owners in 2022, 2025 and 2026 for fixed terms of 5.5 years to 25 years. Leases of rooftops, retail stores and office premises are either based solely on fixed lease payments or contain variable lease payments that are based on a pre-agreed percentage of sublease income recognised by the Group and the minimum annual lease payment that is fixed over the lease term. The Group recognised right-of-use assets that meet the definition of investment properties and lease liabilities at the lease commencement date.

(a) ***Right-of-use assets***

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Employee apartments and office premises *RMB'000*
As at 1 January 2024	135
Depreciation charge *(note 6)*	(60)
As at 31 December 2024	75
Additions	375
Depreciation charge *(note 6)*	(135)
As at 31 December 2025	315
Additions	180
Depreciation charge *(note 6)*	(68)
As at 30 June 2026	427

(b) ***Lease liabilities***

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December		Six months ended 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of year/period	21,243	49,858	15,897
New leases	66,533	1,705	439
Accretion of interest recognised during the year/ period	2,743	1,909	365
Payments	(12,095)	(968)	(471)
Termination of leases	(28,566)	(36,607)	—
Carrying amount at end of the year/period	49,858	15,897	16,230
Analysed into:			
Current portion	10,357	3,830	3,179
Non-current portion	39,501	12,067	13,051

The maturity analysis of lease liabilities is disclosed in note 30 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities *(note 7)*	2,743	1,909	1,143	365
Depreciation charge of right-of-use assets	60	135	67	68
Expense relating to short-term leases *(note 6)*	141	209	74	49
Total amount recognised in profit or loss	2,944	2,253	1,284	482

(d) The total cash outflow for leases is disclosed in note 25(c) to the Historical Financial Information.

The Group as a lessor

(a) ***Operating lease***

The Group leases out factory/office buildings and apartments in the industrial parks managed by the Group and certain retail stores and office premises in commercial properties located in the Chinese mainland (note 14 to the Historical Financial Information) under operating subleasing arrangements, with lease terms of 3 to 62 months. Leases of factory/office buildings, apartments, retail stores and office premises are based solely on fixed lease payments. Rental income recognised by the Group during the Relevant Periods and the six months ended 30 June 2025 was RMB20,224,000, RMB904,000, RMB364,000 and RMB428,000 (unaudited), respectively, details of which are included in note 5 to the Historical Financial Information.

At the end of each of the Relevant Periods, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within one year	655	400	130
Over one year but within two years	676	239	109
Over two years but within three years	341	—	—
Over three years but within four years	86	—	—
Over four years but within five years	59	—	—
Over five years	34	—	—
Total	1,851	639	239

(b) ***Net investment in leases***

The Group leased rooftops in certain industrial parks managed by the Group from the property owners and certain retail stores and office premises in commercial properties in the Chinese mainland under finance subleasing arrangements to earn rental income. Leases of rooftops, retail stores and office premises are based solely on fixed lease payments. Finance income on the net investment in the lease arising from subleasing arrangements recognised by the Group was recorded in revenue, with total amounts of RMB1,251,000, RMB1,858,000, RMB729,000 and RMB696,000 (unaudited) during the year ended 31 December 2024, the year ended 31 December 2025, the six months ended 30 June 2026 and the six months ended 30 June 2025, respectively. All interest rates inherent in the leases are determined at the commencement date of the leases over the lease terms. The terms of the finance leases entered into range from 2.5 to 25 years. The Group's finance lease arrangements do not include variable payments.

The minimum lease receivables are set out below:

	Undiscounted lease payments in finance leases			Net investment in leases		
	31 December 2024	31 December 2025	30 June 2026	31 December 2024	31 December 2025	30 June 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Amounts receivable under finance leases:						
Within one year	6,910	7,575	5,842	6,432	7,150	5,641
Over one year but within two years	3,518	2,677	2,078	3,195	2,320	1,906
Over two years but within three years	3,302	1,959	1,978	2,946	1,664	1,725
Over three years but within four years	3,237	1,959	1,978	2,677	1,590	1,648
Over four years but within five years	3,504	1,959	1,978	2,766	1,519	1,575
Over five years	40,766	34,120	34,306	23,098	17,074	19,168
	61,237	50,249	48,160	41,114	31,317	31,663
Less: Unearned finance income	(20,123)	(18,932)	(16,497)			
Net investment in leases	41,114	31,317	31,663			
Analysed into:						
Current portion	6,432	7,150	5,641			
Non-current portion	34,682	24,167	26,022			

16. TRADE RECEIVABLES

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	19,967	27,014	32,573
Impairment	(1,093)	(4,646)	(6,802)
Net carrying amount	18,874	22,368	25,771

Trade receivables mainly arise from the provision of property management services including basic property management and value-added services, and are due for payment upon the issuance of the demand notes in accordance with the terms of the relevant agreements. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables of the Group as at the end of each of the Relevant Periods (based on the invoice date and net of provisions) is as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	18,779	21,907	24,733
1 to 2 years	95	461	1,038
Total	18,874	22,368	25,771

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	803	1,093	4,646
Impairment losses, net	290	3,553	2,156
At end of year/period	1,093	4,646	6,802

An impairment analysis is performed at each reporting date using a provision matrix based on credit risk, and the Group's historical credit loss experience, to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024	Gross carrying amount *RMB'000*	Expected credit loss rate *%*	Expected credit losses *RMB'000*
Within 1 year	19,643	4.40	864
1 to 2 years	302	68.54	207
Over 2 years	22	100.00	22
Total	19,967	5.47	1,093

As at 31 December 2025	Gross carrying amount *RMB'000*	Expected credit loss rate *%*	Expected credit losses *RMB'000*
Defaulted receivables	2,687	100.00	2,687
Other trade receivables aged:			
Within 1 year	22,964	4.60	1,057
1 to 2 years	1,280	63.99	819
Over 2 years	83	100.00	83
Total	27,014	17.20	4,646

As at 30 June 2026	Gross carrying amount *RMB'000*	Expected credit loss rate *%*	Expected credit losses *RMB'000*
Defaulted receivables	3,321	100.00	3,321
Other trade receivables aged:			
Within 1 year	25,959	4.72	1,226
1 to 2 years	3,014	65.56	1,976
Over 2 years	279	100.00	279
Total	32,573	20.88	6,802

Included in the Group's trade receivables were amounts due from the Group's related parties of RMB5,084,000, RMB5,827,000 and RMB6,265,000 (note 26(c)) as at 31 December 2024 and 2025 and 30 June 2026, respectively, which were unsecured, interest-free and repayable on demand.

17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	208	380	193
Other current assets	236	—	2
Other receivables	173,463	41,510	41,550
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	174,350	44,320	44,779
Non-current:			
Other receivables	635	635	335
Advance payments for property, plant and equipment and intangible assets	125	54	660
Total	760	689	995

Other receivables primarily comprise the loan advances to related parties, which are unsecured, interest-free and repayable on demand. Other receivables had no historical default. The financial assets included in the above balances relate to receivables were categorised in stage l at the end of each of the Relevant Periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the Relevant Periods, the Group estimated that the expected credit loss rate for other receivables was minimal.

Included in other receivables were amounts due from the Group's related parties of RMB166,133,000, RMB39,953,000 and RMB39,888,000 (note 26(c)) as at 31 December 2024 and 2025 and 30 June 2026, respectively. These balances will be settled prior to the [REDACTED].

Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Amounts due from subsidiaries	—	29,450	29,452
Total	—	29,450	29,452

The balances with subsidiaries are unsecured, interest-free and repayable on demand.

18. CASH AND CASH EQUIVALENTS

Group

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	14,455	15,868	17,629
Less: Restricted bank deposits	(5,524)	(657)	(752)
Cash and cash equivalents	8,931	15,211	16,877
Denominated in:			
RMB	14,454	15,867	17,625
Hong Kong dollar ("HKD")	1	1	4
Total	14,455	15,868	17,629

The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Restricted bank deposits mainly represents government grants received with usage restricted to specified purposes.

Cash and bank balances at banks earn interest at floating rates based on daily bank deposit rates. The bank balances and the restricted bank deposits are deposited with creditworthy banks with no recent history of default.

Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances and cash and cash equivalents	3,000	17	11
Denominated in:			
RMB	3,000	17	11

19. TRADE PAYABLES

An ageing analysis of the trade payable as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,743	5,071	3,788
Over 1 year	2,670	2,795	7
Total	4,413	7,866	3,795

The trade payables are non-interest-bearing and are normally settled on terms of six to twelve months.

20. OTHER PAYABLES AND ACCRUALS

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Other payables *(a)*	70,347	9,919	16,955
Financial guarantee contract *(b)*	10,300	—	—
Contract liabilities *(c)*	5,191	8,166	6,342
Receipt in advance	5,767	463	291
Payroll payable	9,479	7,927	6,317
Other tax payables	3,445	2,489	2,225
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	105,270	35,257	37,617

(a) Other payables are non-interest-bearing and repayable on demand.

Included in other payables are amounts due to the Group's related parties of RMB48,114,000, RMB13,000 and RMB2,445,000 (note 26(c)) as at 31 December 2024 and 2025 and 30 June 2026, respectively.

(b) The financial guarantee contract represents a guarantee given to a bank in connection with facilities granted to a related party on 12 August 2024. The related party's banking facilities granted by the bank were RMB87,200,000, of which RMB58,000,000 was utilised by the related party. As at 31 December 2024, the bank loan exposure is lowered slightly to RMB57,000,000. The Group does not hold any collateral or other credit enhancements over the guarantees. In December 2025, the financial guarantee contract was terminated.

As at 31 December 2024, the credit exposure of the financial guarantee contract was classified as stage 1. During the Relevant Periods, there were no transfers between stages.

(c) Details of contract liabilities are as follows:

	As at 1 January 2024	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advances received from customers for property management services	5,138	5,191	8,166	6,342

Contract liabilities include short-term advances received to deliver property management services. The increase in contract liabilities was due to the increase in short-term advances received from customers in relation to the provision of property management services as at 31 December 2024 and 2025. The decrease in contract liabilities was due to the decrease in short-term advances received from customers in relation to the provision of property management services as at 30 June 2026.

21. INTEREST-BEARING BANK BORROWINGS

	As at 31 December 2024		
	Effective interest rate	Maturity	*RMB'000*
	%		
Current			
Bank loans — secured	4.8	2025	5,119
Total			5,119
Non-current			
Bank loans — secured	4.8	2026–2032	80,000
Total			80,000
Analysed into:			
Within one year			5,119
In the second to fifth years, inclusive			36,000
Beyond five years			44,000
Total			85,119

There are two related parties, which are controlled by the Company's controlling shareholder, entered into the maximum mortgage guarantee contracts to guarantee bank facilities made to the Group up to RMB122,320,000 and RMB150,640,000, respectively. As of 25 June 2025, the outstanding loan balance was fully repaid, and both the loan agreements and the corresponding mortgage guarantee contracts were terminated.

22. DEFERRED TAX

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Impairment losses on financial assets *RMB'000*	**Lease liabilities** *RMB'000*	**Total** *RMB'000*
As at 1 January 2024	192	3,314	3,506
Deferred tax credited to profit or loss during the year *(note 10)*	36	9,151	9,187
Gross deferred tax assets at 31 December 2024 and 1 January 2025	228	12,465	12,693
Deferred tax credited/(charged) to profit or loss during the year *(note 10)*	882	(8,490)	(7,608)
Gross deferred tax assets at 31 December 2025 and 1 January 2026	1,110	3,975	5,085
Deferred tax credited to profit or loss during the period *(note 10)*	434	83	517
Gross deferred tax assets at 30 June 2026	1,544	4,058	5,602

Deferred tax liabilities

	Right-of-use assets *RMB'000*	Investment properties *RMB'000*	Net investment in leases *RMB'000*	Total *RMB'000*
At 1 January 2024	34	784	5,485	6,303
Deferred tax (credited)/charged to profit or loss during the year *(note 10)*	(15)	4,628	4,794	9,407
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	19	5,412	10,279	15,710
Deferred tax charged/(credited) to profit or loss during the year *(note 10)*	60	(5,284)	(2,450)	(7,674)
Gross deferred tax liabilities at 31 December 2025 and 1 January 2026	79	128	7,829	8,036
Deferred tax charged/(credited) to profit or loss during the period *(note 10)*	28	(30)	87	85
Gross deferred tax liabilities at 30 June 2026	107	98	7,916	8,121

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	5	58	43
Net deferred tax liabilities recognised in the consolidated statements of financial position	3,022	3,009	2,562

The Group also had tax losses of arising in Chinese mainland of RMB1,260,000, RMB847,000 and RMB750,000 as at 31 December 2024 and 2025 and 30 June 2026, respectively, which would expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

23. SHARE CAPITAL

Group and Company

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid:			
Ordinary shares with a nominal value of RMB1.00 each	3,000	36,000	36,000

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital
	'000	*RMB'000*
At 25 December 2024 (date of incorporation)	—	—
Issue of ordinary shares on 25 December 2024	3,000	3,000
At 31 December 2024	3,000	3,000
Contributions from the ultimate holding company	7,000	7,000
Transfer from capital reserve and retained profits	26,000	26,000
At 31 December 2025 and 30 June 2026	36,000	36,000

On 25 December 2024, the Company was incorporated in the PRC. The initial share capital of the Company was RMB3,000,000 divided into a total of 3,000,000 ordinary shares with a nominal value of RMB1.00 each.

On 15 December 2025, the Company's registered capital was increased by RMB33,000,000 (33,000,000 ordinary shares of RMB1 each), with RMB19,000,000 from the capitalisation of retained profits, RMB7,000,000 from the capitalisation of capital reserve, and RMB7,000,000 from the ultimate holding company as a cash contribution. As a result, the registered capital of the Company increased from RMB3,000,000 to RMB36,000,000.

24. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Group.

Capital reserve

The capital reserve of the Group represents the paid-up capital of the subsidiaries comprising the Group prior to the incorporation of the Company and capital contributions from shareholders.

On 12 August 2024, Jinhua Lianji Chuangtong Information Technology Co., Ltd., a subsidiary of the Company, provided a guarantee to a bank in connection with facilities granted to a related party, an entity under common control by the controlling shareholder. The fair value of the financial guarantee was recorded as the deemed distribution reserve on initial recognition, as further detailed in note 20(b) to the Historical Financial Information. In December 2025, the financial guarantee contract was terminated.

In 2025, Yiwu Lianji Enterprise Management Consulting Co., Ltd., the then shareholder of Zhejiang Lianji prior to the Reorganisation, made a cash capital injection of RMB3,000,000 to Zhejiang Lianji.

Statutory surplus reserve

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserves may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

Company

	Capital reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 25 December 2024 (date of incorporation), 31 December 2024 and 1 January 2025	—	—	—
Contributions from a shareholder	8,000	—	8,000
Transferred to share capital	(7,000)	—	(7,000)
Issuance of shares	—	(19,000)	(19,000)
Profit for the year and total comprehensive income for the year	—	19,464	19,464
At 31 December 2025 and 1 January 2026	1,000	464	1,464
Loss for the period and total comprehensive loss for the period	—	(1)	(1)
At 30 June 2026	1,000	463	1,463

25. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods and the six months ended 30 June 2025, the Group had non-cash additions to (i) right-of-use assets and lease liabilities of nil, RMB375,000, RMB180,000 and RMB375,000, respectively, in respect of lease arrangements for employee apartments and office premises; and (ii) investment properties and lease liabilities of RMB66,533,000, RMB1,330,000, RMB259,000 and nil, respectively, in respect of subleasing under operating lease arrangements.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings *RMB'000*	**Lease liabilities** *RMB'000*	**Due to related parties non-trade** *RMB'000*	**Accrued [REDACTED] included in other payables and accruals** *RMB'000*	**Total** *RMB'000*
At 1 January 2024	—	21,243	43,459	—	64,702
Changes from financing cash flows	80,887	(12,095)	(1,848)	(258)	66,686
Changes from operating cash flows	—	—	—	(772)	(772)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-cash settlement of termination of lease contracts	—	(28,566)	—	—	(28,566)
Interest expense	4,232	2,743	—	—	6,975
New leases	—	66,533	—	—	66,533
At 31 December 2024 and 1 January 2025	85,119	49,858	41,611	741	177,329
Changes from financing cash flows	(86,944)	(968)	(41,598)	(474)	(129,984)
Changes from operating cash flows	—	—	—	(2,254)	(2,254)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-cash settlement of termination of lease contracts	—	(36,607)	—	—	(36,607)
Interest expense	1,825	1,909	—	—	3,734
New leases	—	1,705	—	—	1,705
At 31 December 2025	—	15,897	13	6,293	22,203

	Interest-bearing bank borrowings *RMB'000*	**Lease liabilities** *RMB'000*	**Due to related parties non-trade** *RMB'000*	**Accrued [REDACTED] included in other payables and accruals** *RMB'000*	**Total** *RMB'000*
As at 1 January 2025	85,119	49,858	41,611	741	177,329
Changes from financing cash flows (unaudited)	(66,904)	(696)	(6,761)	(88)	(74,449)
Changes from operating cash flows (unaudited)	—	—	—	(293)	(293)
[REDACTED] (unaudited)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED] (unaudited)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-cash settlement of termination of lease contracts (unaudited)	—	—	—	—	—
Interest expense (unaudited)	1,785	1,143	—	—	2,928
New leases (unaudited)	—	375	—	—	375
At 30 June 2025 (unaudited)	20,000	50,680	34,850	2,325	107,855
At 31 December 2025 and 1 January 2026	—	15,897	13	6,293	22,203
Changes from financing cash flows	—	(471)	(13)	(806)	(1,290)
Changes from operating cash flows	—	—	—	(2,417)	(2,417)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Interest expense	—	365	—	—	365
New leases	—	439	—	—	439
At 30 June 2026	—	16,230	—	5,487	21,717

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Within operating activities	141	209	74	49
Within financing activities	12,095	968	696	471
Total	12,236	1,177	770	520

26. RELATED PARTY TRANSACTIONS

Details of the Group's principal related parties are as follows:

Name of related party	Relationship with the Group
Mr. Chen Qixing	Director of the Company
Zhejiang Guanji Industrial Co., Ltd.	An entity controlled by the controlling shareholder
Chengde Baida Real Estate Co., Ltd.	An entity controlled by the controlling shareholder
Huzhou Panglong Jicheng Industrial Co., Ltd.	An entity controlled by the controlling shareholder
Jiangshan Jicheng Real Estate Co., Ltd.	An entity controlled by the controlling shareholder
Miaoyun Restaurant (Jindong, Jinhua)	An entity controlled by a close relative of the controlling shareholder
Jinhua Zhiyu E-commerce Co., Ltd.	An entity controlled by the controlling shareholder
Lanxi Jicheng Enterprise Management Co., Ltd.	An entity controlled by the controlling shareholder
Lanxi Lanchuang Jicheng Industrial Park Development Co., Ltd.	An associate of the ultimate holding company
Yiwu Lianji Enterprise Management Consulting Co., Ltd.	An entity controlled by the controlling shareholder
Zhejiang Jichuang Supply Chain Management Co., Ltd.	An entity controlled by the controlling shareholder
Zhejiang Jicheng Industrial Co., Ltd.	An entity controlled by the controlling shareholder
Huzhou Jicheng Industrial Co., Ltd.	An entity controlled by the controlling shareholder
Lanxi Shengrun Industrial Co., Ltd.	An entity controlled by the controlling shareholder
Huzhou Xingchi New Energy Technology Co., Ltd.	An entity controlled by the controlling shareholder
Lanxi Shengchi New Energy Technology Co., Ltd.	An entity controlled by the controlling shareholder
Pujiang Chengde Industrial Co., Ltd.	An entity controlled by the controlling shareholder
Zhejiang Zhuhong Industrial Co., Ltd.	An entity controlled by the controlling shareholder
Zhejiang Chuanzhuo Construction Engineering Co., Ltd.	An entity controlled by a close relative of the controlling shareholder

Name of related party	Relationship with the Group
Pujiang Lianji New Materials Technology Co., Ltd.	An entity controlled by the controlling shareholder
Zhejiang Xingchi New Energy Technology Co., Ltd.	An entity controlled by the controlling shareholder
Yangjiang Jicheng Real Estate Co., Ltd.	An entity controlled by the controlling shareholder
Linxiang Jicheng Industrial Co., Ltd.	An entity controlled by the controlling shareholder
Yiwu Litao Electronic Technology Co., Ltd.	An entity controlled by the controlling shareholder
Zhejiang Panglong Group Co., Ltd.	Ultimate shareholder
Zhu Huijuan	A close relative of the controlling shareholder
Jinhua Bianji Hotel Management Co., Ltd.	An entity controlled by the controlling shareholder
Xinchang Jicheng Real Estate Co., Ltd.	An entity controlled by the controlling shareholder

(a) In addition to the transactions detailed in notes 14, 15, 20, 21 and 24 to the Historical Financial Information, the Group had the following transactions with related parties during the Relevant Periods and the six months ended 30 June 2025:

	Year ended 31 December		Six months ended 30 June	
	2024	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Basic property management services*:				
Huzhou Panglong Jicheng Industrial Co., Ltd.	1,745	1,201	653	518
Jinhua Zhiyu E-commerce Co., Ltd.	1,573	1573	786	786
Jiangshan Jicheng Real Estate Co., Ltd.	1,557	2,411	1,279	1,008
Yiwu Lianji Enterprise Management Consulting Co., Ltd.	1,163	1,163	582	582
Chengde Baida Real Estate Co., Ltd.	789	1,126	464	567
Lanxi Jicheng Enterprise Management Co., Ltd.	181	569	312	240
Zhejiang Guanji Industrial Co., Ltd.	25	747	373	373
Miaoyun Restaurant (Jindong, Jinhua)	21	—	—	—
Zhejiang Jichuang Supply Chain Management Co., Ltd.	5	—	—	—
Zhejiang Jicheng Industrial Co., Ltd.	—	1,256	628	628
Lanxi Lanchuang Jicheng Industrial Park Development Co., Ltd.	—	472	156	156
Huzhou Jicheng Industrial Co., Ltd.	—	232	116	116
Lanxi Shengrun Industrial Co., Ltd.	—	220	110	110
Pujiang Chengde Industrial Co., Ltd.	—	447	224	224

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Energy-related services*:				
Lanxi Shengchi New Energy Technology Co., Ltd.	9	—	—	64
Huzhou Xingchi New Energy Technology Co., Ltd.	68	786	270	483
Park ancillary services*:				
Jinhua Zhiyu E-commerce Co., Ltd	—	186	—	10
Yiwu Lianji Enterprise Management Consulting Co., Ltd	—	92	—	47
Jiangshan Jicheng Real Estate Co., Ltd.	—	126	—	—
Jinhua Bianji Hotel Management Co., Ltd.	—	—	—	7
Operational support services*:				
Miaoyun Restaurant (Jindong, Jinhua)	276	—	—	—
Zhejiang Jichuang Supply Chain Management Co., Ltd.	36	—	—	—
Zhejiang Jicheng Industrial Co., Ltd.	—	3,065	1,462	1,316
Zhejiang Guanji Industrial Co., Ltd.	—	1,547	810	782
Pujiang Chengde Industrial Co., Ltd.	—	916	435	416
Huzhou Panglong Jicheng Industrial Co., Ltd.	—	635	307	358
Lanxi Jicheng Enterprise Management Co., Ltd.	—	580	206	229
Lanxi Shengrun Industrial Co., Ltd.	—	575	287	287
Huzhou Jicheng Industrial Co., Ltd.	—	385	198	222
Lanxi Lanchuang Jicheng Industrial Park Development Co., Ltd.	—	286	114	174
Yangjiang Jicheng Real Estate Co., Ltd.	—	773	—	1,481
Jiangshan Jicheng Real Estate Co., Ltd.	—	—	—	92
Xinchang Jicheng Real Estate Co., Ltd.	—	—	—	243
Linxiang Jicheng Industrial Co., Ltd.	—	—	—	92
Loans from:				
Zhu Huijuan	23,374	—	—	—
Zhejiang Jicheng Industrial Co., Ltd.	10,000	23,580	—	—
Jinhua Zhiyu E-commerce Co., Ltd.	1,800	—	—	—

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Repayment of loans from:				
Zhu Huijuan	31,833	—	—	—
Zhejiang Jicheng Industrial Co., Ltd.	5,189	63,391	4,961	—
Jinhua Zhiyu E-commerce Co., Ltd.	—	1,800	1,800	—
Loans to:				
Huzhou Xingchi New Energy Technology Co., Ltd.	1,255	—	—	—
Jinhua Zhiyu E-commerce Co., Ltd.	18,035	3,670	3,670	—
Yiwu Litao Electronic Technology Co., Ltd.	1,000	—	—	—
Yiwu Lianji Enterprise Management Consulting Co., Ltd.	23,382	28,820	14,141	—
Zhejiang Chuanzhuo Construction Engineering Co., Ltd.	90,000	—	—	—
Zhejiang Xingchi New Energy Technology Co., Ltd.	4,538	—	—	—
Pujiang Lianji New Material Technology Co., Ltd.	1,700	—	—	—
Zhejiang Panglong Group Co., Ltd.	—	4,500	4,500	—
Zhejiang Jicheng Industrial Co., Ltd	—	4,173	3,101	—
Repayment of loans to:				
Huzhou Xingchi New Energy Technology Co., Ltd.	255	1,071	1,071	—
Jinhua Zhiyu E-commerce Co., Ltd.	18,035	3,670	3,670	—
Yiwu Litao Electronic Technology Co., Ltd.	1,000	—	—	—
Yiwu Lianji Enterprise Management Consulting Co., Ltd.	21,193	61,228	9,649	—
Zhejiang Chuanzhuo Construction Engineering Co., Ltd.	—	90,000	70,150	—
Zhejiang Xingchi New Energy Technology Co., Ltd.	4,638	—	—	—
Pujiang Lianji New Materials Technology Co., Ltd.	1,789	350	—	—
Zhejiang Panglong Group Co., Ltd.	—	4,500	4,500	—
Zhejiang Jicheng Industrial Co., Ltd.	—	4,962	—	—
Zhejiang Zhuhong Industrial Co., Ltd.	—	15	15	—
Mr. Chen Qixing	—	36	—	—

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Purchase of services:				
Zhejiang Guanji Industrial Co., Ltd.*	2,454	—	—	—
Lanxi Jicheng Enterprise Management Co., Ltd.*	1,204	—	—	—
Zhejiang Jicheng Industrial Co., Ltd.*	4,617	—	—	—
Pujiang Chengde Industrial Co., Ltd.*	620	—	—	—
Huzhou Jicheng Industrial Co., Ltd.*	824	—	—	—
Lanxi Lanchuang Jicheng Industrial Park Development Co., Ltd.*	1,168	—	—	—
Lanxi Shengrun Industrial Co., Ltd.*	593	—	—	—
Huzhou Panglong Jicheng Industrial Co., Ltd.*	681	—	—	—
Zhejiang Xingchi New Energy Technology Co., Ltd.	92	24	16	—
Rental charges:**				
Zhejiang Jicheng Industrial Co., Ltd.	60	135	67	68

* The above services purchased were leasing services received from related parties, which were determined in accordance with the terms and conditions mutually agreed by the contracting parties. The Group then subleases related properties to tenants.

** The rental fee was determined in accordance with the terms and conditions mutually agreed by the contracting parties.

(b) Other transactions with related parties:

(i) On 26 May 2025, the Group acquired a 51% interest in Zhejiang Zhanxu Firefighting Technology Co., Ltd. from Zhejiang Xingchi New Energy Technology Co., Ltd., a related party controlled by the controlling shareholder, with nil consideration. The differences between the consideration and net assets of Zhejiang Zhanxu Firefighting Technology Co., Ltd. of RMB381,000 has been debited to the capital reserve.

(ii) In 2024, Jiangsu Panglong Enterprise Management Co., Ltd. and Zhejiang Jicheng Industrial Co., Ltd., entities under common control of the controlling shareholder, have entered into the maximum mortgage guarantee contracts to guarantee bank facilities made to the Group up to RMB122,320,000 and RMB150,640,000, respectively. As at 31 December 2024, the not yet past due facilities drawn by the Group amounted to RMB85,119,000, respectively, as further disclosed in note 21 to the Historical Financial Information. The guarantee contracts from the related parties were terminated in June 2025.

(iii) On 12 August 2024, the Group guaranteed a bank facility granted to Pujiang Chengde Industrial Co., Ltd., an entity under common control of the controlling shareholder, amounting to RMB87,200,000, which was terminated in December 2025. At 31 December 2024, the not yet past due facility drawn by the related party amounted to RMB57,000,000. For further details, please refer to note 20(b) to the Historical Financial Information.

(iv) On 9 July 2025, the Group disposed of 70% equity interests in Chengde Lianji Technology Co., Ltd., to Zhengjiang Jicheng Industrial Co., Ltd., an entity under common control of the controlling shareholder, at nil consideration. The difference between the consideration and net assets of Chengde Lianji Technology Co., Ltd. of RMB97,000 has been debited to the capital reserve.

(v) On 19 December 2023, Zhejiang Chuanzhuo Construction Engineering Co., Ltd. ("Zhejiang Chuanzhuo"), an entity controlled by a close relative of the controlling shareholder, Zhejiang Guanji Industrial Co., Ltd. ("Zhejiang Guanji"), an entity controlled by the controlling shareholder and the Group entered into a joint guarantee contract to guarantee the quality of factory premises constructed by Zhejiang Chuanzhuo and sold by Zhejiang Guanji to a third-party property owner, covering a potential compensation of RMB1,000,000 to the property owner if quality defects arise. Based on legal advice obtained and management's assessment of the project's quality status, claim history and contractual arrangements, the Directors consider the likelihood of any outflow of economic benefits arising from the guarantee to be remote. Accordingly, no provision has been recognised as at the end of the Relevant Periods.

(c) Outstanding balance with related parties:

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Due from related companies:			
Trading:			
Huzhou Xingchi New Energy Technology Co., Ltd.	77	—	295
Lanxi Shengchi New Energy Technology Co., Ltd.	10	—	173
Yiwu Lianji Enterprise Management Consulting Co., Ltd.	1,233	—	631
Jiangshan Jicheng Real Estate Co., Ltd.	194	734	—
Jinhua Zhiyu E-commerce Co., Ltd.	1,667	110	834
Chengde Baida Real Estate Co., Ltd.	499	1,440	939
Zhejiang Guanji Industrial Co., Ltd.	26	750	411
Huzhou Panglong Jicheng Industrial Co., Ltd.	1,188	318	651
Miaoyun Restaurant (Jindong, Jinhua)	146	—	—
Zhejiang Jichuang Supply Chain Management Co., Ltd.	44	—	—
Zhejiang Zhuhong Industrial Co., Ltd.	—	22	—
Huzhou Jicheng Industrial Co., Ltd.	—	109	152

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Lanxi Jicheng Enterprise Management Co., Ltd.	—	215	309
Lanxi Lanchuang Jicheng Industrial Park Development Co., Ltd.	—	68	252
Lanxi Shengrun Industrial Co., Ltd.	—	213	—
Pujiang Chengde Industrial Co., Ltd.	—	215	258
Zhejiang Jicheng Industrial Co., Ltd.	—	852	1,010
Yangjiang Jicheng Real Estate Co., Ltd.	—	781	—
Linxiang Jicheng Industrial Co., Ltd.	—	—	93
Xinchang Jicheng Real Estate Co., Ltd.	—	—	257
Subtotal	5,084	5,827	6,265
Non-trading:			
Zhejiang Chuanzhuo Construction Engineering Co., Ltd.	90,000	—	—
Yiwu Lianji Enterprise Management Consulting Co., Ltd.	73,792	39,873	39,873
Huzhou Xingchi New Energy Technology Co., Ltd.	1,071	—	—
Zhejiang Jicheng Industrial Co., Ltd.	789	—	—
Pujiang Lianji New Materials Technology Co., Ltd.	350	—	—
Zhejiang Zhuhong Industrial Co., Ltd.	80	65	—
Mr. Chen Qixing	36	—	—
Pujiang Chengde Industrial Co., Ltd.	15	15	15
Subtotal	166,133	39,953	39,888
Total	171,217	45,780	46,153

	As at 31 December		As at 30 June
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Due to related companies:			
Trading:			
Huzhou Jicheng Industrial Co., Ltd.	3,024	—	81
Yiwu Lianji Enterprise Management Consulting Co., Ltd.	843	—	19
Lanxi Jicheng Enterprise Management Co., Ltd.	9	—	26
Huzhou Xingchi New Energy Technology Co., Ltd.	899	—	—
Lanxi Lanchuang Jicheng Industrial Park Development Co., Ltd.	6	—	419
Zhejiang Jicheng Industrial Co., Ltd.	1	—	599
Huzhou Panglong Jicheng Industrial Co., Ltd.	434	—	417
Jiangshan Jicheng Real Estate Co., Ltd.	77	—	—
Pujiang Lianji New Materials Technology Co., Ltd.	90	—	—
Jinhua Zhiyu E-commerce Co., Ltd.	2	—	602
Yiwu Litao Electronic Technology Co., Ltd.	852	—	—
Zhejiang Xingchi New Energy Technology Co., Ltd.	146	—	—
Lanxi Shengchi New Energy Technology Co., Ltd.	120	—	—
Yangjiang Jicheng Real Estate Co., Ltd.	—	—	10
Xinchang Jicheng Real Estate Co., Ltd.	—	—	2
Zhejiang Guanji Industrial Co., Ltd.	—	—	40
Pujiang Chengde Industrial Co., Ltd.	—	—	58
Lanxi Shengrun Industrial Co., Ltd.	—	—	168
Linxiang Jicheng Industrial Co., Ltd.	—	—	4
Subtotal	6,503	—	2,445
Non-trading:			
Zhejiang Jicheng Industrial Co., Ltd.	39,811	—	—
Jinhua Zhiyu E-commerce Co., Ltd.	1,800	—	—
Yangjiang Jicheng Real Estate Co., Ltd.	—	7	—
Lanxi Lanchuang Jicheng Industrial Park Development Co., Ltd.	—	6	—
Subtotal	41,611	13	—
Total	48,114	13	2,445

The balances with related parties are unsecured, interest-free and repayable on demand.

Non-trading balances due from the Group's related companies will be settled prior to the [REDACTED].

(d) Compensation of key management personnel of the Group:

	Year ended 31 December		Six months ended 30 June	
	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Salaries, bonuses, allowances and benefits in kind	516	647	365	504
Pension scheme contributions	76	79	51	59
Total	592	726	416	563

Further details of directors', the chief executive's and supervisor's emoluments are included in note 8 to the Historical Financial Information.

27. COMMITMENTS

At the end of each of the Relevant Periods, the Group did not have any material capital commitments and the Group, as a lessee, had no lease contracts that have not yet commenced as at the end of the Relevant Periods.

28. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Financial assets

As at 31 December 2024	Financial assets at amortised cost
	RMB'000
Trade receivables	18,874
Financial assets included in prepayments, other receivables and other assets	174,098
Net investment in leases	41,114
Cash and cash equivalents	8,931
Restricted bank deposits	5,524
Total	248,541

As at 31 December 2025	Financial assets at amortised cost *RMB'000*
Trade receivables	22,368
Financial assets included in prepayments, other receivables and other assets	42,145
Net investment in leases	31,317
Cash and cash equivalents	15,211
Restricted bank deposits	657
Total	111,698

As at 30 June 2026	Financial assets at amortised cost *RMB'000*
Trade receivables	25,771
Financial assets included in prepayments, other receivables and other assets	41,885
Net investment in leases	31,663
Cash and cash equivalents	16,877
Restricted bank deposits	752
Total	116,948

Financial liabilities

As at 31 December 2024	Financial liabilities at amortised cost *RMB'000*
Trade payables	4,413
Financial liabilities included in other payables and accruals	81,388
Interest-bearing bank borrowings	85,119
Total	170,920

As at 31 December 2025	Financial liabilities at amortised cost *RMB'000*
Trade payables	7,866
Financial liabilities included in other payables and accruals	16,212
Total	24,078

As at 30 June 2026	Financial liabilities at amortised cost *RMB'000*
Trade payables	3,795
Financial liabilities included in other payables and accruals	22,442
Total	26,237

29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values.

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, financial assets included in prepayments, other receivables and other assets, trade receivables, the current portion of net investment in the lease, trade payables, the current portion of interest-bearing bank borrowings, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the financial controller. At the end of each reporting period, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the financial controller. The valuation process and results are discussed with the directors periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of net investment in the lease and interest-bearing bank borrowing have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2024 were assessed to be insignificant.

The Group did not have any financial assets and financial liabilities measured at fair value as at 31 December 2024 and 2025 and 30 June 2026.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

	Carrying amounts			Fair values		
	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026	As at 31 December 2024	As at 31 December 2025	As at 30 June 2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities						
Interest-bearing bank borrowings	85,119	—	—	89,315	—	—

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include cash and cash equivalents and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables, other payables and accruals and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year/period-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	**Stage 2**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	19,967	19,967
Net investment in leases — Normal**	41,114	—	—	—	41,114
Financial assets included in prepayments, other receivables and other assets — Normal**	174,098	—	—	—	174,098
Cash and cash equivalents	8,931	—	—	—	8,931
Restricted bank deposits	5,524	—	—	—	5,524
Guarantees given to banks in connection with facilities granted to and drawn by a related party					
— Facilities not yet drawn by a related party	30,200	—	—	—	30,200
— Facilities drawn by a related party — Not yet past due	57,000	—	—	—	57,000
Total	316,867	—	—	19,967	336,834

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	27,014	27,014
Net investment in leases — Normal**	31,317	—	—	—	31,317
Financial assets included in prepayments, other receivables and other assets — Normal**	42,145	—	—	—	42,145
Cash and cash equivalents	15,211	—	—	—	15,211
Restricted bank deposits	657	—	—	—	657
Total	89,330	—	—	27,014	116,344

As at 30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	—	—	—	32,573	32,573
Net investment in lease — Normal**	31,663	—	—	—	31,663
Financial assets included in prepayments, other receivables and other assets — Normal**	41,885	—	—	—	41,885
Cash and cash equivalents	16,877	—	—	—	16,877
Restricted bank deposits	752	—	—	—	752
Total	91,177	—	—	32,573	123,750

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 16 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets and net investment in leases, is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Concentrations of credit risk are managed by customer. The Group had certain concentrations of credit risk. As at the end of each of the Relevant Periods, 24%, 32% and 23% of the Group's trade receivables were due from the Group's largest debtor, respectively, and 49%, 61% and 46% of the Group's trade receivables were due from the Group's five largest debtors, respectively.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group maintains a balance between continuity of funding and flexibility through the use of lease liabilities and interest-bearing bank loans.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2024				
	On demand	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	—	4,413	—	—	4,413
Financial liabilities included in other payables and accruals	71,088	—	—	—	71,088
Guarantees given to banks in connection with facilities granted to a related party	57,000	—	—	—	57,000
Lease liabilities	5,440	7,373	23,426	30,149	66,388
Interest-bearing bank borrowings	—	9,080	48,960	47,741	105,781
Total	133,528	20,866	72,386	77,890	304,670

	As at 31 December 2025				
	On demand	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	—	7,866	—	—	7,866
Financial liabilities included in other payables and accruals	16,212	—	—	—	16,212
Lease liabilities	1,771	3,094	5,796	13,210	23,871
Total	17,983	10,960	5,796	13,210	47,949

	As at 30 June 2026				
	On demand	**Within 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	—	3,795	—	—	3,795
Financial liabilities included in other payables and accruals	22,442	—	—	—	22,442
Lease liabilities	2,064	1,753	4,162	11,706	19,685
Total	24,506	5,548	4,162	11,706	45,922

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a liability-to-asset ratio, which is total liabilities divided by total assets and multiplying by 100%. The liability-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		As at 30 June
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
Total assets	278,256	120,795	126,607
Total liabilities	256,871	65,751	63,971
Liability-to-asset ratio	92%	54%	51%

31. EVENTS AFTER THE REPORTING PERIOD

There were no other significant events that required additional disclosure or adjustments after the end of the Relevant Periods.

32. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Set out below is a summary of the principal provisions of the Company's Articles of Association (hereinafter referred to as the "Articles") for [REDACTED]' reference. As the information contained below is only a summary, it does not contain all the information that may be important to potential [REDACTED].

SHARES

Issuance of Shares

The Company's shares shall be in the form of registered share certificates. The issuance of shares by the Company shall adhere to the principle of openness, equality and fairness. Shares of the same class shall have the same rights. All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed for by any entity or individual.

All shares issued by the Company shall be denominated in RMB with each share having a par value of RMB1.

After the fulfilment of the mandatory procedures stipulated in the Trial Measures and other applicable laws, regulations and regulatory documents, the Company may offer its shares to both domestic and foreign investors. Foreign investors referred to in the preceding paragraph shall mean those investors in foreign countries, Hong Kong, Macau or Taiwan who subscribe for shares of the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

Shares that the Company issues to domestic investors for subscription in RMB are called domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. The foreign shares listed overseas shall be referred to as overseas-listed foreign shares. Shareholders of domestic shares, shareholders of unlisted foreign shares and shareholders of overseas-listed foreign shares shall enjoy equal rights in the distribution of dividends or distribution in any other forms. For the purpose of the preceding paragraph, the term "foreign currencies" shall refer to any legal currency of any country or region that can be converted freely, excluding RMB.

After the fulfilment of the mandatory procedures stipulated in the Trial Measures and other applicable laws, regulations and regulatory documents, domestic shareholders of the Company may transfer all or part of unlisted shares (as defined below in this paragraph) held by them to overseas investors, and list such shares on overseas stock exchanges for trading, or convert all or part of unlisted shares into overseas-listed foreign shares, and list them on overseas stock exchanges for trading. Where the above-mentioned unlisted shares are converted into overseas-listed shares, and listed for trading on overseas stock exchanges, general meetings may not be convened for voting. The listing and trading of the above-mentioned shares on any overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of the overseas stock markets.

The domestic unlisted shares issued by the Company shall be centrally deposited with the China Securities Depository and Clearing Corporation Limited or other securities depository as required by law. The Company's overseas-listed foreign shares may be custodied by a depositary company in accordance with the laws, securities regulatory rules, securities registration and custody requirements of the place where the shares of the Company are listed

Increase and Reduction of Shares

In accordance with the laws and regulations, the Company may increase the registered capital by the following ways upon approval by resolutions of the general meeting according to the operation and development needs of the Company:

(I) public offering of shares;

(II) Private placement of shares;

(III) offering of bonus shares to existing shareholders;

(IV) capitalisation of provident fund into share capital;

(V) other form specified in laws, administrative regulations and regulatory documents or approved by the securities regulatory authority of the place where the shares of the Company are listed and the Hong Kong Stock Exchange.

The Company may reduce its registered capital. Any reduction of the Company's registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, as well as the Articles of Association.

Repurchase of Shares

The Company may acquire its shares in compliance with laws, regulations, the GEM Listing Rules and the Articles of Association, in one of the following circumstances:

(I) to reduce the registered capital of the Company;

(II) to merge with other companies holding the shares of the Company;

(III) to use the shares as an employee stock ownership plan or equity incentive plan;

(IV) to purchase its shares from shareholders who have voted against the resolutions on the merger or division of the Company at the general meeting upon their request;

(V) to convert the shares into convertible corporate bonds issued by the Company;

(VI) necessary for the Company to maintain its value and protect the interests of the shareholders; and

(VII) other circumstances stipulated by laws, administrative regulations, departmental rules, regulatory documents and the GEM Listing Rules.

The Company may repurchase its shares through open centralised trading or other ways recognised by laws, administrative regulations and regulatory documents and securities regulatory authorities of the place where the shares of the Company are listed.

If the share purchase is made under any of the circumstances stipulated in the above (III), (V) and (VI), it shall be conducted by way of open centralised trading.

Where the Company repurchases its share under the circumstances stipulated in the above (I) and (II), an approval shall be obtained from the general meeting; where the Company repurchases its shares under the circumstances stipulated in the above (III), (V) and (VI), a resolution of the Board shall be passed by a two-thirds majority of directors attending the meeting in accordance with the provisions of the Articles of Association or the authorisation of the general meeting.

The Company shall write off the shares so repurchased within a period stipulated by laws, administrative regulations and the GEM Listing Rules, and shall apply to the original company registration authority for registration of changes in registered capital.

Upon the purchase of its H Shares by the Company pursuant to the provisions in the above (I), such H Shares may, at the option of the Company, be cancelled or held as treasury shares in accordance with the GEM Listing Rules. In the event that the directors do not specify that the relevant Shares are to be held as treasury shares, such H Shares shall be cancelled. The Company shall hold treasury shares in a clearly identifiable separate account within the Central Clearing and Settlement System. The Company shall not exercise any right in respect of the treasury shares, and no dividend may be declared or paid in respect of a treasury share. Treasury shares may be disposed of by the Company on such terms and conditions as determined by the directors subject to these Articles of Association and the GEM Listing Rules.

Where the laws, administrative regulations, departmental rules, regulatory documents and Hong Kong Listing Rules stipulate other provisions on the relevant matters involved in the foregoing share repurchase, those provisions shall prevail.

Transfer of Shares

The shares of the Company may be transferred to other shareholders or to persons other than the shareholders. Unless otherwise provided by laws, administrative regulations, departmental rules, normative documents, the securities regulatory authorities in the place where the shares of the Company are listed and the Hong Kong Stock Exchange, the shares of the Company that have been fully paid for shall not be subject to any restrictions in respect of the right of assignment, can be transferred freely and are not subject to any lien. Transfer of overseas-listed foreign shares listed in Hong Kong shall be registered with the Hong Kong based share registrar entrusted by the Company.

All fully paid-up overseas-listed shares listed in Hong Kong may be freely transferred in accordance with the Articles of Association. However, the board of directors shall have the right to refuse to recognise any instrument of transfer without giving any reason, unless the following conditions are met:

(I) the transfer instruments and other documents related to the title of any shares or which may affect the title of any shares have been registered, and the Company has been paid all fees as stipulated in the GEM Listing Rules, which shall not exceed the maximum fees required in the GEM Listing Rules as may be amended from time to time;

(II) the transfer instruments are only in relation to the H shares listed on the Hong Kong;

(III) the stamp duties required by the laws of Hong Kong for the transfer instruments have been paid;

(IV) the relevant share certificate(s) and any other evidence which the Board of Directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;

(V) where the shares are intended to be transferred to joint holders, the number of such joint holders is no more than four;

(VI) The shares concerned are free of any lien in favour of the Company; and

(VII) Any share shall not be transferred to an infant or to a person of unsound mind or under other legal disability.

If the Company refuses to register the transfer of Shares, the Company shall deliver a notification related to the refusal of Shares transfer to the transferor and transferee within 2 months from the date of the application for transferring the Shares. All the transfer instruments shall be kept at the legal address of the Company or such address as the Board of Directors may specify from time to time.

The H-share shall be transferred by a transfer document in writing in any usual or common form or any other form which the Board accepts (including the prescribed form or transfer form as required by the Hong Kong Stock Exchange from time to time). The written transfer documents may only be executed by hand or (if the transferor or the transferee is a company) affixed with the company's seal. If the transferor or transferee is a recognised clearing house as defined by the laws of Hong Kong in effect from time to time or the agent thereof, the written transfer documents may be executed by hand or by machine imprinted signatures. All transfer documents shall be kept at the legal address of the Company, the address of the share transfer agency, or any other place specified by the Board from time to time.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company shall set up a register of shareholders based on the certificates provided by the securities registration agency. The register of shareholders shall be sufficient evidence to the holding of the shares of the Company by a shareholder. A shareholder shall enjoy rights and assume obligations according to the class of shares held by them. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

When the Company holds a general meeting, distributes dividend, liquidates or engage in other matters which need to determine the identity of the shareholders, the board of directors or the convener of general meeting shall determine a record date. The shareholders of the Company entitled to relevant rights shall be such persons who appear in the register of shareholders at the close of such record date.

Shareholders of the Company shall be entitled to the following rights:

(I) to receive dividends and other forms of distributions in proportion to the number of shares they hold;

(II) to file a petition according to laws, convene, hold and attend the general meetings either in person or by proxy and exercise their corresponding right to speak and voting rights (unless an individual shareholder is required by the provisions of the GEM Listing Rules or the securities regulatory authority of the place where the shares of the Company are listed to abstain from voting on specific matters);

(III) to supervise, present suggestions or make inquiries about the business operations of the Company;

(IV) to transfer, donate or pledge their shares in accordance with laws, administrative regulations, the relevant regulations of the securities regulatory authority of the place where the shares of the Company are listed and the Articles of Association;

(V) to obtain relevant information in accordance with the provisions of the Articles of Association, including:

1. to obtain the copy of the Articles of Association after payment of costs;

2. to inspect free of charge and copy after payment of a reasonable fee, the following:

(1) the complete register of shareholders;

(2) personal information on the directors, managers and other senior management staff of the Company, including:

(a) current and previous names and aliases; (b) main address (domicile); (c) nationality; (d) full-time and all other part-time occupations and duties; (e) identification documents and their numbers.

(3) report of the status of the issued share capital of the Company;

(4) report of the total nominal value, quantity, the highest and lowest price of share of each class repurchased by the Company from the last fiscal year, and the total amount paid by the Company for this purpose;

(5) special resolutions of the general meetings of the Company;

(6) the latest audited financial statements of the Company, and the reports of the Board, auditors and the Audit Committee of the Board;

(7) a copy of the latest annual report filed with the State Administration for Industry & Commerce of China or other competent authorities;

(8) counterfoils of corporate bonds, resolutions of meetings of the Board, resolutions of meetings of the Audit Committee of the Board; and

(9) minutes of the general meetings.

The Company shall keep items (1) and (9) of the aforementioned point 2 at the designated address in Hong Kong for free inspection by the public and shareholders (the minutes of the general meetings are only available for shareholders to inspect and copy after paying a reasonable fee). If the relevant laws, administrative regulations, the securities regulatory authority of the place where the Company's shares are listed, and Hong Kong Stock Exchange have any other provisions governing the aforesaid announcements, such provisions shall prevail.

The Hong Kong branch register of shareholders must be available for inspection by shareholders. However, the Company may be allowed to suspend the registration of shareholders on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong

Kong) or the requirements of the securities regulatory authority of the place where the Company's shares are listed. In other words, the Company may, by notice, close its register of shareholders or that part of the register relating to shareholders holding any class of shares for one or more than one periods, provided that, the accumulative period of closure shall not exceed 30 days within any one year.

Subject to compliance with applicable laws, administrative regulations and securities regulatory rules in the place where the shares of the Company are listed, the Company may reject the requests if the content to be inspected and copied involves the business secrets and inside information of the Company or the personal privacy of relevant personnel.

(VI) to participate in the distribution of the residual assets of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(VII) to request the Company to purchase their shares for the shareholders who object to the resolution on merger or division made by the general meetings;

(VIII) other rights stipulated by laws, administrative regulations, regulatory documents, the GEM Listing Rules and the Articles of Association.

Shareholders of the Company shall assume the following obligations:

(I) to abide by the laws, administrative regulations and the Articles of Association;

(II) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(III) not to withdraw the shares after the approval and registration of the Company unless required by laws and regulations;

(IV) not to abuse shareholders' rights to damage the interests of the Company or other shareholders; not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to damage the interests of any creditors of the Company;

(V) other obligations as stipulated by the laws, administrative regulations, the GEM Listing Rules and the Articles of Association.

When any shareholder of the Company abuses the shareholders' rights and incurs losses to the Company or other shareholders, such shareholder shall be liable for compensation in accordance with the law. Where shareholders of the Company abuse the status of the Company as an independent legal person and the limited liability of shareholders for the purposes of evading debts, thereby materially damaging the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts of the Company.

Where any shareholder holding more than 5% of the voting shares of the Company pledges the shares held by him/her, the shareholder shall submit a written report to the Company on the day on which the pledge occurs.

The controlling shareholders and actual controllers of the Company shall not use their connected relations to damage the interests of the Company. Any losses caused to the Company as a result of such violation shall be compensated.

The controlling shareholders and actual controllers of the Company shall have fiduciary duties towards the Company and the public shareholders of the Company. The controlling shareholders shall exercise their rights as capital contributors in strict compliance with the law. The controlling shareholders, actual controllers and their connected parties shall not damage the lawful rights and interests of the Company by means of profit distribution, asset restructuring, external investment, fund appropriation, loan guarantee, etc., nor make use of their controlling position to damage the interests of the Company and its public shareholders.

General Provisions for General Meetings

The general meeting is the organ of authority of the Company and shall exercise the following functions and powers according to the law:

(I) to elect and replace directors and to determine matters relating to the remuneration of the directors;

(II) to consider and approve the reports of the Board;

(III) to consider and approve the profit distribution plans and plans for recovery of losses of the Company;

(IV) to make resolutions on increase or reduction of the registered capital of the Company;

(V) to make resolutions on the issuance of corporate bonds;

(VI) to make resolutions on the merger, demerger, dissolution, liquidation or change of corporate form of the Company;

(VII) to amend the Articles of Association;

(VIII) to make resolutions on the matter of the appointment and dismissal of accounting firms;

(IX) to consider and approve the matters of guarantee as prescribed in the Articles of Association which require consideration by the general meeting;

(X) to consider the matters that the acquisition or disposal of significant assets by the Company within one year if the asset value exceeds 30% of the latest audited total assets of the Company;

(XI) to consider and approve matters relating to the change of the purpose of raised funds;

(XII) to consider the share incentive plans and employee shareholding schemes;

(XIII) to consider other matters that shall be decided by the general meetings as provided by laws, administrative regulations, departmental rules and regulations or the Articles of Association;

(XIV) other matters required by the GEM Listing Rules or the securities regulatory authority of the place where the Company's shares are listed.

The functions and powers of the general meetings described above shall not be delegated to the Board or any other organisations or individuals through authorisation.

The general meetings may, under necessary, reasonable and legal circumstances, authorise or delegate the Board to take charge of the matters he or she is authorised or delegated, including but not limited to the following matters in the general meetings:

Subject to the applicable laws, regulations and listing rules, general mandate is granted to the Board to issue, allot and deal with additional overseas listed shares, the quantity of which shall be no more than 20% of the issued overseas listed shares (or any other proportion regulated by applicable laws, administrative regulations and listing rules in the place where the securities of the Company are listed);

The Board is authorised to decide the specific clauses and relevant matters about the issuance of debt financing instruments like domestic short-term financing bonds, medium-term notes, corporate bonds and overseas US dollars bonds within the scope of the limit for bond issuance according to the needs of production operation and capital expenditure and market conditions, including (but not limited to) determining the actual amount, interest rate, term, targets of issuance, use of proceeds of bonds to be issued within the aforesaid scope and preparing, signing and disclosing all necessary documents.

The following external guarantees of the Company shall be reviewed and passed at the general meetings:

(I) any guarantee provided after the total amount of external guarantees of the Company and its holding subsidiaries has exceeded 50% of the latest audited net assets;

(II) any guarantee provided after the total amount of external guarantees of the Company has exceeded 30% of the latest audited total assets;

(III) any guarantee provided by the Company within one year with the total amount of guarantees exceeding 30% of the latest audited total assets;

(IV) any guarantee provided for any guaranteed party with a gearing ratio of over 70%;

(V) any single guarantee with the amount of guarantee exceeding 10% of the latest audited net assets;

(VI) any guarantee provided to the shareholders, actual controllers and connected parties thereof.

General meetings are divided into annual general meetings and extraordinary general meetings.

The annual general meetings shall be convened once a year and be held within six months from the end of the previous fiscal year.

The Company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

(I) when the number of directors is less than the statutory number specified in the Company Law or two-thirds of the number specified in the Articles of Association;

(II) when the unrecovered losses of the Company amount to one-third of the total paid-in share capital of the Company;

(III) upon request in writing by a shareholder alone or shareholders together holding more than 10% of the Company's shares (excluding treasury shares);

(IV) when the Board considers it necessary;

(V) upon a proposal by the Audit Committee to convene a meeting;

(VI) when it is proposed by the independent non-executive directors;

(VII) any other circumstances stipulated by laws, administrative regulations, departmental rules, the GEM Listing Rules or the Articles of Association.

The Company shall convene a general meeting at its domicile or other places as indicated in the notice of the general meeting.

The general meeting shall arrange a meeting venue and be convened through on-site meetings or simultaneously by electronic means (such as video conference and/or teleconference, etc.), or other forms permitted by applicable laws and regulations. The Company may use electronic communications and other means (including but not limited to online voting, video, or other means) to facilitate shareholders attending the general meeting, as appropriate. Shareholders participating in general meetings in the aforesaid manner shall be deemed to have attended the meeting. Each shareholder has the rights to speak and vote at general meetings save for individual shareholders who are required by the GEM Listing Rules to abstain from voting on particular matters.

The time and venue of on-site meetings shall be selected for the convenient participation of shareholders. After the issuance of the notice of the general meeting, the venue for an on-site meeting shall not be changed without any proper reasons. In case of any necessary change of the venue, the convener shall notify shareholders and state the reasons at least two working days prior to the date of the on-site meeting.

Convening of General Meetings

Independent non-executive directors shall have the right to propose to the Board to convene extraordinary general meetings. When an independent non-executive director proposes to convene an extraordinary general meeting, the Board shall issue written feedback on consent or non-consent to the convening of the extraordinary general meeting within 10 days from the receipt of the proposal according to the laws, administrative regulations and the Articles of Association. If the Board gives consent to convene an extraordinary general meeting, it shall, within five days from the passing of the board resolution, issue a notice on convening the general meetings. If the Board does not give consent to convene an extraordinary general meeting, the Board shall state the reason and issue an announcement.

On the basis of one share for one vote, shareholders holding more than 10% of the shares of the Company (excluding treasury shares) individually or jointly shall have the right to request the Board to convene an extraordinary general meeting, have such right to include resolutions in the agenda and submit such request in writing to the Board. The Board shall issue written feedback on consent or non-consent to the convening of the extraordinary general meeting within 10 days from the receipt of the request according to the laws, administrative regulations and the Articles of Association.

If the Board gives consent to convene an extraordinary general meeting it shall, within five days from the passing of the board resolution, issue a notice on convening the general meetings. Any changes to the original request in the notice shall obtain the consent of proposing shareholders.

If the Board does not give consent to convene an extraordinary general meeting or does not issue feedback within ten days from the receipt of the request, shareholders holding more than 10% of the shares of the Company (excluding treasury shares) individually or jointly may convene and chair the general meeting on their own.

Prior to the announcement of resolutions passed by the general meeting, the shareholding percentage of the convening shareholders shall be no less than 10% (excluding treasury shares).

For the general meetings convened by shareholders, the Board shall cooperate. The Board shall provide the register of shareholders as at the date of record. The register of shareholders obtained by the convener shall not be used for any purpose other than convening a general meeting.

The necessary expenses for a general meeting convened by shareholders shall be borne by the Company.

Proposals and Notices of General Meetings

The contents of the proposal shall fall within the scope of the functions and powers of the general meetings and shall have specified subjects and specific resolutions, in further compliance with the laws, administrative regulations and the Articles of Association. The proposals of the general meetings shall be in writing.

When the Company convenes the general meeting, the Board and shareholders individually or jointly holding more than 1% of the shares of the Company shall have the right to make proposals.

Shareholders individually or jointly holding more than 1% of the shares of the Company may make provisional proposals and submit them to the convener in writing 10 days before a general meeting and within the time limit specified in the GEM Listing Rules. The convener shall, within two days upon receipt of the proposal, issue a supplementary notice of the general meeting announcing the contents of such provisional proposals in accordance with the provisions of the Company Law and the GEM Listing Rules, which exclude those violating the requirements of the laws, administrative regulations or the Articles of Association, or falling out of the scope of the authority of the general meeting.

Except for the situations described above, the convener shall not modify the proposals already specified in the notice of the general meeting or add new proposals subsequent to the issue of the notice of the general meeting.

The general meeting shall not vote on or resolve any proposals not incorporated in the notice or not in compliance with the Articles of Association.

The convener of the general meeting shall notify the shareholders by announcement twenty-one days prior to the annual general meeting, and shall notify the shareholders by announcement fifteen days prior to the extraordinary general meeting. The notice shall be accompanied by the form of proxy, which shall provide the options for and against all resolutions to be proposed at the meeting.

In determining the commencement date and the period, the Company shall not include the date convening the meeting.

The notice of a general meeting shall include the following details:

(I) the time, address and duration of the meeting;

(II) the matters and proposals submitted to be deliberated at the meeting;

(III) a prominent written statement that all shareholders are entitled to attend the general meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy may not be a shareholder of the Company;

(IV) the date of registration of shareholdings of shareholders who are entitled to attend the general meeting;

(V) the name and telephone number of the permanent contact person concerning meeting matters;

(VI) the time and procedure for voting through internet or other means;

(VII) any other matters stipulated by laws, administrative regulations, regulatory documents, and the GEM Listing Rules.

The specific details of all proposals shall be adequately and fully disclosed in the notice and supplementary notice of the general meeting.

The interval between the date of registration of shareholdings and the date of the meeting shall be no more than seven business days. The date of registration of shareholdings shall not be changed once determined save for any modifications made in accordance with the GEM Listing Rules.

If the matters involving the election of directors are to be discussed at the general meeting, the notice of the general meeting shall fully disclose the detailed information of the candidates for directors, which shall at least include the following:

(I) personal particulars including full name, educational background, working experience, part-time jobs;

(II) whether there is any connected relationship between such candidates and the Company or controlling shareholders and actual controller of the Company;

(III) disclosure of their shareholdings in the Company;

(IV) whether the candidates have been punished by the relevant regulatory authorities and other relevant authorities or reprimanded by a stock exchange;

(V) other matters regulated by the GEM Listing Rules.

Except for the directors elected through the cumulative voting system, each candidate for director shall be individually proposed.

After the issuance of the notice for a general meeting, the general meeting shall not be postponed or cancelled without any proper reasons, and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convener shall give a notice to shareholders stating the reasons at least two business days before the original meeting date.

Holding of General Meetings

The Board and other conveners shall take all necessary measures to ensure that the general meeting is conducted in an orderly manner, and shall take steps to prevent any activities that interfere the general meetings, cause disturbances and infringe the legal interests of the shareholders, and report such activities to the relevant authorities for investigation and punishment.

All shareholders in the register of shareholders as at the date of record or their proxies shall have corresponding rights to attend and speak at the general meeting and exercise the voting rights according to relevant laws, regulations and the Articles of Association (save that individual shareholders shall be required to abstain from voting on specific matters as provided by the GEM Listing Rules).

Shareholders may either attend and exercise the voting rights at the general meeting in person, or appoint any persons (regardless of whether such person is a shareholder of the Company) as their proxies to attend the meeting and exercise the voting rights within the scope of authorisation. Any shareholder who is entitled to attend and vote at the general meeting shall be entitled to appoint one or more persons (whether such person is a shareholder or not) as his/her proxy(ies) to attend and vote on his/her behalf. Where a shareholder is a Recognised Clearing House (or its proxies) as defined in the relevant regulations enacted in Hong Kong from time to time, it may authorise its corporate representative or one or more persons as it deems fit to act as its proxy(ies) at any general meeting and creditors' meetings; however, if more than 1 persons are thus authorised, the power of attorney shall specify the numbers and classes of shares in respect of which such persons are authorised, and signed by the authorised person of the Recognised Clearing House. The person(s) so authorised may represent the Recognised Clearing House (or its nominee) to attend the meeting, without producing certificates of shareholding, the notarized power of attorney and/or further evidence to prove that he/she has been duly authorised, as if that proxy is an individual shareholder of the Company.

When the general meetings are held, all directors of the Company shall attend the general meetings, and the manager and other senior management shall also attend the meetings on a non-voting basis.

The general meetings shall be convened by the Board and chaired by the chairman of the Board in accordance with the laws. When the chairman of the Board is unable to perform or does not perform his or her duties, a director nominated by more than half of the directors shall chair the meeting. However, the above provision shall not apply to the general meetings convened and chaired by qualified shareholders in accordance with the Articles of Association.

The general meeting convened by shareholders shall be chaired by a representative recommended by the convener.

Where the general meeting is unable to continue due to the chairman of the meeting violating the rules of procedure of the meeting during the meeting, the general meeting may elect a person to chair the meeting upon consent of the attending shareholders with more than half of the voting rights to continue the meeting.

The Company shall formulate the rules of procedure of the general meetings which shall set out the procedures of convening and voting at the general meetings in detail, including notices, registration, consideration for proposals, voting, vote counting, announcement on voting results, formation of the resolutions, meeting minutes and their signing, announcement and other matters, and the principles of

authorisation of the general meetings granted to the Board. The contents of authorisation shall be clear and specific. The rules of procedure of the general meeting shall be prepared by the Board, approved at the general meeting and attached as an appendix to the Articles of Association.

Except for information that cannot be disclosed according to laws and administrative regulations or information involving with trade secrets of the Company, the directors and senior management shall make explanations and statement on the inquiries and suggestions from shareholders at the general meetings.

Prior to voting, the chairman of the meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be subject to the meeting registration.

The Chief Administrative Officer shall be responsible for the minutes of the general meetings. The minutes shall set forth the following contents:

(I) time, place, agenda of the meeting, name of the convener;

(II) name of the chairman of the meeting, directors, the manager and other senior management present or in attendance at the meeting;

(III) number of shareholders and proxies present at the meeting, the total number of voting shares and the proportion of the total number of voting shares to the total shares of the Company;

(IV) the consideration process, highlights of the speeches and voting results for each proposal;

(V) queries or suggestions of shareholders and the corresponding replies or explanations;

(VI) the name of lawyers (if any), counting officers and scrutinisers;

(VII) such other matters which shall be recorded in the minutes specified by laws and regulations, stock exchange of the place where the shares of the Company are listed or the Articles of Association.

Conveners of the general meetings shall ensure that the contents of the minutes are true, accurate and complete. The directors, the Chief Administrative Officer, convener or his or her representative and chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance record of shareholders attending the meeting, the power of attorney for proxies attending the meeting and the valid information of voting via online voting (if any) or other methods.

The convener of the general meeting shall ensure that the general meeting is held continuously until the final resolutions are reached. In case the general meeting is adjourned or resolutions failed to be reached due to any special reasons like force majeure, necessary measures shall be taken to resume the general meeting as soon as possible or to directly terminate the general meeting. An announcement shall be made accordingly in time.

Voting and Resolutions of General Meetings

Resolution of a general meeting shall be classified as ordinary resolution or special resolution.

Ordinary resolution shall be passed by a majority of the voting rights represented by the shareholders (including their proxies) attending the general meeting.

Special resolution shall be passed by 2/3 or more of the voting rights represented by the shareholders (including their proxies) attending the general meeting.

The following matters shall be approved by ordinary resolution at the General Meeting:

(I) a report on the work of the Board of Directors;

(II) profit distribution plan and loss recovery plan prepared by the Board of Directors;

(III) appointment and removal of members of the Board of Directors and their remuneration and methods of payment;

(IV) the annual budget plan and final account plan of the Company;

(V) the annual report of the Company;

(VI) matters other than those shall be passed by special resolutions as specified by laws, administrative regulations, the GEM Listing Rules, or the Articles of Association.

The following matters shall be approved by way of special resolutions at a general meeting:

(I) increase or reduction in the registered capital of the Company;

(II) division, spin-off, merger, dissolution and liquidation of the Company or change of corporate form of the Company;

(III) amendments to the Articles of Association;

(IV) purchase or sale of material assets or guarantees by the Company in excess of 30% of the Company's latest audited total assets within a period of 1 year;

(V) share incentive schemes;

(VI) other matters prescribed by the laws, administrative regulations, the GEM Listing Rules, or the Articles of Association, and those matters determined by ordinary resolutions at a shareholders' general meeting to have a material impact on the Company and required to be approved by special resolutions.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. A person shall be disqualified from being a Director of the Company in each of the following circumstances:

(I) a person who does not have or who has limited capacity for civil conduct;

(II) a person who has been convicted of and sentenced for offences relating to corruption, bribery, trespass to assets, misappropriation of assets or disrupting the order of the socialist market economy or who has been deprived of his/her political rights as a result of him/her having committed an offence and, in each case, a period of 5 years has not elapsed since the completion of the term of the sentence or deprivation; or a period of 2 years has not elapsed since the expiration of the probation period for suspended sentence;

(III) a person who was a Director or factory manager or manager of a company or enterprise which had become insolvent and liquidated and who incurred personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;

(IV) a person who was a legal representative of a company or enterprise which had its business licence revoked or was ordered to close down on the grounds of contravention of law, and who incurred personal liability thereof, and a period of 3 years has not elapsed since the date of revocation of the business licence or closure of that company or enterprise;

(V) a person is listed as a dishonest party by the People's Court due to failure to repay his/her relatively large amount of debts when due;

(VI) a person who has been forbidden by the CSRC with a penalty to access the securities market and who is still in the period of penalty;

(VII) other circumstances stipulated by laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Shares of the Company are listed. Where the Company elects or appoints any Director by violating the provisions in this Article, such elections, appointments or hiring shall be deemed invalid.

Where any Director, during him/her term of office, is under any of the circumstances as mentioned above, the Company shall remove him/her from his/her post.

The directors shall be elected or replaced by the general meeting, and subject to the provisions of relevant laws and administrative regulations, may be removed by the general meeting through an ordinary resolution before the expiration of their term of office, provided that such removal shall be without prejudice to any claim for damages that such director may have under any contract.

The directors serve three-year terms, and the director can be re-elected and reappointed at the end of the term. However, where the independent non-executive director has served for a term of more than nine years, further appointment shall be subject to the relevant review procedures under the listing rules of the place where the Company's shares are listed.

The tenure of a Director shall be from the date of appointment to the expiry of tenure of the current Board. If a Director's tenure expires without timely re-election, resulting in the number of Directors falling below the quorum, the original Director shall still perform the duties of a Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the re-elected Director assumes office.

If a director resigns, they shall notify the company in writing, and the resignation shall take effect on the date the Company receives the notice. However, under the circumstances specified in the preceding paragraph above, the director shall continue to perform their duties.

The shareholders' general meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made. Where a director is removed from office prior to expiration of his/her term of office, the director may demand compensation from the Company.

Subject to any violation against the laws, administrative regulations and regulatory provisions of the place where the Company's shares are listed, if the board of directors appoints any new director to fill any casual vacancy of the board of directors, the term of office of the newly appointed director shall expire on the first shareholders' general meeting after the appointment. At the same time, such director shall be eligible for re-election.

The general manager or other senior management personnel may concurrently serve as a director, provided that the total number of directors who also hold the position of general manager or other senior management personnel shall not exceed one-half of the total number of directors of the Company.

Directors shall comply with laws, administrative regulations and the Articles of Association and shall owe the following duties of fidelity to the Company:

(I) shall not accept bribes or other illegal income by taking advantage of their positions, and shall not misappropriate the property of the Company;

(II) shall not misappropriate the funds of the Company;

(III) shall not deposit the assets or funds of the Company in an account opened in their own name or in the name of any other individual;

(IV) directors shall not directly or indirectly enter into any contracts or transactions with the Company without reporting to the Board or the general meeting on the matters relating to the entering into of such contracts or transactions and having such matters approved by a resolution of the Board or the general meeting in accordance with the provisions of the Articles of Association;

(V) without the consent of a general meeting, he/she shall not take advantage of his/her position to seek business opportunities for himself/herself or others that should belong to the Company, except in one of the following circumstances: (1) where he/she has reported to the Board or the general meeting and has been approved by a resolution of the Board or the general meeting according to the provisions of the Articles of Association; (2) where the Company cannot make use of the business opportunity as stipulated by the provisions of laws, administrative regulations or the Articles of Association;

(VI) shall not accept commissions related to transactions of the Company and vest in himself/herself;

(VII) shall not disclose the Company's secrets without authorisation;

(VIII) shall not take advantage of his connection with the Company to harm interests of the Company;

(IX) shall owe other duties of fidelity specified by laws, administrative regulations, departmental rules, the GEM Listing Rules and the Articles of Association.

The provisions in clause (V) of the preceding paragraph shall apply to the entering of contracts or transactions with the Company by close family members of the Directors and senior management members, enterprises directly or indirectly controlled by the Directors and senior management members or their close family members, and associates who have other affiliations with the Directors and senior management members.

The Company may have a claim against the breaching director for an account of profits for any income earned by such director in violation of the aforesaid provisions; such director is liable for compensation if any loss is caused to the Company.

Directors shall fulfil the following duties of care to the Company in accordance with the laws, administrative regulations and the Articles of Association:

(I) to exercise the powers conferred by the Company with prudence, care and diligence to ensure that the commercial activities of the Company comply with the provisions of the national laws, administrative regulations and various state economic policies and not exceed the business scope specified in the business licence;

(II) to treat all shareholders impartially;

(III) to keep track of the operation and management of the Company on a timely basis;

(IV) to sign the written confirmation opinions on the Company's regular reports, and ensure that the information disclosed by the Company is true, accurate, and complete;

(V) to provide the Audit Committee of the Board with truthful information and materials, and not to intervene in the performance of the Audit Committee or its members of their functions and powers;

(VI) to perform any other duties of care provided by the laws, administrative regulations, departmental rules, the GEM Listing Rules and the Articles of Association.

Unless otherwise stipulated in this Article, the regulations relating to the qualifications and obligations of directors in the Articles of Association shall be applicable to independent non-executive directors of the Company. Independent non-executive directors shall faithfully perform their duties, safeguard the interests of the Company, protect the legal interests of shareholders of public shares, and ensure that the interests of all shareholders can be fully represented.

If any independent non-executive director fails to meet the qualifications and independence specified in the GEM Listing Rules or encounters any other circumstances inappropriate for him or her to fulfil his or her duties such that the number of independent non-executive directors of the Company falls below the quorum in the Articles of Association, the Company shall inform the Hong Kong Stock Exchange immediately, and explain the relevant details and reasons in the announcement. The Company

shall, within three months after the non-compliance, fill up the number of independent non-executive directors to meet requirements of the GEM Listing Rules or the securities regulatory authority of the place where the Company's shares are listed.

Any director who fails to attend two consecutive meetings of the Board in person and fails to appoint any other directors to attend on his behalf shall be deemed to be unable to perform his or her duties. The Board shall propose to the general meeting to remove such director.

A director may resign before the expiration of his or her term of office. The director shall submit a written resignation report to the Board. The Board shall disclose the relevant information within two days.

Where the number of directors of the Board falls below the minimum number of directors stipulated in the Company Law due to the resignation of any director, the original directors shall perform their duties according to laws, administrative regulations, departmental rules and the Articles of Associations before the newly-elected director assumes the office.

Except for the circumstances specified in the preceding paragraph or a later date specified in the resignation report of the director, the resignation of the director shall become effective when the resignation report is delivered to the Board.

Subject to the relevant laws and regulations of the place where the Company's shares are listed, if the board of directors appoints a new director to fill a casual vacancy on the board of directors or to increase the number of seats on the board of directors, the term of office of such director so appointed shall terminate upon the next annual shareholders' meeting of the Company, and such director shall then be eligible for re-election. All directors appointed to fill casual vacancies shall be subject to election by shareholders at the first annual shareholders' meeting following their appointment.

Upon the effectiveness of a director's resignation or the expiration of his or her term of office, the director shall complete all handover procedures with the Board and his or her duty of loyalty to the Company and its shareholders continues for two years after the end of his or her term of office. His or her obligations to keep the trade secrets of the Company confidential shall remain valid after the expiration of his or her term of office until the relevant secrets become publicly available information.

Unless otherwise specified in the Articles of Association or duly authorised by the Board, no director shall act on behalf of the Company or the Board in his or her personal capacity. When a director acts in his or her personal capacity, and a third party may reasonably believe that such director is acting on behalf of the Company or the Board, the director shall declare his or her stance and capacity in advance.

If the Company suffers any losses due to a director's violation of laws, administrative regulations, departmental rules or the Articles of Association in fulfilling his or her duties, the director shall be liable for compensation.

The matters relating to independent non-executive directors of the Company shall be carried out according to laws, administrative regulations and regulations of the relevant regulatory authorities and stock exchange, and shall be regulated in details in the work policy of independent non-executive directors of the Company.

Board of Directors

The Company shall establish the Board, which shall be responsible for the general meeting.

The Board shall consist of six directors and one chairman. The chairman of the Board shall be elected by more than half of the votes by the directors. The Board of the Company shall consist of three executive directors and three independent non-executive directors. Independent non-executive directors shall at least include one director with appropriate professional qualifications, or appropriate expertise in accounting or financial management. At least one independent non-executive director of the Company permanently resides in Hong Kong.

The Board shall perform the following functions:

(I) to convene the general meetings and report to the general meetings;

(II) to implement the resolutions of the general meetings;

(III) to determine business operation plans and investment proposals of the Company;

(IV) to formulate the plans for profit distribution and recovery of losses of the Company;

(V) to formulate plans for increase or reduction of the registered capital of the Company, issuance of bonds or other securities and listing;

(VI) to formulate plans for major acquisitions, purchase of shares of the Company, merger, division, dissolution or changes in the form of the Company;

(VII) to determine the matters such as the Company's external investment, purchase or sales of assets, asset pledge, external guarantee, entrusted wealth management, connected transactions and external donation within the scope authorised by the general meeting and the Articles of Association;

(VIII) to decide on the setup of the internal management organisation of the Company;

(IX) to determine the appointment or dismissal of the general manager and other senior management of the Company, as well as to determine their remuneration and rewards and punishments; and based on the nomination of the general manager, to appoint or dismiss the chief financial officer, the chief executive officer and other senior management of the Company, and to determine their remuneration, rewards and punishments;

(X) to formulate the basic management systems of the Company;

(XI) to formulate plans for any amendments to the Articles of Association;

(XII) to manage the disclosure of information of the Company;

(XIII) to propose at the general meeting the appointment or replacement of the accounting firm that performs audit for the Company;

(XIV) to receive the work report of the general manager of the Company and examine on the work of the general manager;

(XV) to formulate and implement the equity incentive plan of the Company;

(XVI) to fulfil other duties and powers granted by laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed or the Articles of Association and the general meeting.

The limitation of the functions and powers of the Board in the Articles of Association shall not be against a bona fide third party.

Where the Board makes decisions on the above matters that fall within the scope of the participation of the Party organisation of the Company in decision-making on major issues, it shall first listen to the opinions and advice of the Party organisation of the Company.

Matters exceeding the scope of authorisation by the general meeting shall be submitted to the general meeting for consideration.

All material matters subject to the decision-making of the Board of the Company shall be informed to all directors within the time specified in the Articles of Association, with sufficient information submitted to directors at the same time in compliance with the regulatory procedure. The directors may request for additional information. When more than one-fourth of the directors or more than two independent non-executive directors consider that the information and materials are insufficient or there are other reasons that make it impossible for them to make a judgment on the matters concerned, they may jointly propose to postpone the meeting of the Board or to postpone the deliberation of part of the matters discussed by the Board, and the Board shall adopt such proposal.

The Board of the Company shall explain to the general meeting of the Company regarding the non-standard audit opinion issued by the certified public accountant on the financial reports of the Company.

The Board shall formulate rules of procedure for the Board to ensure the implementation of resolutions of the general meetings, improve work efficiency and guarantee the reasonable decision-making.

The rules of procedure of the Board shall be drafted by the Board and approved by the general meeting, which shall be taken as an appendix to the Articles of Association.

The Board shall organise relevant experts and professionals to assess major investment projects.

The Board shall have one chairman, who shall be elected by the Board by more than half of all directors. The chairman of the Board shall exercise the following functions and powers:

(I) to chair the general meetings, and to convene and chair the meetings of the Board;

(II) to sign important documents of the Board;

(III) to supervise and check the implementation of board resolutions;

(IV) to exercise other powers granted by the Board;

(V) to exercise other powers granted by laws, administrative regulations, department rules, listing rules of the place where the shares of the Company are listed or the Articles of Association.

In the event that the chairman is incapable of performing or does not perform his or her duties, a directors nominated by more than half of the directors shall perform the duties.

The Board shall convene regular meetings once a year. The meeting shall be convened by the chairman of the Board. The meeting notice shall be delivered to all directors in writing 14 days before the date of the meeting. If necessary, the meeting notice shall also be sent to the general manager and other senior management of the Company.

Shareholders representing more than 1/10 of voting rights (excluding treasury shares) of the Company, more than one-third of all directors may propose to convene an ad hoc meeting of the Board. The chairman shall convene and chair a board meeting within 10 days from the receipt of such request.

The notice on convening any ad hoc meeting of the Board shall be delivered in writing 24 hours before the convening of the meeting to all directors, the general manager, and if necessary, other senior management of the Company.

The notice of the meeting of the Board shall include the following:

(I) time and place of the meeting;

(II) duration of the meeting;

(III) reasons and issues of discussion;

(IV) date on which the notice is given.

The meeting of the Board may only proceed if more than half of all directors are present at the meeting. Unless otherwise regulated by the Articles of Association, resolutions made by the Board shall be passed by votes of more than half of all directors.

The voting on board resolutions shall adopt one vote per person.

A director with connected relationship with the companies involved with any matters in the resolution of the Board shall neither exercise the voting right for the resolution, nor exercise the voting right on behalf of any other directors, and his/her voting right shall not be counted towards the total voting rights. Such meeting of the Board shall only proceed if more than half of directors with no connected relationship present at the meeting. Except as otherwise provided herein, the resolutions of the meeting of the Board shall be passed by votes of more than half of directors with no connected relationship. In case there is less than three directors with no connected relationship present in the meeting, the matter shall be submitted to the general meeting for review.

The voting at the meetings of the Board shall be conducted by open ballot or by show of hands.

Unless otherwise regulated by applicable laws, administrative regulations and regulatory documents or the GEM Listing Rules, subject to the thorough expression of opinions by all directors, the ad hoc meeting of the Board may be convened and pass resolutions by video conference, telephone conference or handover of written documents for signature, and all directors present at the meeting shall sign on such resolutions. If the Board has distributed the resolutions to all directors, the number of directors signing to consent the resolutions has reached the quorum, and the signed documents of the consent have been sent to the chief executive officer through the above method, the motion will be

deemed as a resolution passed by the Board, with the same legal force as the resolutions passed in the meetings of the Board convened according to the procedures regulated in relevant provisions of the Articles of Association.

The regular meetings of the Board shall not be convened in the form of handover of written documents for signature.

A director shall attend the meeting of the Board in person. Where a director is unable to attend the meeting of the Board for any reasons, he or she may appoint another director to attend on his or her behalf by a written power of attorney. The power of attorney shall specify the name of the proxy, the matters for entrustment, the scope of authorisation and validity period, and shall be signed or sealed by the principal. A director who attends the meeting on behalf of another director shall exercise the rights of a director within the scope of the authorisation. A director who does not attend a meeting of the Board in person or by proxy shall be deemed to have abstained from voting at such meeting.

The Board shall keep the minutes of the decisions on the matters discussed at the meeting, and all directors present at the meeting shall sign on the minutes. The minutes of the meetings of the Board shall be kept by the chief executive officer as company files.

The minutes of the meeting of the Board shall include the following:

(I) the date, venue and name of the convener of the meeting;

(II) the names of the directors present at the meeting, and the names of directors (proxies) present at the meeting appointed by other directors;

(III) the meeting agenda;

(IV) summaries of the speeches of directors;

(V) the voting methods and results for each resolution (the voting result shall indicate the number of votes for, against or abstention).

Special Committees of the Board

The Board of the Company shall set up three special committees including Remuneration Committee, Nomination Committee and Audit Committee. Special committees shall report to the Board, perform duties according to the Articles of Association and authorisation of the Board, and submit proposals to the Board for consideration and decision. Special committees shall consist entirely of directors, of which independent non-executive directors constitute the majority and serve as convenors of the Audit Committee, Nomination Committee and Remuneration Committee, and the convenor of the Audit Committee shall be an accounting professional. The Board shall formulate work principles for special committees and regulate the operation of special committees.

The special committees all comprise directors. The component of which are as follow:

(I) The Audit Committee shall consist of not less than three members, all of which shall be non-executive directors, and a majority of whom shall be independent non-executive directors with at least one independent non-executive director possessing the appropriate professional qualifications or accounting or related financial management expertise. The chairman must be an independent non-executive director. A majority of the members of the Audit Committee

shall not hold positions in the Company other than as directors and shall not have any relationship with the Company that may affect their independent and objective judgment. Employee representatives who are members of the Board of the Company may become members of the Audit Committee;

(II) The Nomination Committee shall consist of at least three (inclusive) directors, the majority of whom shall be independent non-executive directors of the Company. The chairman must be the chairman of the Board or an independent non-executive director;

(III) The Remuneration Committee shall consist of at least three (inclusive) directors, the majority of whom shall be independent non-executive directors of the Company. The chairman must be an independent non-executive director.

The power of the aforesaid special committees, as well as the remuneration and assessment mechanism for directors and senior management, are detailed in the working principles of the aforesaid special committees.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or dismissed by the Board. The Company shall have several senior management personnel, who shall be appointed or removed by the Board.

The circumstances specified in the Articles of Association under which a director may not serve as a director shall also apply to the general manager and other senior management of the Company.

The provisions concerning the duties of loyalty and due diligence of the director specified in the Articles of Association shall also apply to the general manager and other senior management of the Company.

A personnel serving in the administrative capacity other than serving as the director and the supervisor in any controlling shareholders of the Company shall not serve as senior management of the Company.

The senior management of the Company shall receive remuneration from the Company only, and the controlling shareholder shall not pay any remuneration to them on behalf of the Company.

The term of office of the general manager is three years and may be renewed upon reappointment by the Board.

The general manager shall report to the Board, and shall exercise the following functions and powers:

(I) to be in charge of the production operation and management work of the Company, to organise the implementation of the resolutions of the Board and to report his or her work to the Board;

(II) to organise the implementation of the annual operation plans and investment proposals of the Company;

(III) to draft the plan for establishing the internal management body of the Company;

(IV) to draft the basic management system of the Company;

(V) to develop the specific rules of the Company;

(VI) to suggest the Board on the appointment or dismissal of the chief financial officer, the chief executive officer and other senior management of the Company;

(VII) to appoint or dismiss management other than those to be appointed or dismissed by the Board;

(VIII) to exercise other functions and powers granted by the Articles of Association or the Board.

Where the general manager makes decisions on the above matters that fall within the scope of the participation of the Party organisation of the Company in decision-making on major issues, it shall first listen to the opinions and advice of the Party organisation of the Company.

The general manager shall attend meetings of the Board.

The general manager may resign before the expiration of his or her term of office. The specific procedures and methods for the resignation of the general manager shall be determined according to the regulations of the employment contract between the general manager and the Company. The general manager shall draft the general manager's work rules and submit them to the Board for approval before implementation.

Other senior management shall be nominated by the general manager and appointed or dismissed by the Board.

The Company shall have the chief executive officer to take charge of the preparation of the Company's general meetings and meetings of the Board, the safekeeping of documents and management of the information of the Company's shareholders, and matters like disclosure of information.

The chief executive officer shall comply with laws, administrative regulations, departmental rules and the Articles of Association.

In case the general manager and other senior management violate the laws, administrative regulations, departmental rules or the provisions of the Articles of Association in fulfilling their duties of the Company, and as a result cause loss to the Company, they shall be liable for compensation.

The senior management of the Company shall faithfully perform their duties and act in the best interests of the Company and all shareholders. Where any senior management of the Company fails to faithfully perform his or her duties or breaches his or her obligation of good faith and thereby causes damage to the interest of the Company and public shareholders, he or she shall be liable for compensation according to the laws.

AUDIT COMMITTEE OF THE BOARD

The Company does not establish the board of supervisors, and the Audit Committee of the Board shall exercise the following functions and powers:

(I) to review the regular report of the Company prepared by the Board and to provide comments in writing;

(II) to inspect the financial position of the Company;

(III) to supervise the performance of the directors and senior management and to advise the dismissal of any directors and senior management who violate the laws, administrative regulations, the Articles of Association or resolutions of the general meeting;

(IV) to demand rectifications of the directors and senior management where their conducts are detrimental to the interest of the Company;

(V) to propose to convene an extraordinary general meeting and to convene and chair the general meetings if the Board fails to do so as required by the Company Law;

(VI) to submit proposals at a general meeting;

(VII) to institute proceedings against directors and senior management according to the Company Law;

(VIII) to investigate if there are any abnormalities in the operation of the Company; and if necessary, to engage professional institutions such as an accounting firm and a law firm to assist with its work at the expenses of the Company;

(IX) to exercise other powers granted by laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed or the Articles of Association and the Terms of Reference of the Audit Committee of the Board.

The Audit Committee of the Board shall convene meetings at least twice a year. External auditors of the Company may request to convene a meeting if it thinks necessary. The Audit Committee of the Board shall formulate relevant rules of procedure to define the discussion method and voting procedure of the Audit Committee of the Board to ensure the work efficiency of the Audit Committee of the Board and that the decision-making process is conducted in a scientific manner.

The voting on the resolutions of the Audit Committee shall adopt one vote per person. A resolution made by the Audit Committee shall be approved by more than half of the members of the Audit Committee.

The following matters shall be approved by votes of more than half of all the members of the Audit Committee before the Board makes resolutions on them:

(I) appointment or dismissal of the accounting firm providing audit services to the Company;

(II) appointment or dismissal of the chief financial officer;

(III) disclosure of financial accounting reports;

(IV) other matters as stipulated by the securities regulatory authority of the State Council or the securities regulatory authority of the place where the shares of the Company are listed.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system according to the laws, administrative regulations and the requirements of the relevant governmental authorities.

The accounting year of the Company is based on the calendar year system, which is from January 1 to December 31 of each calendar year. The Company shall prepare a financial accounting report at the end of each fiscal year, which shall be audited by an accounting firm in accordance with the laws. The financial accounting report shall be prepared according to laws, administrative regulations and departmental regulations.

The Company shall publish its financial reports prepared in accordance with either the international accounting standards or that of the place overseas where the Company's shares are listed twice every financial year, that is, the interim financial report shall be published within three months after the end of the first six months of each accounting year and the annual financial report shall be published within four months after the end of each accounting year.

The Company shall publish two result announcements in each fiscal year, including an interim result announcement within two months after the end of the first six months of each fiscal year, and an annual result announcement within three months after the end of each fiscal year.

Where the above announcements is otherwise regulated by laws, administrative regulations, the securities regulatory authority of the place where the shares of the Company are listed and the Hong Kong Stock Exchange, those provisions shall prevail.

Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with accounting standards and regulations of China, as well as either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed.

The Company shall not keep accounts other than those required by laws. The funds of the Company shall not be kept under the name of any individuals.

In distribution of the profit after tax of the year, 10% of the profit shall be contributed to the statutory reserves of the Company. When the aggregate statutory reserves of the Company has reached more than 50% of the registered capital, the Company may cease to make further contribution.

Where the statutory reserves of the Company is not sufficient to recover the losses for the previous year, the profit of the current year shall first be used to recover the losses before contributing to the statutory reserves as stipulated above.

The Company may also appropriate funds to the discretionary surplus reserves from the profit after tax upon the appropriation of funds to the statutory reserves, subject to the resolution of the general meeting.

The Company may distribute the profit after tax according to the proportion of shareholdings after making up for losses and making allocations to the reserves.

If the general meeting distributes profits to shareholders before the Company recovers losses and makes allocations to the statutory reserves in violation of the above provisions, the shareholders shall return the profits distributed in violation of the provisions to the Company; where the distribution of profits causes losses to the Company, the shareholders and the liable directors, supervisors and senior management shall bear the liability for compensation.

The shares of the Company held by the Company are not entitled to any profit distribution.

The reserves of the Company may be used to recover losses, expand the production and operation of the Company, or be converted to increase the registered capital of the Company.

When the reserves are used to recover the losses of the Company, discretionary reserves and statutory reserves shall be used first; if the losses still cannot be recovered, the Company may use the capital reserves according to the regulations.

The remaining statutory reserves after the conversion into registered capital shall be no less than 25% of the registered capital of the Company before the conversion.

The Company may distribute dividends through the following two methods (or through both methods simultaneously):

(I) cash

(II) shares.

The cash dividends and other amount paid by the Company to the holders of domestic shares shall be paid in Renminbi. The payment of cash dividends and other payments by the Company to shareholders of unlisted foreign shares shall be denominated and declared in RMB and paid in foreign currencies. The cash dividends and other amount paid by the Company to the holders of overseas-listed shares shall be denominated and declared in Renminbi and paid in Hong Kong dollars. The foreign currency required for the payment of cash dividends and other amount by the Company to the holders of overseas-listed shares shall be arranged in accordance with the provisions of the PRC in relation to foreign exchange administration.

Unless otherwise stipulated by relevant laws and administrative regulations, if the cash dividends and other payments are paid in Hong Kong dollars, the exchange rate shall be the average selling price of relevant foreign currencies announced by the People's Bank of China one calendar week before the date of declaration of dividends and other payments.

Internal Audit

The Company shall adopt an internal audit system and designate full-time auditors to supervise the internal audits of financial incomes and expenses as well as the business activities of the Company.

The internal audit system of the Company and the duties of auditors shall come into effect upon the approval of the Board. The person in charge of audits shall be accountable to and report to the Board.

Appointment of Accounting Firm

The Company shall appoint an accounting firm that meets the requirements of laws and regulations and has a good reputation to conduct the audit of accounting statements, verification of net assets and other relevant consulting services for a period of one year, which may be renewed.

The decision on the appointment, remove, dismissal or non-renewal of the accounting firm shall be made by the general meeting by ordinary resolutions.

The Company shall ensure that it will provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the accounting firm appointed without any objection, omission or falsehood.

The audit expenses of the accounting firm shall be determined by the general meeting by ordinary resolutions.

In the event of termination of the appointment or non-renewal of the appointment of the accounting firm, the Company shall notify the accounting firm 15 days in advance. In the voting for the dismissal of the accounting firm at the general meeting, the Company shall allow the accounting firm to make its representation. If the accounting firm proposes to resign, it shall explain to the general meeting whether there has been any impropriety on the part of the Company.

If the position of an appointed accounting firm is vacant, the Board may, before convening the general meeting, appoint an accounting firm, provided that such appointment shall be confirmed at the next general meeting. However, if the Company has other incumbent accounting firm during the vacant period, such accounting firm shall still perform their duties.

An accounting firm that is resigning may leave a written notice at the registered office of the issuer. The notice shall include one of the following statements:

(I) a statement to the effect that there are no circumstances connected with its resignation which it considers shall be brought to the notice of shareholders or creditors of the issuer;

(II) statements that shall be accounted for;

(III) Such notices shall become effective on the date on which they are deposited at the registered office of the issuer or on such later date as may be specified in the notices.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

The Company may engage in activities of merger or division according to laws.

A merger by absorption shall refer to that a company absorbs another company, and the company being absorbed shall be dissolved. A merger by establishment of a new company shall refer to that a new company is established as a result of a merger of two or more companies, and the companies being merged shall be dissolved.

In a merger of companies, all parties to the merger shall sign a merger agreement and prepare their respective balance sheets and checklists of assets. The companies shall notify the creditors within 10 days upon the passing of the resolution about merger and publish an announcement within 30 days.

The creditors may require the Company to pay off the debts or provide corresponding guarantee within 30 days of the receipt of the notice, or within 45 days upon the date of the announcement if they do not receive the notice.

Once the companies are merged, their creditors' rights and debts shall be assumed by the surviving company or the newly formed company after the merger.

Where a company is divided, its assets shall be divided accordingly.

Where the company is divided, a balance sheet and a checklist of assets shall be prepared. The Company shall notify the creditors within 10 days upon the passing of the resolution about division and publish an announcement within 30 days.

The divided companies shall bear joint and several liability for debts of the predivision company, unless otherwise stipulated in the written agreement between the Company and the creditors in relation to the repayment of debts prior to the division.

A company which intends to reduce its registered capital shall prepare a balance sheet and a checklist of assets.

The Company shall notify the creditors within 10 days upon the passing of the resolution about the reduction in the registered capital and publish an announcement within 30 days. The creditors shall be entitled to require the Company to pay off the debts or to provide corresponding guarantee within 30 days of the receipt of the notice, or within 45 days upon the date of the announcement if they do not receive the notice.

The registered capital of the Company after the reduction shall not be lower than the statutory minimum amount.

In case of merger or division, the Company shall register changes in particulars of the companies as a result of the merger or division with the company registration authority in accordance with laws. In case of dissolution, the Company shall register the cancellation of a company according to laws. In case of incorporation of a new company, the Company shall register the incorporation of a company in accordance with laws.

In case of any increase or reduction in the registered capital, the Company shall register the changes with the company registration authority in accordance with laws.

Dissolution and Liquidation

The Company shall be dissolved for any of the following reasons:

(I) the expiration of the business period or other reasons for dissolution specified in the Articles of Association;

(II) the general meeting adopts a resolution to dissolve the Company;

(III) dissolution is required due to the merger or division of the Company;

(IV) the Company's business licence is revoked, or it is ordered to close down or wind up in accordance with laws;

(V) where the Company gets into serious trouble in operation and management and its continuation may cause substantial losses to the interests of shareholders, and no solution can be found through any other channel, shareholders holding more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

If the Company has any reasons for dissolution specified in the preceding paragraph, it shall publicise the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

In case of any situation in the paragraph (I), (II) above, and the property has not been distributed to shareholders, the Company may continue as a going concern by amending the Articles of Association or by resolution of the general meeting.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the general meeting shall be approved by more than two-thirds of the voting shares held by the shareholders attending the general meeting.

If the Company is dissolved under the circumstances in the paragraphs (I), (II), (IV) and (V) above, the Company shall establish a liquidation group within 15 days from the date of the occurrence of the cause of dissolution to carry out the liquidation. The liquidation group shall consist of persons determined by directors or by the general meeting. The liquidation obligors shall bear the liability for damages suffered by the Company or creditors due to their failure to perform the obligations of liquidation in a timely manner. If the Company fails to establish a liquidation group within the specified time, or such group does not carry out liquidation after the establishment, the interested person may apply to the People's Court for appointment of relevant persons to establish a liquidation group to carry out the liquidation.

After checking the assets of the Company and preparing the balance sheet and checklist of assets, if the liquidation group discovers that the Company does not have sufficient assets to settle its debts, the liquidation group shall immediately file a bankruptcy liquidation application to the People's Court.

After the bankruptcy application is accepted by the People's Court, the liquidation group shall hand over the liquidation matters to the trustee in bankruptcy designated by the People's Court.

Upon the completion of the liquidation, the liquidation group shall prepare a liquidation report, submit it to the general meeting or the People's Court for confirmation and submit it to the company registration authority to apply for deregistration of the Company and announce the termination of the Company.

Members of the liquidation group shall perform their liquidating duties and have obligations of fidelity and diligence.

Where members of the liquidation group causes losses to any property of the Company, he/she shall be liable for damages; members of the liquidation group shall be liable for compensation for losses incurred to the Company or creditors of the Company due to their intentional acts or gross negligence.

Where the Company is declared bankrupt according to laws, the Company shall implement bankruptcy liquidation according to laws relating to bankruptcy of enterprises.

Amendment to the Articles of Association

In any of the following circumstances, the Company shall amend the Articles of Association:

(I) if upon amendments to the Company Law, laws, administrative regulations, departmental rules, regulatory documents, or listing rules of the stock exchange of the place where the shares of the Company are listed, any terms contained in the Articles of Association become inconsistent with the provisions abovementioned;

(II) a change in the Company causes inconsistency with those contained in the Articles of Association;

(III) a resolution being passed by the general meeting to amend the Articles of Association.

The amendment of the Articles of Association shall be in accordance with the following procedures:

(I) the Board shall pass a resolution about the amendment of the Articles of Association, and formulate a proposal for amending the Articles of Association;

(II) the Board shall convene a general meeting to vote on the proposal to amend the Articles of Association;

(III) the general meeting adopts the amendment to the Articles of Association by special resolution;

(IV) the Company files the amended Articles of Association with the competent market supervision and management authority.

When a review and approval by the competent authority is required for the amendments to the Articles of Association passed by the general meetings, such amendments shall be submitted to the competent authority for approval. When an amendment to the Articles of Association involves registration, the Company shall also complete the registration of the amendment according to laws.

The Board shall amend the Articles of Association according to the resolution of the general meeting on the amendment of the Articles of Association and the review and approval opinions of the competent authority.

When the amendment to the Articles of Association contains information required to be disclosed by relevant laws and administrative regulations, the Company shall issue an announcement accordingly.

This Appendix summarises certain aspects of PRC laws and regulations which are relevant to our Company's operations and business. The principal objective of this summary is to provide potential [REDACTED] with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all data which is important to the potential [REDACTED]. For a discussion of laws and regulations which are relevant to our Company's business, see "Regulatory Overview" in this document.

The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**"), and is made up of written laws, administrative regulations, local regulations, autonomous regulations and separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, laws of special administrative regions and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), which was last amended by the NPC on 13 March 2023 and became effective on 15 March 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities directly under the Central Government and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into districts, such stipulations shall prevail. The local regulations of cities divided into districts or autonomous regions shall be implemented after approval.

The standing committees of the people's congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval shall be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries and commissions of the State Council, PBOC, National Audit Office and

institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations and separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people's governments of the provinces and autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts within their respective administrative regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but contravene the Constitution and the Legislation Law; the SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government but contravene the Constitution and the Legislation Law; the State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments; the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees; the standing committees of the local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level; the people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加强法律解釋工作的決議》) passed by the SCNPC on 10 June 1981 and becoming effective on the same date, issues related to the further clarification or supplement of laws and decrees shall be interpreted or provided by the SCNPC through decrees, issues related to the specific application of laws and decrees in a court trial shall be interpreted by the Supreme People's Court, and issues related to the specific application of laws and decrees in the procuratorial work shall be interpreted by the Supreme People's Procuratorate. If there are differences in principle in the interpretation of the Supreme People's court and the Supreme People's Procuratorate, they shall be submitted to the SCNPC for interpretation or decision, and issues related to the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be interpreted by the State Council and the competent authorities.

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

The PRC Judicial System

According to the Constitution and the Law of Organisation of the People's Courts of the PRC (《中華人民共和國人民法院組織法》) last amended by the SCNPC on 26 October 2018 and becoming effective on 1 January 2019, the people's courts are made up of the Supreme People's Court, the local people's courts, and special people's courts. The local people's courts are divided into three levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ. The Supreme People's Court shall supervise the judicial work by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels.

According to the Constitution and the Law of Organisation of the People's Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》) last amended by the SCNPC on 26 October 2018 and becoming effective on 1 January 2019, the people's procuratorates are the law supervision organs of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's court at the higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**"), last amended by the SCNPC on 1 September 2023 and becoming effective on 1 January 2024, sets forth the requirements for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by the written agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's place of domicile, the place where the contract is performed or signed or the object of the action is located. However, such choice cannot be in conflict with the regulations of grade jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign enterprise and a foreign organisation that institute or respond to proceedings in a people's court are given the same litigation rights and obligations as a PRC citizen, a legal person and other organisations. Should a foreign court limit the civil litigation rights of PRC citizens, legal persons and other organisations, any people's court shall

apply the same limitations to the citizens, enterprises and organisations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and a foreign organisation must engage a PRC lawyer in case he/she or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a people's court. In accordance with the international treaties to which the PRC is a signatory or a participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation, collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or social and public interests of the PRC.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless among other exceptions, the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

The Company Law, Overseas Listing Trial Measures and Guidelines for Articles of Association of Listed Companies

A joint stock limited company established in the PRC seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations of the PRC.

The Company Law was last amended by the SCNPC on 29 December 2023 and came into effect on 1 July 2024.

The Overseas Listing Trial Measures and its five interpretative guidelines, promulgated by the CSRC on 17 February 2023 and becoming effective on 31 March 2023, are applicable to companies within the PRC that directly or indirectly offer securities overseas or list their securities overseas.

According to the Overseas Listing Trial Measures and its interpretative guidelines, where a domestic company directly offering and listing securities overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**") which were last amended by the CSRC on 28 March 2025 and became effective on the same date.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

General Provisions

"A joint stock limited company" means a corporate legal person incorporated under the Company Law, whose registered capital is divided into shares. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company shall conduct its business in accordance with laws and regulations, observe social ethics and business ethics, act in good faith, and be subject to government and public oversight. It may invest in other enterprises. Where any law provides that a company shall not become a capital contributor who has the joint liabilities associated with the debts of the invested enterprises, such provision shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters of a joint-stock company incorporated by subscription shall convene an inaugural meeting of the company within 30 days after the share capital has been paid-up and shall notified all subscribers the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting shall only be held with the presence of subscribers representing a majority of voting rights. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the articles of association or the agreement of the promoters. Powers to be exercised at the inaugural meeting include but not limited to the adoption of articles of association and the election of members of the board of directors and the supervisory committee of a company. The aforesaid matters shall be passed by a majority of the voting rights held by subscribers presented at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business licence has been issued by the relevant registration authority.

Registered Shares

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or intellectual property rights, land use rights, shareholding or claims.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of fairness and justice. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with the Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the general meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders, if any. If no par value stock is issued, more than half of the proceeds from the issuance of shares shall be included into the registered capital. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announces the documents.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) to prepare a balance sheet and a property list; (ii) a company makes a resolution at the general meeting to reduce its registered capital; (iii) a company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital at the general meeting; (iv) the creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice; (v) when a company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the Articles of Association of a joint stock limited company.

Share Buy-Back

Under the Company Law, a company shall not acquire its own shares, except for any following circumstances: (i) reducing the registered capital of the company; (ii) merging with other companies that hold the shares of the company; (iii) using the shares for employee stock ownership plans or equity incentives; (iv) with respect to shareholders voting against any resolution adopted at the general meeting on the merger or division of the company, the right to require the company to acquire the shares held by

them; (v) using the shares for the conversion of convertible corporate bonds issued by the company; (vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The acquisition of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the general meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the Board meeting attended by more than two-thirds of the directors in accordance with the Articles of Association or the authorisation from the general meeting.

Following the acquisition of a company's shares by a company in accordance with the above provisions, such shares shall be cancelled within 10 days from the date of acquisition in the case of item (i) above; such shares shall be transferred or cancelled within six months in the case of items (ii) and (iv) above; the total numbers of share of the Company held by a company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years in the case of items (iii), (v) and (vi) above.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, a shareholder of a joint stock limited company should affect a transfer of his/her shares through a legally established stock exchange or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and domicile of the transferee in the register of shareholders. No changes to the shareholder register provided in the foregoing requirement shall be affected during a period of twenty days prior to the convening of the general meeting or five days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of a company are listed and traded on a stock exchange. The directors, supervisors and senior management members of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by its directors, supervisors and senior management shall not be transferred within one year from the date on which the shares of a company are listed and traded on a stock exchange, nor within half a year after their resignation from their positions with a company.

Where the shares are pledged within the time limit for transfer prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right within the time limit for transfer.

Shareholders

Under the Company Law and Guidelines for Articles of Association, the rights of a shareholder of a company include: (i) to receive dividends and other distributions in proportion to the number of shares held; (ii) to request, convene, preside over, attend and vote in person or appoint a proxy to attend and vote correspondingly on their behalf at general meetings in accordance with the laws; (iii) to supervise

the company's operations, and to put forward proposals or raise enquiries; (iv) to transfer, gift or pledge the company's shares held in accordance with the laws, administrative regulations and the Articles of Association; (v) to review and copy the Articles of Association, the register of members, counterfoil of company debentures, minutes of general meetings, resolutions of the Board meetings, resolutions of meetings of the Supervisory Committee, and financial and accounting reports; (vi) shareholders who individually or jointly hold more than 3% of the shares of a company for more than 180 consecutive days may review the accounting books and accounting vouchers of a company in accordance with the law; (vii) in the event of the termination or liquidation of a company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held; (viii) shareholders who object to resolutions of merger or division made by the general meeting may request a company to purchase their shares; (ix) other rights conferred by laws, administrative regulations, department rules or the Articles of Association.

The obligations of a shareholder of a company include: (i) to abide by laws, administrative regulations and the Articles of Association; (ii) to pay capital contribution as per the shares subscribed for and the method of subscription; (iii) not to return shares unless prescribed otherwise in laws and administrative regulations; (iv) not to abuse shareholders' rights to infringe upon the interests of a company or other shareholders; not to abuse a company's status as an independent legal entity or the limited liability of shareholders to harm the interests of a company's creditors; (v) to assume other obligations required by laws, administrative regulations and the Articles of Association.

General Meetings

Under the Company Law, the general meeting of a joint stock limited company is made up of all shareholders. The general meeting is the organ of authority of a company, which exercises the following functions and powers: (i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors; (ii) to examine and approve reports of the Board; (iii) to examine and approve reports of the Supervisory Committee; (iv) to examine and approve a company's profit distribution plans and loss recovery plans; (v) to resolve on the increase or reduction of a company's registered capital; (vi) to resolve on the issuance of corporate bonds; (vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company; (viii) to amend the Articles of Association; (ix) other functions and powers specified in provision of the Articles of Association.

Under the Company Law, the annual general meetings are required to be held once every year. An extraordinary general meeting is required to be held within two months after the occurrence of any of the following circumstances: (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association; (ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital; (iii) shareholders individually or jointly holding 10% or more of the company's shares request; (iv) when deemed necessary by the Board; (v) the Supervisory Committee proposes to convene the meeting; (vi) other circumstances as stipulated in the Articles of Association.

The general meeting shall be convened by the Board, and presided over by the chairman of the Board. In the event that the chairman of the Board is incapable of performing or not performing his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of directors shall preside over the meeting.

If the Board is incapable of performing or is not performing its duties to convene the general meeting, the Supervisory Committee should convene and preside over the general meeting in a timely manner. If the Supervisory Committee fails to convene and preside over the general meeting, shareholders individually or jointly holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the general meeting.

If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an extraordinary general meeting, the Board and the Supervisory Committee should, within 10 days after the receipt of such request, decide whether to hold an extraordinary general meeting and reply to the shareholders in writing.

Notice of general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the Board in writing 10 days before the general meeting. The Board shall notify other shareholders within 2 days after receiving the proposal, and submit the interim proposal to the general meeting for consideration.

Under the Company Law, a shareholder may entrust a proxy to attend a general meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his/her voting rights within the scope of authorisation. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a general meeting.

Under the Company Law, shareholders present at a general meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the general meeting in accordance with the provisions of the Articles of Association or the resolutions of the general meeting. Under the cumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the Company Law and the Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the general meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to the Articles of Association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Directors

Under the Company Law, a joint stock limited company should have a Board, which consists of more than three members. The term of office of a director shall be stipulated in the Articles of Association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Board meetings shall be convened at least twice a year. All directors and supervisors shall be notified 10 days before the meeting for every meeting. The Board exercises the following functions and powers: (i) to convene general meetings and report its work to general meetings; (ii) to implement the resolutions of the general meeting; (iii) to decide on a company's business plans and investment plans; (iv) to formulate a company's profit distribution plan and loss recovery plan; (v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds; (vi) to formulate plans for merger, division, dissolution or change of corporate form of a company; (vii) to decide on the internal management structure of a company; (viii) to decide on the appointment or dismissal of the manager of a company and his/her remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration; (ix) to formulate a company's basic management system; (x) other functions and powers specified in the Articles of Association or granted by the general meeting.

Board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he/she may appoint another director by a power of attorney specifying the scope of the authorisation for another director to attend the meeting on his/her behalf. If a resolution of the Board violates the laws, administrative regulations or the Articles of Association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Under the Company Law, a person may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity; (ii) a person who has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period; (iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) persons who were legal representatives of a company or enterprise which had its business licence revoked due to violation of the law and had been closed down by order, and who were personally liable, where less than three years have elapsed since the date of the revocation of the business licence of the company or enterprise or the order for closure; and (v) being listed as one of dishonest persons subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The Board shall have one chairman of the Board, who shall be elected by more than half of all the directors. The chairman of the Board shall exercise the following functions and powers (including but not limited to): (i) to preside over general meetings and convene and preside over Board meetings; (ii) to examine the implementation of resolutions of the Board; (iii) to exercise other powers conferred by the Board.

Managers and Other Senior Management Members

Under the Company Law, a company should have a manager who is appointed or removed by the Board. The manager is responsible to the Board and exercises his/her functions and powers according to the Articles of Association or the authorisation of the Board. The manager attends the meetings of the Board.

According to the Company Law, senior management shall refer to the managers, deputy managers, financial controller, secretary of the Board and other personnel as stipulated in the Articles of Association.

Duties of Directors, Supervisors and Senior Management Members

Directors, supervisors and senior management members of the Company are required under the Company Law to comply with the relevant laws, regulations and the Articles of Association, and owe fiduciary and diligent duties to the Company. Directors, supervisors and senior management members are prohibited from abusing their powers to accept bribes or other illegal income and from misappropriating the Company's properties.

Directors, supervisors and senior management members are prohibited from: (i) embezzling the Company's property or misappropriating the Company's funds; (ii) depositing the Company's funds into accounts under their own names or the names of other individuals; (iii) accepting bribes or any other illegal proceeds by taking advantage of their powers; (iv) accepting and possessing commissions paid by a third party for transactions conducted with the Company; (v) disclosing the Company's secrets without authorisation; or (vi) other acts in violation of their fiduciary duty to the Company.

If any director, supervisor or senior management members directly or indirectly concludes a contract or conducts a transaction with the Company, he/she should report the matters relating to the conclusion of the contract or transaction to the Board or general meeting, subject to the approval of the Board or general meeting according to the Articles of Association.

The provisions of the preceding paragraph shall apply if any near relatives of the Directors, supervisors or senior management members, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management members or any of their near relatives, or any related parties with any other related-party relationship with the directors, supervisors or senior management members, concludes a contract or conducts a transaction with the Company.

Neither Directors, supervisors nor senior management members may take advantage of their positions to seek any business opportunity that belongs to the Company for themselves or any other person except under the following circumstances: (i) where they have reported to the Board or the general meeting and the matter has been approved by a resolution of the Board or the general meeting according to the Articles of Association; or (ii) where the Company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the Articles of Association.

Where any director, supervisor or senior management member fails to report to the Board or the general meeting and obtains approval by a resolution of the Board or the general meeting according to the Articles of Association, he/she may not engage in any business that is similar to that of the Company where he/she serves for himself/herself or for any other person.

A director, supervisor or senior management member who contravenes any laws, administrative regulations or the Articles of Association in the performance of his/her duties, thus causing any loss to the Company, shall be personally liable for the damages to the Company.

Finance and Accounting

Under the Company Law, the Company shall establish its financial and accounting systems according to the laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the Company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the law. The financial and accounting report shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual general meeting. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

When distributing each year's after-tax profits, the Company shall set aside 10% of its profits into its statutory reserve fund. The Company can no longer withdraw statutory reserve fund if its statutory reserve fund has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the Company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before making allocations to the statutory reserve in accordance with the preceding paragraph. After the Company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the general meeting.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the Articles of Association of the joint stock limited company.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the Company.

The reserve fund of the Company shall be used to make up losses of the Company, expand the production and operation of the Company or increase the capital of the Company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve fund shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounting books other than those provided by law.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the Company's auditing shall be determined by the general meeting, the Board or the Supervisory Committee in accordance with the Articles of Association. The accounting firm shall be allowed to make representations when the general meeting, the Board or the Supervisory Committee votes on the dismissal of the accounting firm. The Company shall provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the engaged accounting firm, and shall not refuse, conceal or make false statements.

The Guidelines for the Articles of Association provide that the Company guarantees to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the engaged accounting firm, and shall not refuse, conceal or make false statements. The audit fee of the accounting firm shall be decided by the general meeting.

Profit Distribution

Where the Company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the Company. If losses are caused to the Company, the shareholders, as well as the responsible directors, supervisors and senior management members, shall bear liability for compensation.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons: (i) the term of business stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred; (ii) a resolution on dissolution is adopted by the general meeting; (iii) dissolution is required due to the merger or division of the Company; (iv) the business licence is revoked, or the Company is ordered to be closed down or is deregistered in accordance with the law; (v) where the Company encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders, and where the issue cannot be resolved through other means, shareholders holding more than 10% of the total shareholders' voting rights of the Company may request the People's Court to dissolve the Company.

If any of the situations as mentioned in the preceding paragraph arises, the Company shall publicise the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the Company is dissolved in accordance with sub-paragraph (i) above, it may carry on its existence by amending its Articles of Association or upon a resolution of the general meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting. Where the Company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the Company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the Articles of Association or it is otherwise elected by the resolution of the general meeting. The liquidation obligors shall be liable for compensation if they fail to fulfil their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

If the liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the People's Court to designate relevant persons to form a liquidation group. The People's Court shall accept such request and organise a liquidation group to carry out the liquidation in a timely manner.

The liquidation group shall exercise the following functions and powers during the liquidation period: (i) to liquidate the Company's property and prepare the balance sheet and the list of property; (ii) to notify creditors by sending notices or making public announcements; (iii) to deal with the outstanding business of the Company involved in the liquidation; (iv) to pay all outstanding taxes and

taxes arising in the course of liquidation; (v) to liquidate claims and debts; (vi) to distribute the remaining property of the Company after paying off debts; (vii) to participate in civil litigation activities on behalf of the Company.

The liquidation group shall notify the company's creditors within ten days from its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days from the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

The remaining property of the Company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation group, having thoroughly liquidated the Company's assets and having prepared the balance sheet and the inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall file an application to the People's Court for bankruptcy liquidation. After the People's Court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Upon completion of the liquidation, the liquidation group shall prepare the liquidation report to be submitted to the general meeting or the People's Court for confirmation, and submit the liquidation report to the company registration authority to apply for cancellation of the Company's registration.

The members of the liquidation group performing their duties of liquidation are obliged to be loyal and diligent. Any member of the liquidation group who neglects to fulfil his/her liquidation duties and thus causes any loss to the Company shall be liable for compensation, and any member of the liquidation group who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where, after three years since the business licence of the Company is revoked, or the Company is ordered to close down or is deregistered, the Company fails to apply for its deregistration with the company registration authority, the said authority may announce the Company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the Company.

Overseas Listing

According to the Overseas Listing Trial Measures (《境外上市試行辦法》), where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall file in accordance with the provisions of Paragraph 1, Article 16 of the Overseas Listing Trial Measures. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the

filing materials, and publicise the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

If the share certificates in registered form are either stolen, lost or destroyed, the shareholders may, in accordance with the public notice procedures set out in the Civil Procedure Law (《民事訴訟法》), apply to the People's Court for a declaration that such certificates will no longer be valid. After the People's Court declared that such certificates would no longer be valid, the shareholders may apply to the Company for the issue of replacement certificates.

Termination of Listing

According to the Overseas Listing Trial Measures (《境外上市試行辦法》), in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

Securities Laws And Regulations

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee was responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in China and administering the CSRC. The CSRC was the regulatory arm of the Securities Committee and was responsible for drafting of regulatory provisions of securities markets, supervising securities companies, regulating public issuance of securities by Chinese companies in both domestic and overseas markets, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. On 29 March 1998, the State Council consolidated the above two departments and reorganised the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on 22 April 1993 cover the application and approval procedures for public offerings of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were promulgated by the State Council and came into effect on 25 December 1995, mainly cover the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The Securities Law (《證券法》), which was last amended by the SCNPC on 28 December 2019 and came into effect on 1 March 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, stock exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities

directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

Under the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "**Arbitration Law**"), last amended by the SCNPC on 1 September 2017 and effective on 1 January 2018, the Arbitration Law is applicable to economic disputes involving foreign parties where all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association (中國仲裁協會) of arbitration regulations, formulates interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people's court will refuse to take legal action brought by a party in the people's court.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party may apply to the people's court for enforcement according to the Civil Procedure Law. If evidence demonstrates any of the following circumstances: the parties do not include an arbitration clause in the contract or subsequently fail to reach a written arbitration agreement; the respondent is not properly notified of the appointment of the arbitrator or the arbitration proceedings, or is unable to present its case due to reasons not attributable to the respondent; the composition of the arbitral tribunal or the arbitration procedure is inconsistent with the arbitration rules; the matters decided in the award fall outside the scope of the arbitration agreement or the arbitration commission lacks jurisdiction, the people's court may rule to refuse enforcement. A party seeking to enforce an arbitral award of foreign arbitration commission against the other party who or whose property is not within the PRC shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the people's court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on 24 January 2000 and effective on 1 February 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on 26 November 2020, awards made by PRC arbitral authorities may be applied for enforcement in Hong Kong, and Hong Kong arbitration awards may also be applied for enforcement in the PRC.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company was established as a joint stock company with limited liability on 25 December 2024. We have established a place of business in Hong Kong at Unit 11, 5/F, Bedford Factory Building, No. 51 Bedford Road, Tai Kok Tsui, Kowloon, Hong Kong, and was registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance on 26 January 2026. Ms. Chan Yuk Wing, the company secretary of our Company, has been appointed as our authorised representative for the acceptance of service of process in Hong Kong.

As we are established in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of PRC laws and principal regulatory provisions is set out in Appendix IV to this document.

2. Changes in the Registered Share Capital of our Company and our Subsidiaries

(a) *Our Company*

On 25 December 2024, our Company was established as a joint stock company with limited liability with a registered share capital of RMB3,000,000 divided into 3,000,000 Shares of nominal value of RMB1.0 each.

Pursuant to the sole Shareholder's resolution on 1 December 2025, our Company increased its registered share capital from RMB3,000,000 to RMB36,000,000 divided into 36,000,000 Shares of nominal value of RMB1.0 each. The increase in registered share capital was completed on 15 December 2025.

Assuming the [REDACTED] is not exercised, immediately upon completion of the [REDACTED], the share capital of our Company will be RMB[REDACTED], made up of [REDACTED] H Shares, with a nominal value of RMB1.0 each.

Assuming the [REDACTED] is exercised in full and immediately upon completion of the [REDACTED], the share capital of our Company will be RMB[REDACTED], made up of [REDACTED] H Shares, with nominal value of RMB1.0 each.

Save as disclosed in this paragraph, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

(b) *Our Subsidiaries*

The following of our subsidiaries was voluntarily deregistered within two years immediately preceding the date of this document due to no business operations commenced:

Name of subsidiary	Date of deregistration	Registered capital immediately prior to deregistration	Principal business activities immediately prior to deregistration
Hangzhou Lianji	26 August 2026	RMB1,000,000	No business operations commenced

Save as disclosed above and our subsidiaries incorporated within two years immediately preceding the date of this document disclosed in the section headed "History, Development and Reorganisation — Our Subsidiaries", there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

3. Corporate Reorganisation

In order to rationalise our structure and prepare for the [REDACTED], our Group has undertaken several restructuring steps, particulars of which are set out in the subsection headed "History, Development and Reorganisation — Reorganisation".

4. Restriction of the Share Repurchase

For details of the restrictions on the share repurchase by our Company, see "Summary of the Articles of Association of the Company" in Appendix III to this document.

5. Resolutions of the sole Shareholder Passed on 31 December 2025

On 31 December 2025, among other things, the following resolutions were passed by our sole Shareholder:

(a) approving the [REDACTED] of the H Shares by our Company and the [REDACTED];

(b) subject to completion of the [REDACTED], the Articles of Association have been approved and adopted, which shall become effective on the [REDACTED]; and

(c) approving the Board to handle all matters relating to, among other things, the [REDACTED] of the H Shares and the [REDACTED].

6. Registration under Part 16 of the Companies Ordinance

Our Company has established a place of business in Hong Kong for the purpose of registration under Part 16 of the Companies Ordinance at Unit 11, 5/F, Bedford Factory Building, No. 51 Bedford Road, Tai Kok Tsui, Kowloon, Hong Kong. Our Company has been registered as non-Hong Kong company under Part 16 of the Companies Ordinance. Ms. Chan Yuk Wing, the company secretary of our Company, has been appointed as an authorised representative of our Company for the acceptance of service of process in Hong Kong.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiaries within the two years preceding the date of this document and are or may be material:

(a) an equity gratuitous transfer agreement dated 15 January 2025 entered into between Yiwu Lianji and our Company, pursuant to which Yiwu Lianji transferred the entire equity interest in Zhejiang Lianji to our Company in the form of equity gratuitous transfer (股權劃轉);

(b) an equity transfer agreement dated 21 May 2025 entered into between Zhejiang Xingchi New Energy Technology Co., Ltd.* (浙江興馳新能源科技有限公司) ("**Zhejiang Xingchi**") and our Company, pursuant to which Zhejiang Xingchi transferred 51.00% equity interest in Zhejiang Zhanxu to Zhejiang Lianji at nil consideration;

(c) an equity transfer agreement dated 2 July 2025 entered into between our Company and Zhejiang Jicheng, pursuant to which our Company agreed to transfer the entire equity interest in Chengde Lianji to Zhejiang Jicheng at nil consideration;

(d) an equity transfer agreement dated 16 January 2026 entered into between Zhejiang Lianji and Jiuyu (Shanghai) Technology Co., Ltd.* (九聿(上海)科技有限公司) ("**Jiuyu Technology**"), pursuant to which Zhejiang Lianji acquired 55.0% equity interest in Lanxi Jiuyu from Jiuyu Technology at nil consideration;

(e) an investment cooperation agreement dated 26 February 2026 entered into between Zhejiang Lianji and Jiuyu Technology regarding, among others, the contribution of registered share capital in proportion to their shareholdings as well as their respective rights and obligations in relation to Lanxi Jiuyu;

(f) [the Deed of Non-Competition];

(g) [the Deed of Indemnity]; and

(h) [the [REDACTED]].

2. Material Intellectual Property Rights

As at the Latest Practicable Date, we have registered and have applied for the registration of the following intellectual property rights which are material in relation to our business.

(a) *Trademarks*

As at the Latest Practicable Date, we have registered the following trademarks which are material to our business:

No.	Trademark	Class	Registered owner	Place of registration	Registration number	Expiry date
1.	吉成联吉	37	Zhejiang Lianji	the PRC	84239972	6 September 2035
2.	吉成联吉	36	Zhejiang Lianji	the PRC	84243201	6 September 2035
3.	联吉产发 LIANJICHANFA	37	Zhejiang Lianji	the PRC	82352539	20 August 2035
4.	联吉产发 LIANJICHANFA	36	Zhejiang Lianji	the PRC	82352531	20 August 2035
5.	联吉 LIANJI	36, 37	Zhejiang Lianji	Hong Kong	306742468	1 December 2034

(b) ***Domain Names***

As at the Latest Practicable Date, we have registered the following domain names which are material to our business:

No.	Domain Name	Registered owner	Expiry date
1.	zjlianji.com	Zhejiang Lianji	6 February 2028
2.	ywlianji.com	Zhejiang Lianji	7 May 2027

3. Related Party Transactions

Save as disclosed in Note 27 to the Accountants' Report, the text of which is set out in Appendix I to this document, during the three years immediately preceding the date of this document, we have not engaged in any other material related party transactions.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVES AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests of Directors, Chief Executives and Substantial Shareholders

(a) ***Interests of Directors and Chief Executives***

The interests of our Directors and chief executives immediately upon completion of the [REDACTED] (without taking into account the Shares which may be issued and allotted upon exercise of the [REDACTED]) in the Shares, underlying Shares or debentures of us or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which will be required to be notified to our Company and the Stock Exchange pursuant to the "required standard of dealings" as contained in Chapter 5 of the GEM Listing Rules, once the Shares are [REDACTED], are as follows:

			As at the Latest Practicable Date		Immediately following completion of the [REDACTED](Note 3)	
Name of Shareholders	Class of Shares held after the [REDACTED]	Capacity/ Nature of interest	Number of Shares held/ Interested(Note 2)	Approximate percentage of shareholding in our Company	Number of Shares held/ Interested(Note 2)	Approximate percentage of shareholding in our Company
Ms. Liu(Note 1)	H Shares	Interest in controlled corporation	36,000,000(L)	100.0%	[REDACTED](L)	[REDACTED]%
Mr. Zhou(Note 1)	H Shares	Interest in controlled corporation	36,000,000(L)	100.0%	[REDACTED](L)	[REDACTED]%

Notes:

1. As at the Latest Practicable Date, Zhejiang Panglong holds 36,000,000 Shares in the Company. Zhejiang Panglong is held as to 70.0% and 30.0% by Ms. Liu and Mr. Zhou, respectively. Ms. Liu is the mother of Mr. Zhou. By virtue of the SFO, each of Ms. Liu and Mr. Zhou is deemed to be interested in the equity interests held by Zhejiang Panglong.

2. The letter "L" denotes the person's long position in our Shares.

3. The calculation is based on the total number of [REDACTED] Shares in issue immediately following completion of the [REDACTED] and assuming that the [REDACTED] is not exercised at all.

Save as disclosed in the section headed "Connected Transactions", none of our Directors or their associates was engaged in any dealings with our Company during the two years preceding the date of this document.

(b) ***Interests of our Substantial Shareholders***

Save as disclosed in the section headed "Substantial Shareholders", our Directors are not aware of any person (other than our Directors or chief executive of our Company) who will, immediately following completion of the [REDACTED] (without taking into account any Shares which may be issued and allotted upon exercise of the [REDACTED]), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

2. Directors' Service Contracts and Remuneration

Our Directors have each signed a service contract with us, commencing from the respective date of the contract (subject to termination in certain circumstances as stipulated in the relevant service contract). Our Company entered into a service contract with each of our executive Directors on 10 November 2025, with Mr. Bian Yang on 4 November 2025, with Mr. Chan Yin Tsung on 17 November 2025 and with Mr. Liu Liwei on 4 November 2025. Each of the service contracts is for a fixed term ending on the date of Shareholders' meeting regarding the re-election of Directors, unless terminated by prior notice in writing served by either party on the other and is subject to termination provisions therein, and provisions on removal and re-election as set forth in the Articles of Association.

Pursuant to the respective service contracts, our executive Directors are not entitled to any service fee but are each entitled to a discretionary management bonus in such sum as our Board may in its absolute discretion determine based on the review and advice of the remuneration committee of our Board and the financial performance of our Company and the market conditions. Mr. Bian Yang, Mr. Chan Yin Tsung and Mr. Liu Liwei, our independent non-executive Directors, are not entitled to any service fee on or before the [REDACTED], but are entitled to an annual service fee of RMB100,000, HK$180,000 and RMB100,000, respectively, with effect from the [REDACTED].

None of our Directors is expected to receive any other remuneration for holding their office as a Director, respectively.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

The aggregate emoluments paid and benefits in kind granted by our Company to our Directors in respect of FY2024, FY2025 and 1H2026 were nil, RMB56,000 and RMB223,000, respectively.

Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by our Company to and benefits in kind receivable by our Directors (including our independent non-executive Directors) for the year ending 31 December 2026 is expected to be approximately RMB559,000.

For details of the remuneration or benefits in kind paid to our Directors during the Track Record Period, please see "Directors and Senior Management" and Note 8 to the Accountants' Report in Appendix I to this document.

During the Track Record Period, no fees were paid by our Group to any of our Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office, and there has been no arrangement under which a Director has waived or agreed to waive any emoluments.

3. Directors' Competing Interests

None of our Directors are interested in any business apart from our Group's business which competes or may compete, directly or indirectly, with the business of our Group.

4. Disclaimers

Save as disclosed in the sections headed "Business", "Substantial Shareholders" and "Connected Transactions" and the paragraphs headed "C. Further Information about our Directors, Chief Executives and Substantial Shareholders" in this section:

(a) none of our Directors or chief executive has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(b) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(c) none of our Directors is interested in any business (other than the business of our Group) which competes or is likely to compete, directly or indirectly, with our business; and

(d) without taking into account any Shares which may be taken up under the [REDACTED], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED], be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at shareholders' meetings of any member of our Group in the Shares or underlying Shares of our Company.

D. OTHER INFORMATION

1. Tax and Other Indemnities

Our Controlling Shareholder has entered into a deed of indemnity with and in favour of our Company (being the contract referred to in "— B. Further Information about our Business — 1. Summary of Material Contracts" above) to provide indemnities to our Company in respect of any

income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the [REDACTED], whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm, company or corporation, and whether or not such tax liabilities shall be paid or payable before or after the [REDACTED].

2. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company.

3. Litigation

As at the Latest Practicable Date, our Company is not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company, that would have a material adverse effect on our results of operations or financial condition of our Company.

4. Preliminary Expenses

We have not incurred any material preliminary expenses.

5. Promoter

The promoter of our Company (the "**Promoter**") is Zhejiang Panglong. Within the two years preceding the date of this document, no amount or benefit has been paid or given to any Promoter in connection with the [REDACTED].

6. Agency Fees or [REDACTED] Received

The [REDACTED] will receive an [REDACTED] in connection with the [REDACTED] Agreements, as detailed in "[REDACTED] — [REDACTED] and Expenses." Save in connection with the [REDACTED], no [REDACTED], discounts, [REDACTED] or other special terms have been granted by the Group to any person (including the Directors, promoters and experts referred to in "— Other Information — Qualifications and Consents of Experts" below) in connection with the issue or sale of any capital or security of the Company or any member of the Group within the two years immediately preceding the date of this document.

Within the two years immediately preceding the date of this document, no [REDACTED] has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of the Company.

7. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the [REDACTED] for [REDACTED] of, and [REDACTED] in, the H Shares to be issued as mentioned in this document and any H Shares which may be issued upon the exercise of the [REDACTED] on the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

The Sole Sponsor is independent from our Company pursuant to Rule 6A.07 of the GEM Listing Rules. The Sole Sponsor will be paid by our Company fee of HK$[REDACTED] million to act as the sole sponsor to the [REDACTED].

8. Qualification of Experts

The qualifications of the experts (as defined under the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in, or referred to in, this document (the "**Experts**") are set out below:

Name	Qualifications
Austrax Capital Limited	Licensed corporation to conduct Type 1 and Type 6 regulated activities under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan	Independent industry consultant
Jingtian & Gongcheng	Qualified legal advisers as to PRC law

9. Consents of Experts

Each of the Experts has given and has not withdrawn its consent to the issue of this document with the inclusion of its report and/or letter and/or memorandum and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

10. Interests of Experts

None of the Experts has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

None of the Experts has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

11. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

12. Taxation of Holders of H Shares

[REDACTED] in H Shares registered on our Company's H Shares register of members will be subject to Hong Kong stamp duty. Intending holders of H Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or [REDACTED] in H Shares. It is emphasised that none of our

Company, our Directors or the other parties involved in the [REDACTED] can accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or [REDACTED] in H Shares.

Profits from [REDACTED] in H Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty, the current rate of which is 0.1% of the consideration or, if higher, the value of the H Shares being sold or transferred.

13. Miscellaneous

(a) Save as disclosed in "Summary — Recent Development":

(i) within two years preceding the date of this document:

- no share or loan capital of our Company has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
- no [REDACTED], discounts, [REDACTED] or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company; and
- no [REDACTED] (except [REDACTED] to the [REDACTED]) has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company;

(ii) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(iii) there are no arrangements under which future dividends are waived or agreed to be waived;

(iv) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(v) our Company has no outstanding convertible debt securities or debentures; and

(vi) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(b) Save as disclosed in "Summary — Recent Development", our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Company since 30 June 2026 (being the date to which the latest audited financial statements of our Company were made up);

(c) our Directors confirm that there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this document; and

(d) no part of the equity and debt securities of our Company, if any, is currently listed on or dealt in on any other stock exchange or trading system nor is any listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought.

14. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Statutory and General Information — D. Other Information — 9. Consents of Experts" in Appendix V to this document, and

(b) copies of the material contracts referred to in "Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts" in Appendix V to this document.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**www.zjlianji.com**) for a period of 14 days from the date of this document:

(a) our Articles of Association;

(b) the accountants' report of our Group issued by Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the report from Ernst & Young in relation to unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this document;

(d) the audited financial statements of our Company for the years ended 31 December 2024 and 31 December 2025 and the six months ended 30 June 2026;

(e) the industry report prepared by Frost & Sullivan;

(f) the material contracts referred to in the paragraph headed "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix V to this document;

(g) the written consents referred to in the paragraph headed "Statutory and General Information — D. Other Information — 9. Consents of Experts" in Appendix V to this document;

(h) the PRC legal opinion issued by Jingtian & Gongcheng in respect of certain aspects of our Group and the property interests of our Group in the PRC;

(i) the service contracts referred to in the paragraph headed "Statutory and General Information — C. Further Information about Our Directors, Chief Executives and Substantial Shareholders — 2. Directors' Service Contracts and Remuneration" in Appendix V to this document; and

(j) the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translations.