OVERVIEW

We are a premium state-owned integrated water-based tourism service provider headquartered in Yangzhou, Jiangsu Province. According to Frost & Sullivan, we ranked the second in terms of boat ticket sales amount in the water-based tourism market in Jiangsu Province in 2024, accounting for approximately 16.0% of the market share in Jiangsu; and we ranked the tenth in terms of boat ticket sales amount in the water-based tourism market in China in 2024.

Our history can be traced back to 2006 when our predecessor company, Yangzhou Ancient Canal Tourism Co., Ltd.* (揚州市古運河旅遊有限責任公司), was established to operate water sightseeing boats in the Slender West Lake Scenic Area. Prior to that, the water sightseeing boat service in the Slender West Lake Scenic Area had been directly operated and managed by the Slender West Lake Administration Office, a public institution under the administration of the Shugang-Slender West Lake Administrative Committee, on behalf of Yangzhou Government. In 2006, to better showcase the Grand Canal's cultural heritage and support Yangzhou's tourism development, Yangzhou Government decided that our predecessor company shall be set up principally for operating water sightseeing boats in the Slender West Lake Scenic Area and developing into an integrated water-based tourism company. Until that time, the operation of water sightseeing boat service within the Shugang-Slender West Lake Scenic Area was exclusively operated by our Company and was not subject to any licensing requirements. Starting in September 2015, it became mandatory to obtain an operation right for operating water sightseeing boats in the waterways in the Shugang-Slender West Lake Scenic Area through public tender process. Our Company is the exclusive operator with a 20-year water sightseeing boat operation right within the Shugang-Slender West Lake Scenic Area. Our Company is currently the sole operator qualified for operating water sightseeing boat service in the Ancient Canal Area under an exclusive arrangement with no defined duration.

As part of our long-term initiative and commitment to continuously drive revenue growth and diversify revenue streams and leveraging our solid expertise in water sightseeing boat operation, we developed new business categories and a number of value-added services to further expand our flagship water sightseeing boat service business. In 2022, we commenced operation of our sightseeing tour bus service business by successfully obtaining a 20-year exclusive right for operating tour buses on the designated routes with the Shugang-Slender West Lake Scenic Area. In the same year, we also entered into a full spectrum entrusted management service agreement to provide a comprehensive entrusted management services to Gaoyou City Lake Tourism Resort and successfully expanded our asset light business model. In recent years, we have further diversified our service offerings by launching value-added "Boat+" services, which allow visitors to enjoy a more immersive traditional Yangzhou-style breakfast tea dining experience onboard our eco-friendly painted pleasure boats while leisurely cruising along the picturesque waterways of the scenic area. Further, in October 2024, we also successfully projected and launched the Grand Canal Yangzhou, a night processional show based on the history and culture heritage of Yangzhou and the Grand Canal, which combines outdoor boat-as-theaters, storytelling and lights show along the UNESCO-listed Grand Canal in Yangzhou, offering visitors onboarding our themed boat an immersive cultural experience in the 2,500 years of glory and transformation of Yangzhou and the Grand Canal.

KEY BUSINESS MILESTONES

The following table sets forth the key business milestones in our history:

Year	Events
2006	● Our Company was established in August 2006
2009	● We established "University Student Slender West Lake Chuanniang" (大學生瘦西湖船娘) brand and commenced the rejuvenation of our Chuanniang team
2016	● We converted into a joint stock company and renamed as Jiangsu Slender West Lake Culture and Tourism Co., Ltd.* (江蘇瘦西湖文化旅遊股份有限公司) in April 2016
2017	● Our Shares were quoted on the NEEQ in May 2017 (code: 871343)
2018	● We successfully registered " " as a trademark in China
2022	● We obtained a 20-year exclusive license for operating sightseeing tour buses on the northern route in the Slender West Lake Scenic Area and in the Sanwan Scenic Area
	● We successfully developed an asset-light business model and commenced the provision of entrusted management service to Gaoyou City Lake Tourism Resort, marking it our first ever brand output and expansion in Yangzhou
2024	● Yangzhou Yuntong was established in June 2024
	● We launched the Grand Canal Yangzhou (大運揚州) night show in October 2024

CORPORATE DEVELOPMENT

2006 to 2015: Establishment and Early Development

Establishment

Our Company was established on August 31, 2006 as a limited liability company in the PRC, with an initial registered capital of RMB2,000,000, for the purpose of operating water sightseeing boats and developing the tourism business in the Slender West Lake Scenic Area. At the time of establishment, our Company was owned as to 85.0% by Slender West Lake Administration Office, 5.0% by Yangzhou Slender West Lake Travel Agency Co., Ltd.* (揚州瘦西湖旅行社有限責任公司), 5.0% by Yangzhou Mingcheng Construction Co., Ltd.* (揚州市名城建設有限公司) and 5.0% by Yangzhou Tourism Development Co., Ltd.* (揚州市旅遊發展有限責任公司). Slender West Lake Administration Office is a public institution under the administration the Shugang-Slender West Lake Administrative Committee, on behalf of Yangzhou Government, and is principally responsible for the protection, development and integrated management of the Slender West Lake Scenic Area. The other then shareholders were state-owned enterprises under the administration of three different local governmental bodies of Yangzhou.

Early Share Capital Changes

On October 10, 2009, as a result of a reduction of our share capital, our registered share capital was reduced by RMB300,000 to RMB1,700,000 and our Company became wholly owned by Slender West Lake Administration Office (the "**2009 Share Capital Reduction**").

Further, on October 15, 2012, Slender West Lake Administration Office contributed additional capital into our Company with RMB5,876,922.26 being contributed in kind in the form of sightseeing boats (of which, RMB5,870,000 was use for share registered capital increase and the remaining RMB6,922.26 was credited as capital reserve of our Company) and RMB2,500,000 being contributed in cash (which was used for share registered capital increase). As a result, our Company's registered share capital was increased by RMB8,370,000 from RMB1,700,000 to RMB10,070,000 (the "**2012 Share Capital Increase**"). The 2012 Share Capital Increase was completed on April 23, 2015.

Non-compliance regarding the share capital changes

Non-compliance with state-owned asset appraisal and filing requirements

Pursuant to the Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises* (《企業國有資產評估管理暫行辦法》 (the "**Interim Assessment Measures**") and the Provisions on Several Issues Concerning the Administration of Assessment of State-owned Assets* (《國有資產評估管理若干問題的規定》 (the "**Provisions on Several Issues**"), (i) any change in the proportion of state-owned equity in a non-listed company requires an appraisal on the relevant assets and the submission of relevant materials to the state-owned assets supervision and administration authority (the "**SASA authority**") or file the same with its state-funded enterprise, and (ii) where a state-owned enterprise invests non-monetary assets, it shall conduct an asset appraisal and file such appraisal with the SASA authority or its state-funded enterprise. Further, pursuant to the Notice of the State-owned Assets Supervision and Administration Commission of the State Council on Strengthening the Administration of Assessment of State-owned Assets of Enterprises* (《國務院國有資產監督管理委員會關於加強企業國有資產評估管理工作有關問題的通知》) (the "**Notice on Strengthening State-owned Assets Administration**") (i) where the assessment objects involved in economic activities fall within the scope of enterprise legal person property rights, the enterprise shall engage an appraisal institution; (ii) where such objects pertain to investor rights such as enterprise property rights, the enterprise's investor shall engage an appraisal institution in accordance with property rights relationships; and (iii) where an enterprise accepts non-state-owned assets involving assessment of such assets, the enterprise accepting the assets shall generally engage an appraisal institution.

As the 2009 Share Capital Reduction resulted in the shareholding of the Slender West Lake Administration Office in our Company increasing from 85% to 100%, the Slender West Lake Administration Office, as shareholder of our Company, should have engaged a qualified asset appraisal institution to conduct appraisal of our Company's equity value and complete the filing procedures. However, the Slender West Lake Administration Office did not conduct the asset appraisal and filing procedures for this capital reduction, which constitute non-compliance with the above provisions.

Given that (i) the Slender West Lake Administration Office, as the unit performing capital contributor duties at that time and the Company's controlling shareholder, had already made a decision regarding this capital reduction and approved the arrangement, and (ii) the Shugang-Slender West Lake Administrative Committee, the Company's competent state-owned assets supervision and administration department, issued a written confirmation on August 26, 2025, confirming that the Company's establishment, shareholding reform, all previous equity changes (including increase/decrease of registered capital, equity transfers, etc.), quoting on the NEEQ and other matters that caused changes in state-owned equity have all been duly approved through decision-making by the competent state-owned assets supervision authority, that the relevant transaction prices were fair, that there was no damage to the rights and interests of state-owned assets, and that no loss of state-owned assets was caused, the PRC Legal Adviser is of the view that it is unlikely that the aforementioned procedural defect will be determined by the SASA authority as constituting a material violation of laws and regulations that damages the rights and interests of state-owned assets, or that the relevant economic activity will be invalid.

In relation to the 2012 Share Capital Increase, the Slender West Lake Administration Office should have conducted an asset appraisal and completed the state-owned asset filing procedures for its in-kind contribution. Although the Slender West Lake Administration Office conducted an assessment of the aforementioned non-monetary investment, it failed to complete the filing procedures, in violation of the aforementioned provisions.

Given that (i) the August 2006 meeting minutes of the Yangzhou Municipal Government regarding the Company's establishment plan explicitly stipulated that the Slender West Lake Administration Office would invest sightseeing boats and cash in the Company, and such capital increase was implemented in accordance with the aforementioned meeting minutes; (ii) the competent SASA authority at the time —

the Finance and Audit Bureau of the Shugang-Slender West Lake Administrative Committee（揚州市蜀岡—瘦西湖風景名勝區管理委員會財政審計局）— had already provided written confirmation of the state-owned property rights status following the capital increase; and (iii) the Shugang-Slender West Lake Administrative Committee, the competent SASA authority, issued the aforementioned written confirmation on August 26, 2025, the PRC Legal Adviser is of the view that it is unlikely that the aforementioned procedural defect will be determined by the SASA authority to constitute a material violation of laws and regulations damaging the rights and interests of state-owned assets, or that the relevant economic activity will be invalid.

Non-compliance with industrial and commercial changing registration procedures

The Company did not complete the industrial and commercial change registration procedures relating to the aforementioned capital increase until April 23, 2015, which constituted non-compliance with the then-effective Regulations of the PRC on Administration of Company Registration* (中華人民共和國公司登記管理條例), pursuant to which where a company increases its registered capital, it shall apply for change registration within 30 days from the date of the resolution or decision on the change. However, given that (i) the Regulations also stipulate that where a company fails to handle the relevant change registration in accordance with the provisions, the registration authority shall order it to register within a specified period, and the Company proactively corrected the matter before the registration authority discovered it, completing the industrial and commercial change registration for its registered capital in April 2015; (ii) the Yangzhou Administration for Industry and Commerce (揚州市工商行政管理局) issued a certificate on October 19, 2016, confirming that "after investigation, from January 1, 2014 to the date hereof, Jiangsu Slender West Lake Culture and Tourism Co., Ltd. (江蘇瘦西湖文化旅遊股份有限公司) has not been subject to any record of violation, non-compliance or adverse complaint or report in the market entity credit database of Yangzhou; and (iii) the Slender West Lake Administration Office, as the sole shareholder of the Company for the period from the respective share capital change to the completion of the relevant registration procedures, issued a shareholder statement confirming that its shareholder rights were not prejudiced and that it would not make any claim against the Company for its failure to timely update the relevant registration, our PRC Legal Adviser is of the view that the Company's failure to timely update the registration was minor in nature and does not constitute a material non-compliance.

Shareholding Changes

To optimize our Company's shareholding structure and facilitate our Company's quotation application on the NEEQ, the Shugang-Slender West Lake Administrative Committee decided on July 6, 2015 that the Slender West Lake Administration Office shall transfer (i) 62.50% equity interest in our Company to Tourism Development Group, and (ii) 37.50% equity interest in our Company to Quanyu Tourism Company, each at nil consideration. Quanyu Tourism Company is a non-wholly owned subsidiary of Tourism Development Group, which is in turn wholly owned by Yangzhou Government. The Slender West Lake Administration Office, Tourism Development Group and Quanyu Tourism Group are all under the administration of the Shugang-Slender West Lake Administrative Committee, on behalf of Yangzhou Government. Such transfers were completed on July 10, 2015, and as a result, our Company became owned as to 62.50% by Tourism Development Group and 37.50% by Quanyu Tourism Company.

To further optimize the shareholder structure and align with our Company's strategic development needs, in September 2015, Slender West Lake Administration Office made a decision for our Company to introduce an individual with management expertise as a shareholder of our Company, pursuant to which Quanyu Tourism Company transferred 10% of the equity interest in our Company to Mr. Ge Changyun (葛長雲), a then deputy general manager of our Company and an experienced senior marine engineer through public transfer at a consideration of RMB3,050,000. Such consideration was determined based on (i) the independently approved valuation of our Company's total equity value as of December 31, 2014, being RMB29,036,200, and (ii) the reference transfer price of RMB3,050,000 as announced by the Property Rights Exchange Center of Yangzhou* (揚州市產權交易中心).

Mr. Ge Changyun made a significant contribution to our Company's development and expansion during his tenure as a deputy general manager of our Company from November 2011 to February 2025, including participating in the design and manufacturing of various themed boats and successfully launched and branded our asset-light business model, including the provision of project-based consulting services to Yancheng Chuanchang River (鹽城串場河) in respect of its water-based tourism project in Yancheng Dayangwan (鹽城大洋灣) for the period from July 2016 to July 2017 and the management services to Gaoyou City Lake Tourism Resort starting from July 2022. As our Company's business strategy, we no longer offer project-based consulting services since the completion of the water-based tourism project in Yancheng Dayangwan in July 2017. Currently, under our asset-light business model, we only offer management services.

The above equity transfer was completed on December 28, 2015. As a result of the above transfer, our shareholding structure was as follows:

Shareholders	Registered Share Capital	Shareholding percentage
	(RMB)	(%)
Tourism Development Group	6,293,750	62.50
Quanyu Tourism Company	2,769,250	27.50
Mr. Ge Changyun	1,007,000	10.00
Total	**10,070,000**	**100.00**

2016 to 2022: Organic Growth

During our organic development stage from 2016 to 2022, we implemented certain capital shareholding structure enhancements to support our evolving business needs and further expansion.

Step 1: Conversion into a joint stock company and quotation on the NEEQ

To provide our Company with a more flexible shareholding structure, enhance capital-raising capabilities and better align corporate governance with prevailing market practices, on March 30, 2016, our then Shareholders resolved and approved the conversion of our Company into a joint stock company with limited liability based on the audited net asset value of our Company as at February 29, 2016 (being RMB26,966,324.44), which was converted into 10,070,000 shares at a ratio of 1:0.3734, with a nominal value of RMB1.00 each and the remaining RMB16,896,324.44 was credited to the capital reserve of our Company (the "**Conversion into Joint Stock Company**"). On the same date, then shareholders of our Company, namely Tourism Development Group, Quanyu Tourism Company and Mr. Ge Changyun, entered into a promoters' agreement in respect of the Conversion into Joint Stock Company.

As a result, our Company had an aggregate registered capital of RMB10,070,000 divided into 10,070,000 Shares with a nominal value of RMB1.00 each. The Conversion into Joint Stock Company was completed on April 20, 2016. The shareholding structure subsequent to the completion of the Conversion into Joint Stock Company was as follows:

Shareholders	Number of Shares	Shareholding percentage (%)
Tourism Development Group	6,293,750	62.50
Quanyu Tourism Company	2,769,250	27.50
Mr. Ge Changyun	1,007,000	10.00
Total	**10,070,000**	**100.00**

Subsequently, on May 9, 2017, our Shares were quoted on the NEEQ. For further details, see "Quotation on the NEEQ and Reasons for [REDACTED] on the Stock Exchange" below.

Pursuant to the Interim Assessment Measures, where a state-owned enterprise is restructured, in whole or in part, into a limited liability company or a joint stock limited company, an asset appraisal shall be conducted and filed with the state-owned assets supervision and administration authority or its state-funded enterprise. The Company is a state-owned enterprise, and therefore it should have conducted an asset appraisal for its conversion into a joint stock company and completed the filing procedures of the asset appraisal; further, although the Company conducted assessment for the conversion, it failed to complete the filing procedures, which constitutes a non-compliance with the Interim Assessment Measures.

In view of the fact that (i) the Shugang-Slender West Lake Administrative Committee had approved the Company's shareholding reform plan in advance of the reform, and the state-owned shareholder's shareholding ratio remained unchanged before and after the reform; (ii) the Yangzhou Finance Bureau* (揚州市財政局) acknowledged the procedures and the results of the shareholding reform in May 2016; and (iii) the Shugang-Slender West Lake Administrative Committee issued the aforementioned written confirmation on August 26, 2025, the PRC Legal Adviser is of the view that it is unlikely that the aforementioned procedural defect will be determined by the state-owned assets supervision authority as constituting a material non-compliance with laws and regulations that damages the rights and interests of state-owned assets, or that the relevant economic activity will be confirmed as invalid.

Step 2: Upgrading shareholding structure and institutionalizing shareholder base

Subsequent to our quotation on the NEEQ and in late 2018, Mr. Ge Changyun transferred certain of his equity interest in our Company to three other individuals, namely Ms. Wang Juan, Mr. Bian Weiming and Mr. Jin Hong, who were all senior management members of our Company and Mr. Huang Zhaojun, spouse of Ms. Xu Shunmei (executive Director and the chairwoman of the Board) by way of bulk transaction through the NEEQ system. During the public transfer process, Mr. Yu Lehua, also acquired 1,000 Shares through call auction mechanism. To the best knowledge, information and belief of our Directors, Mr. Yu Lehua is an independent third party. As a result of these transfers, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares	Shareholding percentage (%)
Tourism Development Group	6,293,750	62.50
Quanyu Tourism Company	2,769,250	27.50
Mr. Huang Zhaojun (黃朝軍)(1)(3)	228,000	2.26
Mr. Bian Weiming (邊衛明)(1)(2)	228,000	2.26
Mr. Ge Changyun	184,000	1.83
Ms. Wang Juan (王娟)(1)(2)	183,000	1.82
Mr. Jin Hong (金宏)(1)(2)	183,000	1.82
Mr. Yu Lehua (俞樂華)(1)	1,000	0.01
Total	**10,070,000**	**100.00**

Notes:

(1) From November to December 2018, (i) Mr. Ge Changyun transferred 228,000, 228,000, 183,000 and 183,000 shares to Mr. Huang Zhaojun, Mr. Bian Weiming, Ms. Wang Juan and Mr. Jin Hong, respectively, by way of bulk transaction through the NEEQ system, each at a consideration of RMB3.30 per share, determined based on arm's length negotiation among the parties; and (ii) Mr. Ge Changyun transferred 1,000 Shares to Mr. Yu Lehua through call auction mechanism on the NEEQ system at a consideration of RMB5.06 per share.

(2) Ms. Wang Juan was deputy general manager, the secretary to the Board and the chief financial officer of our Company and is an executive Director. Mr. Bian Weiming was the chairman of the Board at that time. Mr. Jin Hong was deputy general manager of our Company.

(3) Mr. Huang Zhaojun is spouse of Ms. Xu Shunmei, a director and general manager of our Company at that time.

Subsequently, in order to facilitate our Company's future [REDACTED] and capital-raising opportunities, the Shugang-Slender West Lake Administrative Committee resolved on August 9, 2020 that Tourism Development Group, the controlling shareholder of Quanyu Tourism Company shall acquire interests held by Mr. Huang Zhaojun, Mr. Bian Weiming, Mr. Ge Changyun, Ms. Wang Juan and Mr. Jin Hong, them in our Company, representing an aggregate of 9.99% equity interest in our Company at that time, by way of bulk transactions through the NEEQ system, at a total consideration of RMB4,538,066 for RMB4.51 per share, determined based on arm's length negotiation. The above transfers were completed on December 26, 2021. As a result, our shareholding structure was as follows:

Shareholders	Number of Shares	Shareholding percentage (%)
Tourism Development Group	7,299,750	72.49
Quanyu Tourism Company	2,769,250	27.50
Mr. Yu Lehua	1,000	0.01
Total	**10,070,000**	**100.00**

Pursuant to the Interim Assessment Measures and the Provisions on Several Issues, the above-mentioned equity transfer in relation to Tourism Development Group, a state-owned enterprise, acquiring assets from various individuals, shall be subject to the required asset appraisal and filing procedures. The asset appraisal for such equity transfers was completed; however, the required filing procedures in respect of such equity transfers was not completed, which constitute non-compliance with the Interim Assessment Measures and the Provisions on Several Issues.

Given that the competent state-owned assets management authority, the Shugang-Slender West Lake Administrative Committee, approved this share acquisition plan at that time and subsequently issued the aforementioned written confirmation on August 26, 2025, the PRC Legal Adviser is of the view that it is unlikely that the aforementioned procedural defect will be determined by the state-owned assets supervision authority as constituting a material non-compliance with laws and regulations that damages the rights and interests of state-owned assets, or that the relevant economic activity will be confirmed as invalid.

Step 3: Paving the way for future capital opportunities through capital conversion

Upon the approval of the general meeting of the Shareholders on June 17, 2022, our Board approved, on July 1, 2022, to convert an aggregate of capital reserve of RMB10,070,000 into share capital of our Company at a ratio of 10:15 (the "**Conversion**") with a view to facilitating potential future capital-raising activities and paving the way for a possible [REDACTED]. As a result, the total registered share capital of our Company was increased to RMB25,175,000, equivalent to a total number of 25,175,000 Shares with a nominal value of RMB1.0 each. The Conversion was completed on September 16, 2022. As a result, our shareholding structure was as follows:

Shareholders	Number of Shares	Shareholding percentage (%)
Tourism Development Group	18,249,375	72.49
Quanyu Tourism Company	6,923,125	27.50
Mr. Yu Lehua	2,500	0.01
Total	**25,175,000**	**100.00**

Since 2023: Strategic Development

Step 1: Introduction of [REDACTED]

On August 4, 2023, our Company raised additional capital through a new share issuance of 2,797,045 shares of our Company to Grand Canal Fund at a total consideration of RMB28,557,829.45 (the "**[REDACTED]**"). Such shares represented 10.00% of the total enlarged registered share capital of our Company immediately after the completion of the [REDACTED]. Further details about the subscription by Grand Canal Fund was set out in "[REDACTED]" below. Upon the completion of the [REDACTED], our shareholding structure was as follows:

Shareholders	Number of Shares	Shareholding percentage (%)
Tourism Development Group	18,249,375	65.24
Quanyu Tourism Company	6,923,125	24.75
Grand Canal Fund	2,797,045	10.00
Mr. Yu Lehua	2,500	0.01
Total	**27,972,045**	**100.00**

Step 2: Capitalization of share capital reserve

To prepare for our [REDACTED] on the Stock Exchange, the general meeting of the Shareholders passed a resolution at the general meeting held on September 20, 2025 to approve the further increase of our registered share capital to RMB134,265,816 by way of capitalization of a total retained earnings of RMB106,293,771 on a one-to-one basis (the "**Capitalization**"). The Capitalization was completed on October 14, 2025. As a result, the shareholding of our Company was as follows:

Shareholders	Number of Shares immediately before the completion of the Capitalization	Number of Shares immediately after the completion of the Capitalization	Shareholding percentage (%)
Tourism Development Group	18,249,375	87,597,000	65.24
Quanyu Tourism Company.	6,923,125	33,231,000	24.75
Grand Canal Fund	2,797,045	13,425,816	10.00
Mr. Yu Lehua	2,500	12,000	0.01
Total	**27,972,045**	**134,265,816**	**100.00**

On August 26, 2025, our Company obtained a confirmation from the Shugang-Slender West Lake Administrative Committee, which confirmed that (i) that since the establishment of our Company in 2006, we have been a state-owned enterprise under the supervision of the Shugang-Slender West Lake Administrative Committee for discharging its responsibility for the management of state-owned assets; (ii) our establishment, restructuring and all shareholding and capital changes, the Conversion into Joint Stock Company as well as our quotation on the NEEQ have obtained all necessary approvals from the responsible state-owned assets regulators in accordance with the relevant PRC laws and regulations, and (iii) the aforementioned procedural deficiencies have not impaired the rights and interests of state-owned assets, and there are no disputes or potential disputes. In addition, the transaction prices (where applicable) are fair and there has been no impairment of state-owned asset interests and no loss of state-owned assets; and our historical equity changes have never been subject to any disputes or potential disputes.

Our PRC Legal Adviser is of the view that our Company is a joint stock limited company duly incorporated and validly existing in accordance with the PRC Laws and Regulations; and except as otherwise disclosed in the paragraph headed "Corporate Development" above, the establishment of our Company, the aforementioned equity transfers and capital increases of our Company as well as the Conversion and the Capitalization were conducted and have been completed in full compliance with applicable PRC laws, regulations and rules, and have obtained all applicable consents, approvals, authorizations and permissions.

OUR SUBSIDIARY — YANGZHOU YUNTONG

During the Track Record Period and as at the Latest Practicable Date, our Company had one subsidiary — Yangzhou Yuntong, whose principal business is the operation of water sightseeing boat service within the Ancient Canal Area, including our Grand Canal Yangzhou night show.

On June 3, 2024, Yangzhou Yuntong was established as our wholly-owned subsidiary and as a limited liability company in the PRC with a registered capital of RMB5,000,000.

During the planning and preparation stage for the launch of the night show, we selected a few strategic partners, namely Yangzhou Garden (a professional construction company), Yao Youguang (an experienced show-related service provider), Yangzhou Media Co. (an integrated local marketing and advertising company) and Jiangsu Yimi (a maintenance and repair service provider), who wish to participate in the show. We intend to leverage their respective expertise in lighting performance, landscaping, publicity and facility maintenance, while diversifying risk in response to the challenging economic environment, especially in the rapid changing tourism industry. As such, on August 27, 2024, our Company resolved to increase the registered share capital of Yangzhou Yuntong from RMB5,000,000 to RMB95,000,000 with the additional RMB90,000,000 being contributed by our Company and four new shareholders, namely, Yangzhou Garden, Yao Youguang, Yangzhou Media Co., and Jiangsu Yimi, respectively ("**2024 Yangzhou Yuntong Capital Increase**"). Such additional capital also strengthened the financial position of Yangzhou Yuntong and to provide additional working capital to support its business operations and development.

The capital increase was completed on September 12, 2024. Following the capital increase and up to the Latest Practicable Date, the shareholding structure of Yangzhou Yuntong was as follows:

Shareholders	Number of Shares	Shareholding percentage (%)
Our Company	50,000,000	52.63
Yangzhou Garden	20,000,000	21.05
Yao Youguang	10,000,000	10.53
Yangzhou Media Co.	10,000,000	10.53
Jiangsu Yimi	5,000,000	5.26
Total	95,000,000	**100.00**

Each of Yangzhou Garden, Yao Youguang and Yangzhou Media Co. is a substantial shareholder of Yangzhou Yuntong, and therefore a connected person of our Company. To the best knowledge and information of our Directors, having made reasonable enquiries, Jiangsu Yimi is an independent third party.

As part of the arrangement under the 2024 Yangzhou Yuntong Capital Increase and for the purpose of consolidating our Company's control over Yangzhou Yuntong, our Company has agreed and is contractually obliged to acquire the equity interests held by Yangzhou Garden, Yao Youguang, Yangzhou Media Co. and Jiangsu Yimi before January 31, 2030 at a purchase price determined based on the valuation of Yangzhou Yuntong at the date of the acquisition and details regarding future acquisition will be separately negotiated and agreed among the parties. See Note 16 to the Accountants' Report in Appendix I to this document. Our Company will comply with applicable Listing Rules and other regulatory requirements at the relevant time.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Except for Yangzhou Yuntong, we did not have any major acquisition, disposal or merger during the Track Record Period and up to the Latest Practicable Date.

QUOTATION ON THE NEEQ AND REASONS FOR [REDACTED] ON THE STOCK EXCHANGE

On May 9, 2017, our Shares were quoted on the NEEQ (code: 871343). Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the NEEQ and other applicable securities laws and regulations of the PRC in any material respect and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the NEEQ. Based on the public searches on the websites of National Enterprise Credit Information Publicity System, NEEQ System, the Report on Institutional Integrity Information (Public Version) issued by the CSRC and CSRC and its Jiangsu Office, there are no records of material non-compliance of the Company and its subsidiaries with the rules of the NEEQ and other applicable securities laws and regulations. Therefore, during the Track Record Period and up to the Latest Practicable Date, nothing has come to the PRC Legal Adviser's attention that, the Company and its subsidiary had any instance of material non-compliance with the rules of the NEEQ and other applicable securities laws and regulations in any material respect. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to its attention that would cause them to disagree with our Directors' confirmation with regard to the compliance record of our Company on the NEEQ during the Track Record Period and up to the Latest Practicable Date.

Our Company seeks a [REDACTED] on the Stock Exchange in order to [REDACTED] for expanding to new water tour routes, developing new water-based tourism project, extending management output and asset upgrading, and general corporate purposes. See "Business — Our Strategies" and "Future Plans and [REDACTED]."

[REDACTED]

Subscription from Grand Canal Fund

On March 17, 2023, our Company and Grand Canal Fund entered into a share subscription agreement (the "**Subscription Agreement**"), pursuant to which, our Company agreed to issue and Grand Canal Fund agreed to subscribe a total number of 2,797,045 newly issued shares of our Company, representing 10.00% of the total enlarged registered share capital of our Company immediately after the completion of the subscription, at a cost of RMB10.21 per Share amounting to a total consideration of RMB28,557,829.45, out of which, RMB2,797,045 will be credited as share capital of our Company and RMB25,760,784.45 will be credited as capital reserve of our Company. The aforementioned consideration has been fully settled on June 1, 2023. The cost per Share upon the completion of the Capitalization will be RMB[REDACTED] per Share, representing approximately [REDACTED]% discount to the [REDACTED] (based on an [REDACTED] of HK$[REDACTED], being the [REDACTED] of the indicative range of the [REDACTED] between HK$[REDACTED] and HK$[REDACTED]). Such consideration was determined on arm's length negotiation based on the market price of RMB[REDACTED] per share according to valuation on our Company's total equities attributable to our shareholders as of December 31, 2021 with reference to the development prospects of our Company. The aforementioned valuation was carried out by an independent third party valuer, using market approach.

The table below further sets out the total number of Shares held by our [REDACTED] subsequent to the above [REDACTED] and its shareholding immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):

		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[Note]	
[REDACTED]	**Number of Shares immediately prior to the [REDACTED]**	**Number of Shares**	**Approximate shareholding (%)**
Grand Canal Fund	13,425,816	13,425,816	[REDACTED]

Note: The calculation is based on the total number of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

Special Rights

On March 17, 2023, Tourism Development Group as our Controlling Shareholder and Grand Canal Fund as the [REDACTED] entered into a first supplemental agreement to the Subscription Agreement, pursuant to which, Tourism Development Group granted Grand Canal Fund certain special rights such as right of first refusal, right of first offer, redemption right, nomination right and right to financial compensation in case of acquisition by or merger with third party company(ies) (the "**Compensation Right**"). Pursuant to the second supplemental agreement to the Subscription Agreement dated September 22, 2025, (i) redemption right and the Compensation Right were terminated on the date immediately prior to the [REDACTED], and (ii) all other special rights will be terminated on the date immediately prior to the [REDACTED]. In the event that (i) the Company's application for [REDACTED] is rejected, not approved or the review process is terminated; or (ii) the Company unilaterally decides to terminate or withdraw the [REDACTED] application, such special rights shall automatically be reinstated with full effect.

Strategic Benefits of the [REDACTED]

Our Directors are of the view that our Group has benefited from the [REDACTED]'s commitment to our Company as its investment demonstrates such investor' confidence in the business operation of our Group and serve as an endorsement of our Company's performance, strength and growth prospects. In particular, we believe that Jiangsu Grand Canal Culture and Tourism Development Fund (Limited Partnership)* (江蘇省大運河文化旅遊發展基金(有限合夥)) ("**Jiangsu Grand Canal Fund**"), a substantial shareholder of Grand Canal Fund, leveraging its extensive network and presence within the tourism industry, could provide meaningful commercial advantages and strategic guidance to our Company. In addition, Jiangsu Grand Canal Fund has experience in large-scale tourism project planning and development, and we could benefit from its insights and strategic advice on our business expansion initiatives. Further, at the time of investment made by our [REDACTED], our Directors were of the view that our Group could also benefit from the additional capital contributed by the [REDACTED].

Background of [REDACTED]

Grand Canal Fund is a limited liability partnership established in the PRC, primarily engaged in equity investment, venture capital investment, infrastructure investment, investment management, asset entrustment management, equity management as well as investment and investment management consulting. As at the Latest Practicable Date, Grand Canal Fund was owned as to (i) approximately 0.3% by Yangzhou Guoyang Fund Management Co., Ltd.* (揚州市國揚基金管理有限公司) ("**Yangzhou Guoyang**") and approximately 0.1% by Jiangsu Grand Canal Hongsheng Investment Management Co., Ltd.* (江蘇大運河紅盛投資管理有限公司) ("**Jiangsu Hongsheng**"), as general partners, (ii) approximately 14.94% by Jiangsu Grand Canal Fund, (iii) approximately 39.84% by Yangzhou Urban Construction State-owned Asset Holding (Group) Co., Ltd.* (揚州市城建國有資產控

股(集團)有限責任公司) ("**Yangzhou Urban Construction Group**"), (iv) approximately 29.88% by Yangzhou Government Investment Fund (Limited Partnership)* (揚州市政府投資基金(有限合夥)) ("**Yangzhou Government Fund**"), and (v) approximately 14.9402% by Yangzhou State-owned Capital Investment Group Co., Ltd.* (揚州國有資本投資集團有限公司) ("**Yangzhou State Capital**").

Yangzhou Urban Construction is wholly owned by the People's Government of Jiangsu Province (江蘇省人民政府). Jiangsu Grand Canal Fund and Jiangsu Hongsheng are both controlled by Jiangsu Grand Canal Culture and Tourism Investment Management Co., Ltd.* (江蘇省大運河文化旅遊投資管理有限公司) ("**Jiangsu Grand Canal Investment Co.**"), which is in turn ultimately controlled by the Department of Finance of Jiangsu Province (江蘇省財政廳), which is an organ of the People's Government of Jiangsu Province (江蘇省人民政府). Jiangsu Grand Canal Fund are also controlled and owned as to 49.78% by Jiangsu Culture Investment Management Group Co., Ltd.* (江蘇省文化投資管理集團有限公司) and 49.73% by Jiangsu Government Investment Fund (Limited Partnership)* (江蘇省政府投資基金(有限合夥)), both of which are ultimately controlled by the Department of Finance of Jiangsu Province.

Yangzhou Government Fund are controlled and owned as to 99.9% by the Finance Bureau of Yangzhou and 0.1% by Yangzhou Guoyang as its general partner. Yangzhou Guoyang is wholly owned by Yangzhou State Capital, which is ultimately controlled by the Yangzhou Finance Bureau (揚州市財政局).

Use of Proceeds

The proceeds we obtained from Grand Canal Fund were used as purchasing boats and general working capital for the expansion and development of our business. As of the Latest Practicable Date, we had utilized all the proceeds.

Sole Sponsor's View

On the basis that (i) the consideration for the [REDACTED] has been settled more than 28 clear days before the date of our submission of the [REDACTED]; and (ii) the termination of special rights granted to the [REDACTED] as disclosed in this section, the Sole Sponsor has confirmed that the [REDACTED] disclosed in this section complied with the Stock Exchange's guidance in Chapter 4.2 of the Guide for New Listing Applicants.

[REDACTED] and [REDACTED]

Our Shares quoted on the NEEQ are not counted towards our [REDACTED] for the purpose of Rule 8.08 of the Listing Rules. [REDACTED] pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised), representing [REDACTED]% of the total [REDACTED] issued upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) will be counted towards the [REDACTED] of our Company.

Pursuant to Rule 19A.13C(1) of the Listing Rules, where an applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this would normally mean that the portion of the H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions, 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$50 million; or (b) have an expected market value at the time of [REDACTED] of not less than HK$600 million.

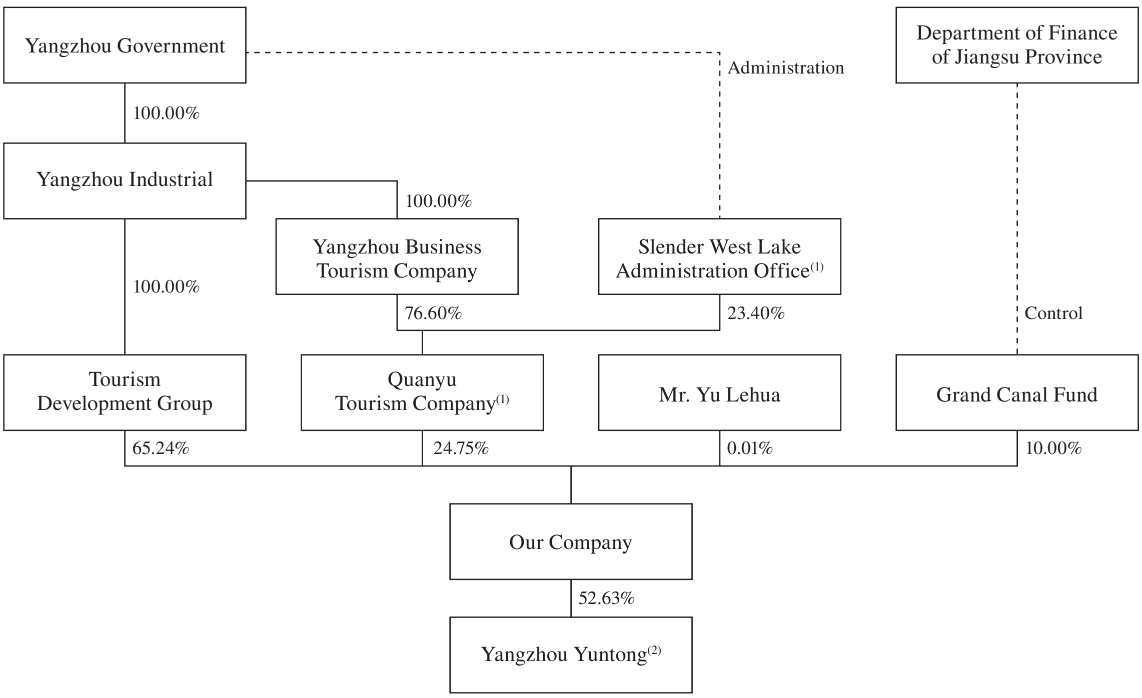
Immediately following the completion of the [REDACTED], assuming that the [REDACTED] is not exercised, the total number of Shares of our Company will be [REDACTED] ([REDACTED] [REDACTED] and [REDACTED] Shares which are and will remain quoted on the NEEQ). On this basis, assuming no Shares will be allocated to any [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 indicative [REDACTED] range), HK$[REDACTED] million (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] range), or HK$[REDACTED] million (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the [REDACTED] of the indicative [REDACTED] range), being held by the public and not subject to any disposal restrictions at the time of [REDACTED], which is higher than the prescribed percentage of [REDACTED] of at least [REDACTED]% and expected [REDACTED] of not less than HK$[REDACTED] million under Rule 19A.13C(1) of the Listing Rules.

Accordingly, our Company believes that there will be a free and open [REDACTED] for our H Shares immediately upon the completion of the [REDACTED] in compliance with the free float requirements under Chapter 3.6 of the Guide for New Listing Applicants and Rule 19A.13C(1) of the Listing Rules.

CORPORATE STRUCTURE

The chart below sets out our corporate and shareholding structure as of the Latest Practicable Date and immediately prior to the completion of the [REDACTED]:

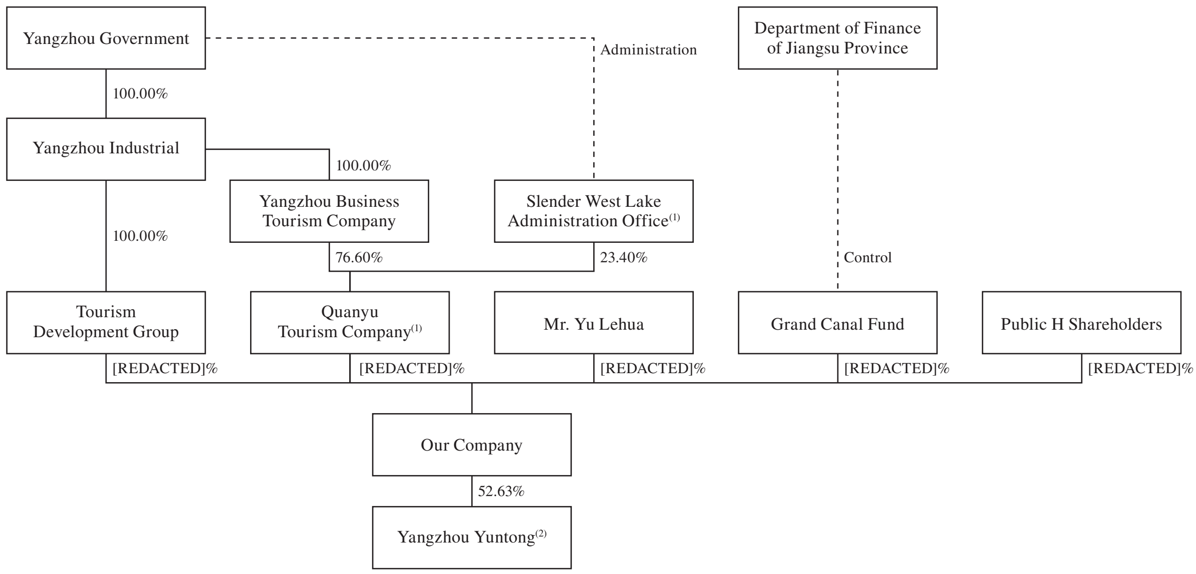


Notes:

(1) The Slender West Lake Administration Office is a public institution under the administration of the Shugang-Slender West Lake Administrative Committee, on behalf of Yangzhou Government.

(2) The remaining equity interest of Yangzhou Yuntong was directly owned as to 21.50% by Yangzhou Garden, 10.53% by Yao Yonguang Technology, 10.53% by Yangzhou Media Co. and 5.26% by Jingsu Yimi. Yangzhou Garden, Yao Youguang and Yangzhou Media Co. are substantial shareholders of Yangzhou Yuntong, and therefore are connected persons of our Company. Jiangsu Yimi is an independent third party.

The chart below sets out our corporate and shareholding structure immediately after the completion of the [REDACTED]:



Notes:

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