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OVERVIEW

We are a state-owned integrated water-based tourism service provider headquartered in Yangzhou, Jiangsu Province. We principally operate water sightseeing boat services in renowned scenic areas the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area in Yangzhou. Bolstered by the growing reputation of the Slender West Lake, our signature “Slender West Lake Chuanniang (瘦西湖船娘)” brand, the Grand Canal Yangzhou night show, as well as favourable national policy on tourism economy and the National Grand Canal Cultural Belt Strategy, our water sightseeing boat services have successfully attracted both domestic and international visitors. We ranked the second in terms of boat ticket sales amount in the water-based tourism service market in Jiangsu Province in 2024, accounting for approximately 16.0% of the market share in Jiangsu Province, according to Frost & Sullivan.

We are the only licensed operator of water sightseeing boats in Yangzhou and our boats are the sole designated transportation means within the waters of Yangzhou. We have a 20-year exclusive operation right for water sightseeing boats in the Shugang-Slender West Lake Scenic Area. We are the sole operator for water sightseeing boats in the Ancient Canal Area and as at the Latest Practicable Date, our operation in the Ancient Canal Area was under an exclusive arrangement with no defined duration.

Since our inception, we have accumulated over 20 years of experience in operating water sightseeing boats. We have received multiple awards and recognitions. Notably, our designated water sightseeing tour routes between Yangzhou Ship Lock (揚州船閘) — Guazhou Ancient Ferry (瓜洲古渡) were selected as National Model Cases of Domestic Waterway Tourism Passenger Routes (國內水路旅遊客運精品航線典型案例) by the Ministry of Transport of the PRC (中華人民共和國交通運輸部) in 2024; and the same tour routes were also selected for inclusion in the “Premium Water Tourism Routes of Jiangsu (Cultural-themed Tourism)” (江蘇省水路旅遊客運精品航線(特色文化遊)) by the Transportation Department of Jiangsu Province (江蘇省交通運輸廳) in 2022 and were selected as an “Exemplary Case of National Premium Water Tourism Route” (國內水路旅遊客運精品航線典型案例) by the Ministry of Transport of the PRC (交通運輸部) in 2024. Additionally, our *Grand Canal Yangzhou* was selected as an Excellent Case of Immersive Experience Spaces for Smart Tourism in Jiangsu Province (江蘇省智慧旅遊沉浸式體驗新空間優秀案例) by Culture and Tourism Department of Jiangsu Province (江蘇省文化和旅遊廳) in 2025. As at the Latest Practicable Date, our water sightseeing boat service in the Shugang-Slender West Lake Scenic Area had achieved an outstanding overall rating of 4.7/5.0 for visitor satisfaction on Douyin (抖音) and our water sightseeing boat service for the Ancient Canal Area was rated 4.8/5.0 for visitor satisfaction on Tongcheng (同程).

We offer diverse sightseeing boat services, including standard water sightseeing boat service, value-added services and the Grand Canal Yangzhou night show. Our standard water sightseeing boat services are provided through our Yuloh boats, self-driving boats and themed boats. We directly own all of our boats. As at the Latest Practicable Date, we had a total number of 221 boats including 36 Yuloh boats, 121 self-driving boats and 64 themed boats, collectively delivering a total passenger capacity of 3,892 persons per trip under standard operating conditions and a maximum passenger capacity of over 35,000 persons per day during peak tourism seasons. We also offer various value-added water sightseeing boat services, including “Boat+” services and chartered boat services, to attract visitors in pursuit of unique travelling experience while maximizing the utilization of our boats. In October 2024, we also launched the Grand Canal Yangzhou night show which combines outdoor boat-as theaters, storytelling and lights show, along the UNESCO-listed Grand Canal in Yangzhou, offering our visitors an immersive cultural experience in the 2,500 years of glory and transformation of Yangzhou and the Grand Canal. As our flagship business segment, our water sightseeing boat service business was our key revenue driver both historically and during the Track Record Period. For the three years ended December 31, 2023, 2024 and 2025, revenue generated from our water sightseeing boat service business segment was approximately RMB95.1 million, RMB96.0 million and RMB118.2 million, representing approximately 87.2%, 86.2% and 83.7% of our total revenue for the periods, respectively.

As part of our initiative to establish an integrated water-land interactive tour route, we also offer sightseeing tour bus service in the Slender West Lake Scenic Area to further supplement to our water sightseeing boat service there, offering our visitors diverse and convenient transportation means to experience the cultural heritage and natural landscapes of the scenic area. As at the Latest Practicable Date, we had a total of 25 tour buses which were all electronic cars, collectively delivering a total passenger capacity of 325 persons per trip under standard operating conditions and a maximum passenger capacity of 13,000 persons per day during peak tourism seasons.

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Over years of dedicated operation, we are now a well-known brand and a premium water sightseeing boat operator anchored in the Slender West Lake Scenic Area. In particular, we are proud that our operational and management system now serves as an industry benchmark for tourism management. Leveraged this expertise, we developed an asset-light business model, under where we offer management services to tourist attractions. During the Track Record Period, we provided management services to Gaoyou City Lake Tourism Resort. Through asset-light expansion, we are able to replicate our operational experience and established business framework to other tourist attractions along the Grand Canal.

We have distinguished ourselves as a water-based tourism service provider that provide high quality water sightseeing boat service in China. We are deeply rooted in and committed to the water-based tourism market; and remain focused on unlocking the development potential of the Grand Canal cultural tourism routes. For the three years ended December 31, 2023, 2024 and 2025, our total revenue amounted to approximately RMB109.1 million, RMB111.4 million and RMB141.2 million, respectively, representing a CAGR of approximately 13.8% from 2023 to 2025.

Details of the breakdown of our revenue by service type in our service areas, each expressed in the absolute amount and as a percentage of our total revenue, for the periods indicated, are set out below.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
<i>Shugang-Slender West Lake Scenic Area</i>						
<i>Water sightseeing boat service</i>						
— standard sightseeing boat service	41,608	38.1	39,307	35.3	42,233	29.9
— “Boat+” service ⁽²⁾	9,261	8.5	7,034	6.3	6,324	4.5
— chartered boat service ⁽²⁾	28,526	26.2	31,896	28.6	33,510	23.7
<i>Sightseeing tour bus service</i>						
— sightseeing tour bus service	7,570	6.9	9,230	8.3	17,677	12.5
<i>Sub-total</i>	86,965	79.7	87,467	78.5	99,744	70.6
<i>Ancient Canal Area</i>						
<i>Water sightseeing boat service</i>						
— standard sightseeing boat service	15,704	14.4	14,423	13.0	6,641	4.7
— Grand Canal Yangzhou	—	—	3,386	3.0	29,489	20.9
<i>Others</i>						
— advertising service	1,084	1.0	434	0.4	154	0.1
<i>Sub-total</i>	16,788	15.4	18,243	16.4	36,284	25.7
<i>Other — Gaoyou City Lake Tourism Resort</i>						
Management service	5,343	4.9	5,718	5.1	5,168	3.7
Total	109,096	100.0	111,428	100.0	141,196	100.0

Notes:

- (1) Including revenue of approximately RMB200.2 thousand generated from the sale of C&C products, fashionable products and other high quality cultural merchandise for the year ended December 31, 2025.
- (2) “Boat+” services and chartered boat services are categorized as our value-added boat services in our water sightseeing boat service business segment.

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OUR STRENGTHS

Our success is attributable to the following competitive strengths:

Exclusive market access leveraging Yangzhou’s profound history and cultural heritage and our established leading position

Our water sightseeing boat service business is founded on a combination of Yangzhou’s unique cultural heritage, market exclusivity and leading expertise.

Yangzhou’s world-class history and cultural heritage. Yangzhou, the birthplace of the Grand Canal, is home to ten UNESCO World Heritage Sites, making it a vital hub for cultural tourism. The Grand Canal stretches to over 3,200 km across six provinces, two municipal cities and 25 cities, and its core section within Yangzhou stretches 30 km from Guazhou (瓜洲) to Wantou (灣頭) with densely distributed historical sites and rich cultural landscapes along it, offering significant potential for cultural and tourism development. Our water sightseeing boat tour routes connect over 20 historical sites along the Grand Canal and, as such, our water sightseeing boat services play a key role in meeting the strong demand of visitors for cultural and sightseeing experiences along the Grand Canal. In addition, as one of the most representative scenic area in Yangzhou, the Slender West Lake Scenic Area was credited as a “National Key Scenic Area with Significant Historical and Cultural Heritage and Distinctive Yangzhou Garden Features (具有重要歷史文化遺產和揚州園林特色的國家重點名勝區)” by the State Council in 1988 and was rated among the first batch of national 5A-level scenic area in China in 2010. Further in 2014, the Slender West Lake Scenic Area was listed as a UNESCO World Cultural Heritage, making it a key heritage site along the Grand Canal Cultural Belt, and attracted more than seven million visitors in 2024.

Exclusive Market Access with High Barriers to Entry. The water sightseeing boat operation right in our core serviced scenic areas is subject to stringent qualification requirements, including rigorous qualified personnel and safety management standards, as well as a track record of operational expertise over an extended period of time. As a result of these high entry barriers and as at the Latest Practicable Date, we were the only licensed operator in Yangzhou.

Expertise in water sightseeing boat operation. Benefiting from our over 20 years of operational history with well maintained safety record, customer satisfaction rates and continuous innovation, we take pride in our expertise in water sightseeing boat operation. We have successfully established our signature tourism brand “Slender West Lake Chuanniang (瘦西湖船娘)”, under which our Yuloh boat experience has become a widely recognized attraction and was rated as a “must-do” activity by the Voice of Yangzhou in 2024, drawing a significant number of visitors across the country who are specifically attracted by this unique service offering and are seeking to immerse themselves in the timeless cultural splendour of Yangzhou while enjoying the tranquil waters of the lake through taking our Yuloh boat services. During the Track Record Period, our Slender West Lake Chuanniang team received a total number of over 1 million visitors for Yuloh boat service.

Further, we have a robust safety management system and we are committed to consistently improving safety standards through a number of initiatives including boat cockpit intelligent monitoring system, in-boat real-time visitor monitoring system, tour bus smart speed monitory system and regular safety training. During the Track Record Period and up to the Latest Practicable Date, we did not record any accidents. Leveraging our expertise in water safety management, we led the drafting of Yangzhou Water Tourism Service Standards (水上旅遊服務規範) which set the benchmark local service standards of the tourism industry in Yangzhou and we also collaborated with the Scientific Research Institute of the Ministry of Transport of the PRC and jointly drafted the national industry standards of the Technical Requirements for the Construction of Inland Waterway Tourism Routes (內河旅遊航道建設技術要求), demonstrating our solid expertise, thereby reinforcing our reputation as the trusted water-based tourism service provider and giving us a significant competitive advantage in the water-based tourism market.

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A premium market player in the water-based tourism market in China supported by boosting tourism economy and favourable governmental policies

Our operations strongly align with and benefit from national initiatives to boost the tourism economy such as the Rural Culture and Tourism Revitalization* (鄉村文旅振興) policy, a national initiative aimed at promoting the integrated development of rural culture and tourism, supporting the revitalization of local economies and enhancing the quality and diversity of tourism offerings across China, and the Grand Canal Cultural Belt* (大運河國家戰略), a national strategy focused on preserving, revitalizing and promoting the cultural and historical significance of the Grand Canal. We benefit significantly from these policies through better access to government support, increased visitor flows to rural and heritage tourism destinations, improved infrastructure and more opportunities to participate in government-funded projects. At the regional level, we have been actively integrating into the regional development framework of culture and tourism with the purpose of establishing a sustainable water-based tourism ecosystem. Supported by provincial and municipal government policies, combined with the increasing brand influence of the Slender West Lake Scenic Area as well as our Slender West Lake Chuanniang brand and the Grand Canal Yangzhou night show, we have attracted a large number of visitors to experience the Slender West Lake Scenic Area, driving the continuous growth and expansion of our business. At the provincial level, Jiangsu Province issued the “Several Measures for Releasing Tourism Consumption Potential and Promoting High-Quality Development of the Tourism Industry” in 2024, which promoted new consumption scenarios and fostered emerging growth drivers such as innovative service offering in the tourism industry. At the municipal level, Yangzhou Government issued the “Measures for Promoting High-Quality Development of the Cultural, Sports and Tourism Industries” in 2025, which outlined plans to launch 25 new projects with over RMB100.0 million in investment and advancing 22 key initiatives, that directly benefit local tourism businesses like ours.

Successfully empowering the Grand Canal experience with cultural heritage

Strong integration capabilities of cultural and IP resources. Leveraging Yangzhou’s profound cultural resources and historical legacy and with a deep understanding of evolving trends in the cultural and tourism economy, we have developed strong capabilities in the integration and commercialization of cultural assets, tourism resources and related IPs, and have successfully assimilated regional cultural heritage, premium tourism resources and related IPs into C&C products and innovative service offerings. During the Track Record Period, we have successfully picked up iconic elements from the Grand Canal and the Slender West Lake heritage sites, such as Wuting Bridge (五亭橋), Qiling Tower (棲靈塔) and Dongguan Ancient Wharf (東關古渡), and developed them into a diverse portfolio of C&C products, such as canvas bag, high quality scarves, fluffy toys, post cards, key chains and “Blind Box” lollipops; we also launched various fashionable products to cater for consumption trends, such as “Blind Box” canal heritage ice cream and festival-themed items for the Yangzhou Cherry Blossom Festival. In addition, we have endeavored to expand our product offering matrix with quality cultural merchandise such as customized refrigerator magnets, silk scarves as well as premium collectibles such as the Grand Canal stamp albums, successfully elevating the overall cultural tourism consumption experience. As part of our forward-looking brand strategy, we plan to register trademarks such as “Twelve Views of the Canal (運河十二景)” and “Canal Breeze (運河清風)” to further enrich our IP portfolio and enhance our capabilities in the integration and commercialization of cultural assets, tourism resources and related IPs.

We commenced the sales of C&C products, fashionable products and other high quality cultural merchandise from 2025. For the year ended December 31, 2025, our revenue derived from the sales of C&C products, fashionable products and other high quality cultural merchandise amounted to approximately RMB55 thousand, RMB135 thousand and RMB10 thousand, respectively, each, accounting for less than 0.1% of the total revenue of our Company for the same period.

In relation to our offering of the “Blind Box” lollipops and ice cream, we have received a letter from the Administration of Market Regulation of the Slender-West Lake Scenic Area of Yangzhou* (揚州市蜀岡—瘦西湖風景名勝區市場監督管理局), the competent authority, confirming that, among others, (i) the Compliance Guidelines on Blind Box Operation (for Trial Implementation) (the “**Guidelines**”) promulgated by the State Administration of Market Regulation and related interpretation, in practice,

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primarily apply to products in the trendy toys sector, (ii) for food products where only the external packaging differs in random shipments, or where the ingredients are certain but the shapes vary in random shipments, which are insufficient to create additional consumer expectations regarding the random shipments, they do not constitute “Blind Boxes”, and (iii) the lollipops and ice cream sold by the Group are fundamentally distinguished from trendy toys and possess the certainty of daily consumption; and as such, they do not fall under the definition of “Blind Box” products as regulated by the Guidelines, and the sale of these products shall not be subject to the Guidelines. In addition, as advised by the PRC Legal Adviser, as of the Latest Practicable Date, our Group has complied all applicable laws and regulations in terms of our sale of “Blind Box” lollipops and ice cream products.

Synergies from the Grand Canal Yangzhou. As an initiative to empower night tourism with a cultural theme, we have launched an immersive experience project, the *Grand Canal Yangzhou* night show, by integrating water sightseeing boats with lighting technology, digital technologies, scene-setting techniques. The *Grand Canal Yangzhou* night show has generated significant synergies for our business by combining our cultural offerings and core water sightseeing boat services, and substantially enhanced the appeal of our tourism products, resulting in greater visitor engagement within the Slender West Lake Scenic Area. On one hand, the show significantly enhanced our brand “*Slender West Lake Culture & Tourism (瘦西湖文旅)*”, enabling us to attract a broader and more diverse customer base; on the other hand, we are also able to optimize the allocation of resources such as boats, tour buses and human resources, and enhance overall visitor satisfaction. Since the launch of the show in October 2024, the number of our night visitors has increased by over 110%, establishing the show as a key driver of Yangzhou’s night-time economy as well as our business growth.

Successfully empowering the Grand Canal experience with advanced technologies

Enhancing visitor experience through smart operations and technologies. We continuously invest in the deployment of intelligent technologies, making consumer experiences safer, more convenient and personalized. Our adoption of mobile-based ticketing systems for water sightseeing boat service and an intelligent ticketing system for tour bus service enable a seamless ticketing purchase, reducing waiting times and improving convenience for visitors, which significantly improves the overall convenience for visitors and at the same time, sets a benchmark service standards for tourism service in Yangzhou. In addition, we have also integrated services such as recommended tour routes and real-time tour guide in our WeChat Mini-program, allowing visitors to plan their tours with greater flexibility, select preferred time slots and access real-time information regarding boat schedules and availability, which contribute to a more seamless and personalized travel experience. We also collaborated with leading intelligent technology companies to introduce seven smart-operated boats which are equipped with autonomous navigation, remote control capabilities, intelligent cockpits (智能座艙) and water-based 3D modelling functions, innovating and enhancing the overall visitor experience. In terms of visitor safety, we have also adopted robust safety measures and proactively promoted the “Red Ribbon (紅絲帶)” benchmark practice, installing AIS systems and video monitoring on all boats, and upgraded smart life-saving devices across all boats, safeguarding visitor safety throughout their journey. During the Track Record Period and up to the Latest Practicable Date, we maintained a record of zero safety accidents.

Intelligent business operation enabled by technologies. We have continuously reinforced our operation with advanced technologies. For example, we have adopted real-time data analytics to assist with our route planning, asset utilization and visitor engagement, enabling us to maximize passenger capacity per trip, significantly enhancing the utilization efficiency of our assets, resulting in record-setting revenue during peak seasons or holidays such as our record high revenue per day of approximately RMB2.6 million on the May Day holiday in 2025. In addition, we also deployed smart monitoring and AIS systems across our boats to oversee the boat movements, navigation safety and driver compliance, achieving an efficient and effective management across our boat operations.

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A highly experienced management team with in-depth knowledge and experience in the water-based tourism industry with support from a devoted and highly skilled frontline team

We benefit from our dedicated and long-serving management team with their strategic visions, operational expertise and strong insights in the water-based tourism industry. In particular, Ms. Xu Shunmei, our executive Director and chairman of the Board, has accumulated over 20 years of experience in the tourism industry, and over 10 years of experience in the water-based tourism industry. Ms. Xu Shunmei leads the development, management and implementation of our strategies and business with support from a talented group of professionals with expertise in the management and operation of the water-based tourism business. Notably, Ms. Xu Shunmei worked across various positions, including tour guide, officer at the secretarial department of Slender West Lake Park, officer at the Slender West Lake Administration Office and now executive Director and chairman of our Board, and is extremely familiar with the daily operation and management of the Slender West Lake Scenic Area. Since Ms. Xu joined our Group, she has been leading the design and development of various water tour routes and the *Grand Canal Yangzhou* night show. In addition, our management team of Mr. Lian Gang, Ms. Wang Juan and Mr. Zhao Long, have a strong blend of expertise in quality service protocols, local Chuanniang cultures and sightseeing boat service as well as safety matters, and together contribute to our leading position and continuous business growth. Our management team is further strengthened by a group of industry pioneers and experts, whose collective experience covers business strategy, operations, marketing, and heritage promotion. Most of our senior management members have devoted over nine years to our Company, growing within our ranks through tailored development plans that foster both individual strengths and group cohesion.

In addition, our core water sightseeing boat service business is underpinned by a group of highly skillful and dedicated service team, among whom Chuanniang and professionally trained and licensed boat drivers play particularly distinguished roles. Each Chuanniang is not only proficient in navigating the Yuloh boat with rhythmic and precise movements, but also possesses five core skills, namely boat rowing, tour commentary, local opera singing, bilingual seamless communication and psychological guidance. Our professionally trained and licensed boat drivers are all qualified with valid licenses and pass rigorous annual safety tests. Dedication and professionalism of our service team is integral to ensuring visitor safety and delivering an authentic cultural experience, therefore making it a core pillar of our continuous success.

OUR STRATEGIES

Expand geographically through new water tour routes and water-based tourism projects

Building upon our successful operation of water sightseeing boats in the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, we plan to explore the potential for developing new water tour routes and water-based tourism projects in key cities and regions within Jiangsu Province, where we are planning new route designs and infrastructure improvements. These efforts aim to build a broader and more layered water-based tourism network that extends our customer reach while driving our Company’s sustainable growth and continuously enhancing our market share. In addition, leveraging our existing integrated resources, marketing experience, and established inter-linked routes, we intend to establish long-term and stable cooperative relationships with national 4A-level and above scenic areas along the Grand Canal. We plan to participate in public tender process for high-quality water-based tourism projects across the region, thereby expanding our business footprint along the Grand Canal and achieving effective brand and management output. Further, we aim to actively engage with local governments and state-owned cultural and tourism investment platforms to identify underutilized or underdeveloped water resources within these regions.

In particular, we plan to construct high-quality cultural tourism corridors along the North City Moat Canal (北護城河) through enhanced refurbishment and functional upgrades to core heritage assets along the canal such as old office buildings and transformed such assets into a renewed urban district that integrates cultural exhibitions, boutique accommodations and creative commercial offerings. We also plan to revitalize industrial heritage sites along the Grand Canal, such as the unused old bus station,

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through introducing multi-layered waterfront developments including dining and cultural and creative office spaces while preserving the distinctive historical features, transforming these sites into “Canal Memory Factory (運河記憶工廠)” themed destinations. Further, we plan to implement micro-renewal projects for certain water-based tourism destinations with a series of customized “Water System+” and “Boat+” tourism products to facilitate interactive experiences between water tour routes and surrounding business districts, aiming to deliver visitors to such tourism destinations a fully immersive experience that seamlessly transitions from strolling through ancient city streets to boating along scenic waterways.

Continue to curate more water-based innovative immersive projects along the Grand Canal area and within our service areas

We plan to continue to actively collaborate with professional and experienced artistic institutions to create and launch a series of immersive Grand Canal history and culture themed performances. Building on our launch of the Grand Canal Yangzhou night show, we will continue to refine its narrative structure, enrich performance contents and layers, and enhance visual impact, interactivity and audience engagement to further elevate visitors’ experience in the show. Concurrently, we will continue to explore the development of additional themed performances and related products, with a view to broadening our service portfolio and generating incremental revenue streams.

In addition, we plan to enrich visitors’ water-based tourism experience through innovative and interactive projects that integrate canal and land experiences. In particular, we plan to curate additional immersive project within the Shugang-Slender West Lake Scenic Area, one of our existing service areas, specifically targeting the night tour segment. This initiative is expected to not only deepen audience engagement and enhance the visual spectacle of the performances, but also to reinforce our distinctive market positioning in the water-based tourism industry. We believe that the successful launch of this new immersive project will contribute to the sustainable growth of our business and diversify revenue streams.

Continue to expand project portfolio in asset-light management service business segment

Building upon our success in Yangzhou, we have strategically developed an asset-light business model focused on “brand output + entrusted management”. During the Track Record Period, we provided a full spectrum of services to optimize the operation and management of Gaoyou City Lake Tourism Resort, making it our first-ever brand output within Yangzhou. During the three-year service period from July 1, 2022 to June 30, 2025 under the 2022 Cooperation Agreements, Gaoyou City Lake Tourism Resort recorded a significant increase in the cumulative number of visitors, representing approximately 249.0% as compared to the three-year period prior to our provision of management services to it; and it also achieved an average 64.0% growth in its revenue over the same period. This achievement exemplifies our ability to replicate our successful water sightseeing operation model and asset-light approach in other water-based tourism destinations. In addition, with our deep understanding of cultural storytelling, visitor engagement and operational excellence, backed by our visionary and experienced management team, along with a devoted and skilled front team including our renowned *Chuanniang* team and boat drivers, we believe that we are well positioned and prepared to further expand to other water-based tourism destinations, further strengthening our brand and competitiveness in the water-based tourism industry.

We plan to expand our management business and identify more tourist attractions or water-based tourism projects, the owners of which believe in our management and operation capabilities and extend our service portfolio. Building on our successful experience in Gaoyou City Lake Tourism Resort, we intend to launch entrusted management business in a number of cities, then gradually establishing a nationwide network of water-based tourism management services.

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Implement a comprehensive service system through diversified value-added “Boat+” services and water-land integration experience

In order to maximize the value of sightseeing boats as carriers of cultural heritage and unique tourism spaces, we intend to build a comprehensive service system through diversified value-added “Boat+” service offering that combines sightseeing, experiential activities, education and business functions, and a seamless integration between land and water, thereby generating cross-sector synergies.

We plan to further diversify our “Boat+” service offering through enriching existing “Boat+” services and introducing new “Boat+” services. For example, we plan to further enrich our “Boat + Education” services by offering mobile classroom programmes, such as study tours for youth which will be developed in partnership with leading educational institutions, as well as adult recreational classes such as tea ceremony, flower arrangement, calligraphy and photography skills. We also plan to expand our “Boat + Corporate” service offering by providing premium service scenarios, including business meetings, bespoke corporate events and private functions onboard. In terms of new “Boat+” services, we plan to launch a number of themed packaged offerings to cater to the varying needs of different customers and different consumption scenarios. For example, we plan to launch romantic packages of sightseeing boat and dining for couples for special events, such as “5.20”, valentine’s day and wedding anniversaries, cultural experience packages for family with children focusing on the promotion of the Grand Canal heritage and bespoke business social packages. These initiatives are designed to maximise consumer satisfaction and engagement, and are expected to further enhance our brand exposure and competitiveness within the water-based tourism industry.

In addition, we aim to launch more culturally themed boat experiences by designing and tailoring water tour routes to better showcase historical and regional characteristics, thereby transforming each sightseeing boat into an immersive cultural experience IP. Specifically, we plan to introduce two new electric-powered yachts for the Ancient Canal Area with one featuring a design inspired by the image of a “dragon” while the other incorporating elements of “classical garden architecture.” We also plan to develop derivative products centered around these cultural IPs, thereby establishing a “Boat + C&C” value chain and further expanding our product offering. For example, we plan to launch a series of “Grand Canal Souvenir” C&C products (“大運游禮”系列文創), such as refrigerator magnets, silk scarves, notebooks, keychains, porcelain items and teacups.

Through this strategy, we believe that we will eventually achieve a strategic transformation from traditional sightseeing to an innovative, engaging and diverse tourism service model.

Continue to empower our business with culture experiences and advanced technologies

Empowering business through cultural integration and experience. We are committed to enhancing our brand influence by deeply integrating cultural experiences into our water-based tourism offerings. We plan to develop high-quality tourism products that reflect local traditions and historical significance of Yangzhou’s canals. More specifically, we plan to organize themed events in canal cities and collaborate with the World Canal Cities Organization (“WCCO”) and invite renowned canal cities across the country to participate in themed promotional activities on monthly basis, further enhancing Yangzhou’s cultural appeal and brand influence as the “World Canal Capital (世界運河之都).” We also plan to host the World Canal Cultural Carnival (世界運河文化嘉年華) and collaborate with the Foreign Affairs Office and WCCO to invite international canal cities, such as Venice, Italy and its renowned gondoliers, to engage in interactive exchanges with Yangzhou’s traditional Chuanniang, as well as the Yellow River rafters (黃河筏工) and Beijing Shichahai boatmen (北京什刹海船工), showcasing the intersection and integration of domestic and foreign canal cultures. Moreover, we plan to launch a Grand Canal-themed drama festival and invite prominent domestic theatre directors to produce Grand Canal-themed performances and innovate local performing arts such as Yang Opera (揚劇), Qingqu (清曲), Pinghua storytelling (評話) and puppetry; and we also plan to introduce short play flash events (短劇快閃), using iconic locations along the canal, including wharfs and bridges, as venues for improvisation, to attract a broader and younger visitor base. Through these strategies, we aim to rejuvenate traditional theatre by making it more accessible and appealing to younger audiences.

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Enhance operational efficiency and visitor experience through advanced technologies. We attach great importance to the role of technology in enhancing tourism services and are committed to creating a safe, smart and immersive tourism experience through various advanced technologies, thereby further enhancing our brand influence and market competitiveness. We plan to collaborate with mainstream media giants such as Henan TV (河南衛視) to develop hybrid virtual-physical experience. For example, we plan to create a series of “time-traveling” mixed reality (MR) and/or virtual reality (VR) cultural experience projects, such as “Role-playing as a Tang Dynasty Merchant” and “Thousand-Year Grand Canal Light and Shadow Show”, using MR and VR related technologies to recreate historical scenes and revive the cultural memories of the Grand Canal. These projects will be set against the backdrop of the ancient Grand Canal, creating a narrative space that combines the virtual and the real, allowing visitors to experience as if they were in such historical time.

We also plan to comprehensively upgrade our service quality through smart tourism system construction and enhance safety management with advanced technologies tailored to the evolving needs of our business operations. To this end, we intend to construct an integrated smart tourism system, incorporating multi-source data collection real-time analytics and artificial intelligence-driven algorithms, to build a precise tourist profile system and deliver personalized recommendations and intelligent marketing. By analyzing key indicators such as origins of tourists, consumption preferences and travel routes, we will achieve more efficient resource allocation and visitor reach, improving marketing conversion rates and visitor revisiting rates. At the same time, we will also use data analysis tools to optimize our operational resource allocation, tour route scheduling, ticketing management and assets utilization control, and enhance our overall operational efficiency. Furthermore, we attach great importance to safety and we will deploy advanced safety management technologies, including intelligent monitoring systems and advanced smart docking solutions at key wharfs, to ensure a secure service, streamlined passenger flow and the highest levels of safety, thereby reinforcing our operational standards and brand reputation.

Continue to empower our business through continuous asset upgrading

We will continue to upgrade and modernise our boats to enhance the overall quality and experience of our service offering. In particular, we plan to replace boats used for more than 10 years with newer models based on assessment that whether the condition of the relevant boat can still meet visitors’ demand, thereby improving the standard of our service offerings and further elevating visitor onboarding experience. We also plan to procure new electric-powered boats and refurbish the appearance and interior furnishings of existing boats, including enhancements to onboard lighting and facilities, to ensure greater alignment with the surrounding landscape while catering to the visitor’ dynamic demand. Through these initiatives, we aim to further elevate the overall visitor experience and to provide them with an immersive experience akin to “boat floating on the stream, a soul drifting through a dream (船在水中行，人在畫中遊).”

Through these strategic upgrades to service quality and technological infrastructure, we believe that we are well-positioned to further enhance our visitor experience, optimize operational efficiency and further improve our safety standards, reinforcing our competitiveness in the water-based tourism industry. Further, having considered the feasibility of our Company’s expansion plans as detailed in “Future Plans and [REDACTED]”, our Company’s near 20 years of operation experience in water-based tourism business, the adoption of a robust and holistic approach for service quality and safety management, as well as recognitions from various governmental institutes on our service and operational track records, we are confident that our business strategies and expansion plans will be effective in boosting our continuous organic growth moving forward.

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OUR BUSINESS MODEL

We are a water-based tourism service provider in Jiangsu Province with three principal business segments: (i) provision of water sightseeing boat service including value-added “Boat+” service and chartered boat service as well as the Grand Canal Yangzhou night show; (ii) provision of sightseeing tour bus service; and (iii) provision of management services.

The table below sets out the breakdown of our revenue by business segment, each expressed as an absolute amount and as a percentage of our total revenue, for the years/periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Water sightseeing boat service						
— standard sightseeing boat services	57,312	52.5	53,730	48.2	48,874 ⁽¹⁾	34.6
— “Boat+” service	9,261	8.5	7,034	6.3	6,324	4.5
— chartered boat service	28,526	26.2	31,896	28.6	33,510	23.7
— Grand Canal Yangzhou	—	—	3,386	3.1	29,489	20.9
Sub-total	95,099	87.2	96,046	86.2	118,197	83.7
Sightseeing tour bus service	7,570	6.9	9,230	8.3	17,677	12.5
Management service	5,343	4.9	5,718	5.1	5,168	3.7
Others ⁽²⁾	1,084	1.0	434	0.4	154	0.1
Total	109,096	100.0	111,428	100.0	141,196	100.0

Notes:

- (1) Including revenue of approximately RMB200.2 thousand generated from the sale of C&C products, fashionable products and other high quality cultural merchandise for the year ended December 31, 2025.
- (2) “Others” represent advertising service using our sightseeing boats operated in the Ancient Canal Area.

Our principal business segments are illustrated as follows:

Water-based Tourism Services



WATER SIGHTSEEING BOAT SERVICE BUSINESS

Our water sightseeing boat service business is our core business both historically and during the Track Record Period. Anchored in the UNESCO-listed Slender West Lake Scenic Area, we have successfully expanded our business beyond the Slender West Lake to broader scenic areas within the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area. We are now operating an aggregate number of 221 boats with five principal water tour routes, collectively delivering an aggregate of passenger capacity of 3,892 persons per trip under standard operating conditions and a maximum passenger capacity of over 35,000 persons per day during peak tourism seasons.

Exclusive Operation Rights

We principally operate our water sightseeing boat service business in the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area. Our water sightseeing boat service business was originated from and largely operated in the Shugang-Slender West Lake Scenic Area, a UNESCO World

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Heritage Site as part of the Grand Canal, a national 5A-level scenic area and one of China’s most renowned classical garden and lake landscapes, attracting a total of over 7.3 million visitors in 2025 and had an aggregate of visiting capacity of up to 100,000 visitors per day during peak tourism seasons in 2025. We also operate water sightseeing boat services within the Ancient Canal Area, a core part of the Grand Canal, the UNESCO World Heritage Site and a celebrated cultural and historical landmark renowned for its picturesque waterways, well-preserved historic architecture and vibrant local culture that reflect Yangzhou’s long-standing connection to the Grand Canal. The Ancient Canal Area attracts a total of over 275,000 visitors in 2025 with an aggregate of visiting capacity of up to 6,000 visitors per day during peak tourism seasons in 2025.

Exclusive operation right within the Shugang-Slender West Scenic Area

It became mandatory to obtain an operation right for water sightseeing boat services in the Shugang-Slender West Lake Scenic Area through public tender process starting from September 2015. On September 9, 2015, we entered into the 2015 Concession Agreement, pursuant to which, we obtained a 20-year exclusive operation right for operating water sightseeing boat services within the Shugang-Slender West Lake Scenic Area for the period from September 10, 2015 to September 9, 2035 with exclusive rights to operate a variety of water-based tourism projects within the designated waters in this scenic area. Further details of the 2015 Concession Agreement are set out below:

Date of agreement	September 9, 2015
Parties	The Economic Development Bureau of the Shugang-Slender West Lake Administrative Committee (as the Grantor); and our Company (as the Grantee)
Duration	20 years from September 10, 2015 to September 9, 2035
Principle terms	Pursuant to the 2015 Concession Agreement, the Grantor has agreed to grant our Company the exclusive right to operate water sightseeing boat services within the Shugang-Slender West Lake Scenic Area, as well as the ancillary wharves and related facilities. During the term of the 2015 Concession Agreement, our Company is permitted to operate water sightseeing boats, including painted leisure boats, electric boats, rowing boats, self-driving boats, dragon boats, kayaks and water bicycles, but excluding submarines. Our Company is required to contribute not less than RMB3.0 million towards the construction and enhancement of wharves and related facilities for sightseeing boats, and shall provide the Grantor with the relevant production certificate and factory certificate of compliance for the sightseeing boat facilities.
Fees and payment	(i) <i>License fees</i> During the term of the 2015 Concession Agreement, we shall pay to the Grantor an initial annual license fee of RMB1.2 million for the first year as the base license fee, which shall be increased by 10% every three years thereafter. We shall pay the license fee for the preceding year to the Grantor on or before September 10 of the following year. If we fail to pay the license fees within three months after the due date, we shall be deemed to have forfeited the operation right under the 2015 Concession Agreement, and the performance bond (see below) shall be forfeited to the Grantor. (ii) <i>Performance Bond</i> Within seven working days following the execution of the 2015 Concession Agreement, we shall pay to the Grantor, in a single lump sum, a performance bond in the aggregate amount of RMB100,000.

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Renewal

Before the expiration of the 2015 Concession Agreement, if our Company decides to renew the agreement, our Company is entitled to renew the agreement subject to the satisfaction of the same terms and conditions through a public tender process, provided that our Company has not breached any terms of the contract during the term of the 2015 Concession Agreement. Our Company shall be the first choice during the public tender process if we are more or equally qualified under the terms and conditions of the public tender.

Termination

During the effective term of the 2015 Concession Agreement, if our Company elects to unilaterally terminate the agreement, our Company shall submit a written application to the Grantor at least three months in advance. Prior to the Grantor’s approval of the termination, our Company shall ensure the continued provision of normal operational services.

If our Company engages in unauthorized sub-letting, sub-contracting or lending of the operating premises, or is deemed to have breached the 2015 Concession Agreement pursuant to relevant its relevant terms, the Grantor shall be entitled to terminate the agreement. Upon such termination, the performance bond shall be forfeited to the Grantor, who is also entitled to require our Company to compensate for all losses arising from such unauthorized sub-letting, sub-contracting or lending and/or claim further damages against our Company.

According to the interview conducted with the Shugang-Slender West Lake Administrative Committee, the competent authority for operation right of boats in the Shugang-Slender West Lake Scenic Area, on September 19, 2025, it is confirmed that, as at the date of the interview, (i) to its knowledge, there are no other qualified or capable companies in Yangzhou that could replace us for the water sightseeing boat operation in the Shugang-Slender West Lake Scenic Area, (ii) our Company is a high quality cultural tourism enterprise with a sustainable business model and growth potential, (iii) there has been no discussions or plans to introduce any other operator of water sightseeing boat service within the Shugang-Slender West Lake Scenic Area, according to the Enterprise High-quality Development Rules of the Shugang-Slender West Lake Scenic Area, (iv) it has no intention to revoke or reallocate the operation right for water sightseeing boat service within the Shugang-Slender West Lake Scenic Area, (v) although our Company is required to obtain or renew the operation right through a public tender process upon the expiration of the 2015 Concession Agreement, our Company can successfully renew such operation right and there is no foreseeable event that would prevent our Company from securing the exclusive operation right for water sightseeing boat service within the Shugang-Slender West Lake Scenic Area, and (vi) given its satisfaction on our Company’s operation, it is willing for our Company to continue to operate the water sightseeing boat service within the Shugang-Slender West Lake Scenic Area on an exclusive basis.

Having considered (i) the competent authority, Shugang-Slender West Lake Administrative Committee, has expressed its satisfaction to our services and willingness for us to continue to operate the water sightseeing boat service within the Shugang-Slender West Lake Scenic Area on an exclusive basis, and confirmed that it has no intention to revoke or reallocate the operation right of water sightseeing boat service within the Shugang-Slender West Lake Scenic Area, (ii) as acknowledged by the Shugang-Slender West Lake Administrative Committee that, currently, we are the only qualified operator with accumulated experience in water sightseeing boat service operation in the Shugang-Slender West Lake Scenic Area and there are no other qualified or capable companies in Yangzhou that could replace us for the water sightseeing boat operation within such scenic area, (iii) we have been the exclusive operator for water sightseeing boat service within the Shugang-Slender West Lake Scenic Area with zero incidents and without any material disputes with or complaints from customers or visitors, and (iv) based on our qualification, experience and operation history, we believe, as confirmed by the Shugang-Slender West Lake Administrative Committee, that there is no foreseeable event that would prevent our Company from securing the exclusive operation right for water sightseeing boat service within the Shugang-Slender West Lake Scenic Area, our Directors (i) believe that we are able to renew the water sightseeing boat operation right under the 2015 Concession Agreement upon its expiry and are confident that we would be able to successfully win the bid in the public tender process, and (ii) are of the view that the risk of an early termination of the 2015 Concession Agreement is remote.

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Exclusive operation right within the designated Ancient Canal Area

In addition, we have been the sole operator of the water sightseeing boat services within the designated Ancient Canal Area since 2006. As of the Latest Practicable Date, we have not been imposed any time limitations on our operation rights in this area. According to the interview conducted with the Transportation Bureau of Yangzhou, the competent authority for operation right of boats in the designated Ancient Canal Area, on September 21, 2025, it is confirmed that our Company has been the sole and legitimate operator for the 26.55km Ancient Canal water tour route and further confirmed that our operation right for water sightseeing boat service within the designated Ancient Canal Area has no time limitation. In addition, the Transportation Bureau of Yangzhou also acknowledged and stated that, as at the date of the interview, (i) there are no other qualified or capable companies in Yangzhou that could replace us for the water sightseeing boat operation in the designated Ancient Canal Area, (ii) our Company is a high quality cultural tourism enterprise with a sustainable business model and growth potential, and (iii) there has been no discussions or plans to introduce any other operator of water sightseeing boat service and it is willing for our Company to continue to operate the water sightseeing boat service within the designated Ancient Canal Area on an indefinite and exclusive basis. Our Directors are of the view that the risk of termination of the operation right within the designated Ancient Canal Area is remote on the basis that (i) according to the interview with the Transportation Bureau of Yangzhou, it confirmed that (a) there are no other qualified or capable companies in Yangzhou that could replace us for the water sightseeing boat operation in the designated Ancient Canal Area, and (b) there has been no discussions or plans to introduce any other operator of water sightseeing boat service and it is willing for our Company to continue to operate the water sightseeing boat service within designated the Ancient Canal Area on an indefinite and exclusive basis, (ii) we are the only qualified operator with accumulated experience in water sightseeing boat service operation in the designated Ancient Canal Area, and (iii) we have been the exclusive operator of water sightseeing boat service within the designated Ancient Canal Area with zero incidents and without any material disputes with or complaints from our customers or visitors.

In addition, to the best knowledge of our Directors, having made due enquiry, there are no known or potential changes in governmental policies, urban planning, environmental regulations or other regulatory developments that may affect our ability to continue operating water sightseeing boat service within the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area in all material aspects.

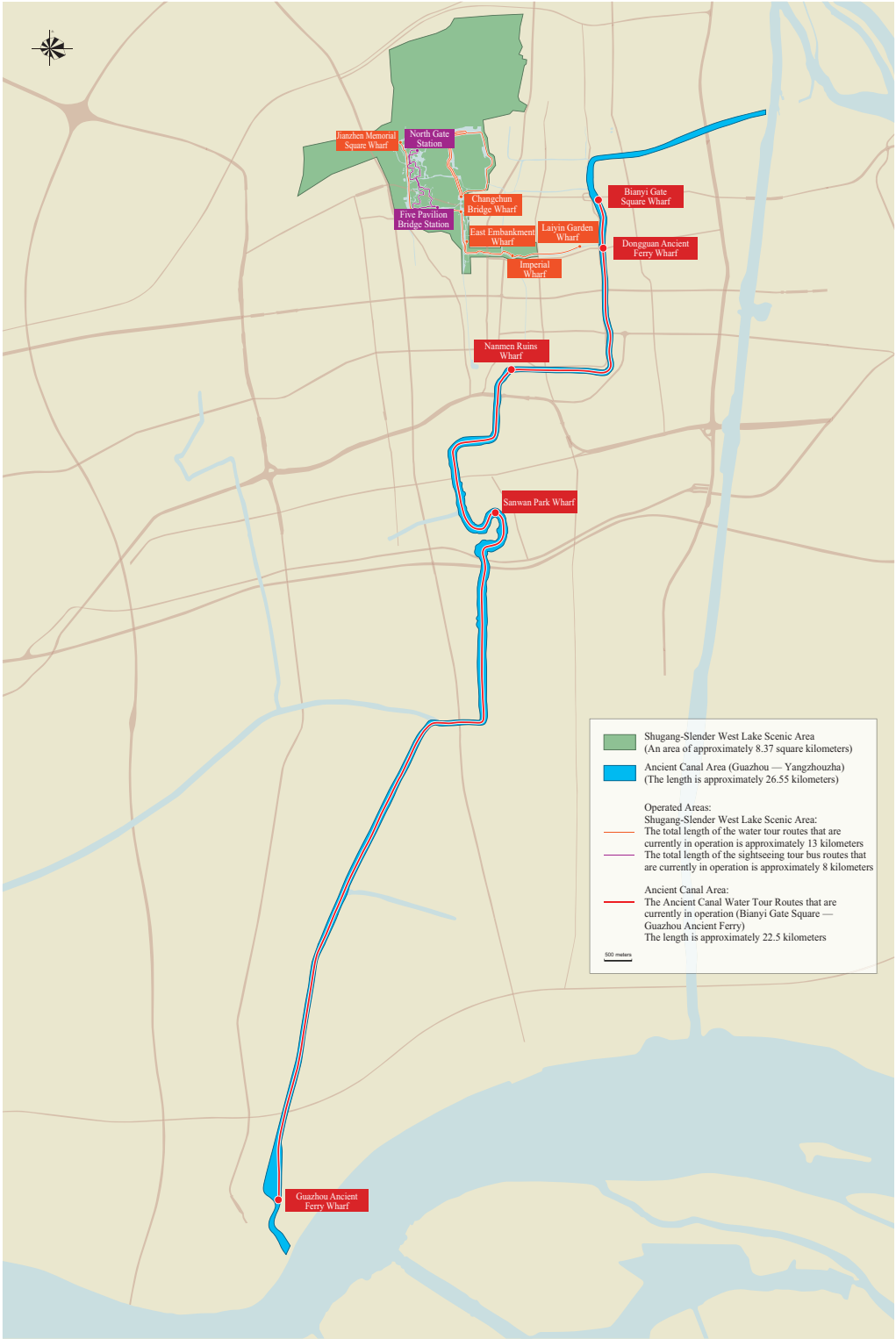
With the long-term exclusive operation right within the Shugang-Slender West Lake Scenic Area and as the sole operator within the Ancient Canal Area as well as a broad portfolio of water tourism projects, we have a stable and secure foundation for our sustained business operation and expansion as well as our ongoing investment in boosting the region’s tourism industry.

Water Sightseeing Boat Services by Service Areas

We principally engage in the provision of water sightseeing boat services within the renowned Shugang-Slender West Lake Scenic Area, a UNESCO World Heritage Site and national 5A-level scenic area, as well as the historically significant Ancient Canal Area, both of which are celebrated for their picturesque landscapes and rich cultural heritage. We strategically designed and operated our principal water tour routes with more flexible spots which enable us to deliver an immersive sightseeing experience that connects iconic attractions and optimizes the utilization rate of our boats and operating waterways, securing a stable foundation for our ongoing growth and expansion of water sightseeing boat service business within these premier areas.

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Our water sightseeing boat service and sightseeing tour bus service are currently operated in the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area. The map below illustrated the locations of such service areas:

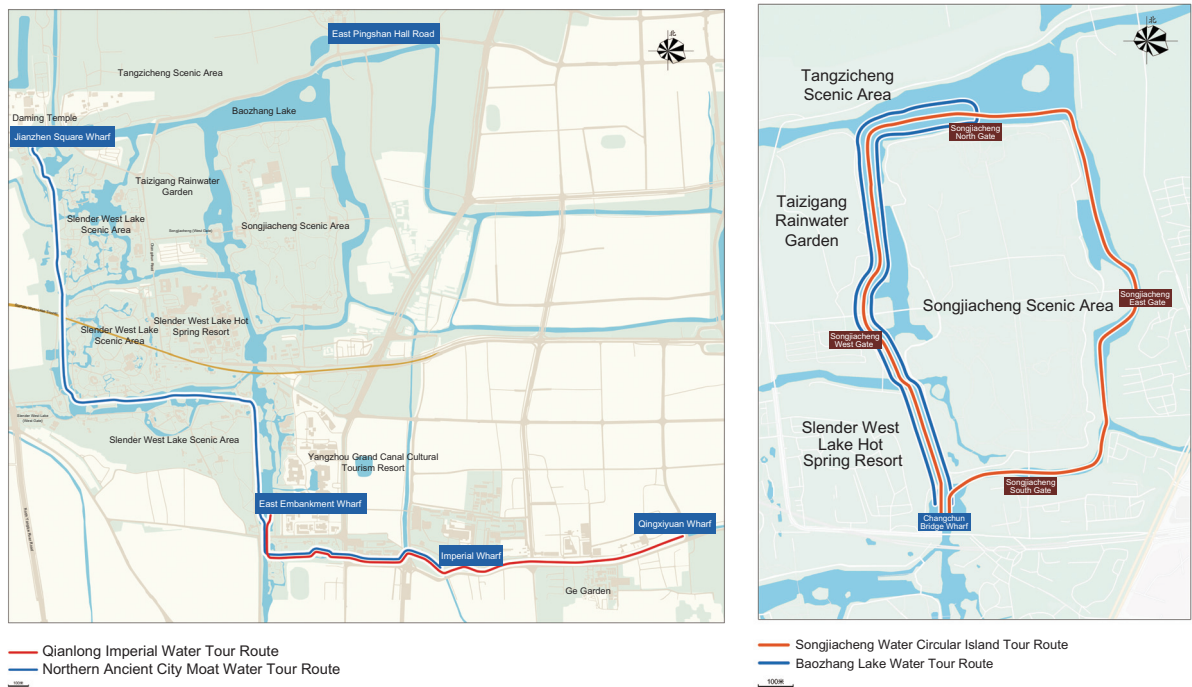


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Shugang-Slender West Lake Scenic Area (蜀岡—瘦西湖風景名勝區)

Our water sightseeing boat services within the Shugang-Slender West Lake Scenic Area are principally provided through small and medium-sized boats, each with a passenger capacity of fewer than 50 persons, in order to accommodate the relatively narrow and elongated waterways as well as the densely distributed scenic spots of the scenic area. Our service offerings in the Shugang-Slender West Lake Scenic Area include (i) standard water sightseeing boat services which are typically provided through iconic *Yuloh* boats, self-driving boats and themed boats, and (ii) value-added “Boat+” services and chartered boat services which are typically provided through *Yuloh* boats and themed boats. We operate four major water tour routes within the Shugang-Slender West Lake Scenic Area. We strategically designed our water tour routes to connect major iconic attractions, enabling tourists to enjoy a comprehensive sightseeing experience, immersing themselves in the beautiful scenery of attractions along the water tour routes as well as the 2,500 year historical and culture heritage of Yangzhou and the Grand Canal while maximizing the utilization rate of our boats and operating waterways.

Our service offerings within the Shugang-Slender West Lake Scenic Area are illustrated below:



Qianlong Imperial Water Tour Route (乾隆水上遊覽線)

The Qianlong Imperial Water Tour Route is famous for its iconic twenty-four scenic spots, where the architectural features are built along the lake, connected by water and harmoniously integrated with the surroundings, offering a unique lakeside garden scenery. This tour begins at Imperial Wharf (御馬頭), passes through with stops at 13 notable scenic spots such as Yechun Garden (冶春園), Juan Stone Cave (卷石洞天), West Garden Winding Stream (西園曲水), Rainbow Bridge (虹橋), Spring Willows along Long Shore (長堤春柳), Misty Rain over the Four Bridges (四橋煙雨), Xu Garden (徐園), Little Golden Hill (小金山), Five Pavilion Bridge (五亭橋), Twenty-Four Bridge (二十四橋), Jingxiang Study (靜香書屋), Shibi Liuzong (石壁流淙), Little Flute Terrace (小吹台) and ends at Jianzhen Memorial Square (鑒真廣場). The complete one-way water tour route has six stops, including Imperial Wharf, Juan Stone Cave, Slender West Lake East Shore (瘦西湖東堤) (the Slender West Lake South Gate (瘦西湖南門)), Xu Garden, Twenty-Four Bridge (Jingxiang Study), Shibi Liuzong and Jianzheng Memorial Square (Little Flute Terrace). The name of this route originates from the traditional path taken by Emperor Qianlong when he visited the Slender West Lake during his various southern inspection tours to Yangzhou. The scenery from Imperial Wharf to Jianzhen Memorial Square is especially renowned for “two shores of willows and blooms mirrored in the streams and a stretch of towers and terraces leading

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to the distant hill (兩堤花柳全依水，一路樓台直到山)”, a celebrated couplet used to be inscribed on the stone boat of Xiangfu (“翔鳳”石舫) in the West Garden (西園曲水) within the Slender West Lake and is currently positioned in a prominent location along the lake and has become an iconic attraction and cultural highlight in the Slender West Lake Scenic Area. The couplet was composed by Liu Chunchi (劉春池), a poet from Qing dynasty and subsequently calligraphed by renowned contemporary artist Shen Jinshou (沈覲壽) and through employing literary techniques in ancient Chinese, it vividly depicts the poetic charm of the landscape within the Slender West Lake.

This tour route operates daily from 08:00 to 17:00 every 20 minutes for RMB50 or RMB60 per ticket every two stops depending on the type of boat and runs for up to 60 minutes for a complete one-way tour. We offer various themed boats to cater customized requirements of our visitors, including our signature *Yuloh* boats, premium painted leisure boats (豪華畫舫) and Anfu boat (安福號) with live guide and premium eco-friendly painted leisure boats (豪華生態畫舫) and eco-friendly printed leisure boats (生態畫舫) with audio guide. We also offer chartered boat services when requested and the detailed time interval, boat type and price will be subject to the specific demand. For further details about our boats, see “— Boat Portfolio” below.

Northern Ancient City Moat Water Tour Route (北護城河水上遊覽線)

Northern Ancient City Moat Water Tour Route connects a number of scenic spots while weaving together with the cultural heritage and vibrant daily life of Yangzhou. This tour route begins at Qingxiyuan Wharf (清溪園碼頭), proceeds through and stops at Ge Garden (個園), Imperial Wharf (御碼頭), and finally at East Embankment (東堤). The tour route is popular with its distinctive feature of its path, starting from Qingxiyuan (清溪園) at the Qingxiyuan Wharf in the east and extends westward to East Embankment, along which, notable historical and cultural landmarks such as Tianning Temple (天寧寺), the Imperial Wharf (御馬頭), Yechun Garden (冶春園), Ge Garden (個園), and the Shi Ancestral Hall (史公祠) are distributed.

This tour route is operated on daily basis from 09:00 to 16:00 every one hour for RMB25 per ticket per stop depending on the type of boat and runs for up to 30 minutes for a complete one-way tour. We offer premium eco-friendly painted leisure boats (豪華生態畫舫) and eco-friendly painted leisure boats (生態畫舫) with audio guides for this tour route. We also offer chartered boat services when requested and the detailed time interval, boat type and price will be subject to the specific demand.

Songjiacheng Water Circular Island Tour Route (宋夾城環島遊覽線)

Songjiacheng Water Circular Island Tour Route is specifically designed for visitors who wish to tour around the Songjiacheng, an area within the Shugang-Slender West Lake Scenic Area. Songjiacheng was a military defense town during the Southern Song Dynasty, currently a popular public park combining historical ruins with sport and leisure facilities. The tour begins at Changchun Bridge Wharf (長春橋碼頭) and travels along the water surrounding Songjiacheng. The route features a multi-layered landscape of Songjiacheng with water, sloping shores, green spaces and woodlands as well as waterways, pedestrian paths and bicycle paths running parallel to each other, together presenting a picturesque natural scene where the water flows through the garden, and the scenery is nestled within the woods (水在園中，景在林中). This circular island tour route around Songjiacheng allows visitors to experience the beauty of the ecological and cultural landscapes that unfold continuously along the tour.

The Songjiacheng Water Circular Island Tour taking with our sightseeing boat normally takes 35 minutes and services are available from 09:00 to 16:30 on daily basis for RMB50 per ticket. We typically offer premium eco-friendly painted leisure boats and eco-friendly painted leisure boats for this tour route with audio guides.

Baozhang Lake Water Tour Route (保障湖水上遊覽線)

Baozhang Lake Water Tour Route is a night tour route, renowned for its ecological haven like scenery along the tour, representing a symbol of harmonious coexistence between nature and the city of

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Yangzhou. The tour route begins at Changchun Bridge Wharf (長春橋碼頭) and then meanders toward Songjiacheng. This route offers a unique night boat experience along the tranquil waters by the foot of Shugang (蜀岡), unveiling a rich tapestry of cultural and historical landmarks from the Song, Ming and Qing dynasties at the water’s edge, while the heights of Shugang evoke the heritage of Han, Sui and Tang periods.

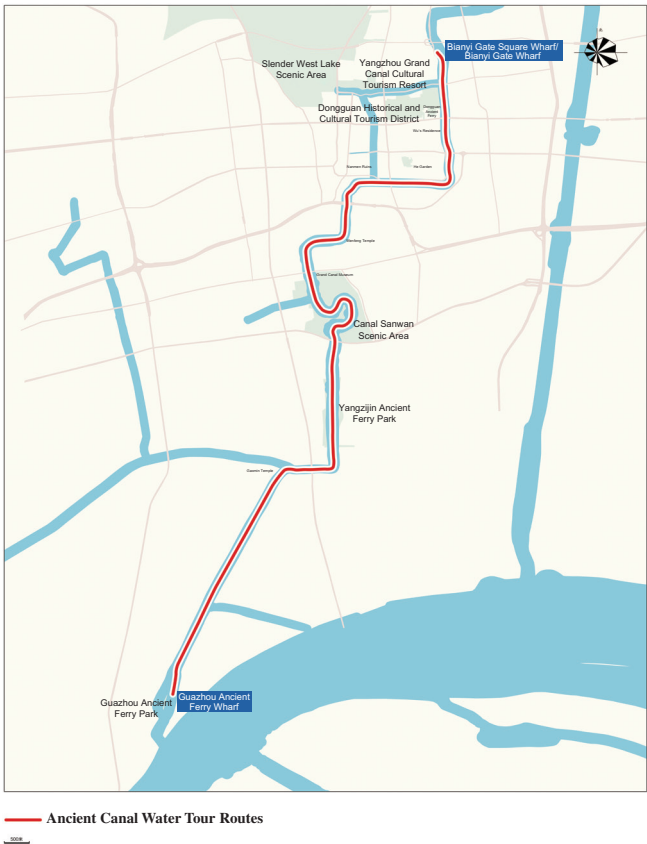
This night tour operates with limited-time schedules from 18:30 to 21:00 every 30 minutes for RMB50 or 60 per ticket depending on the type of boat, and is only available from June 30 to August 31 every year. We offer premium eco-friendly painted leisure boats and eco-friendly printed leisure boats with audio guides.

In addition to the water sightseeing boat service through the water tour routes above, we also offer self-driving boat service in designated waterways within the Slender West Lake Scenic Area and Songjiacheng area to visitors who wish to explore the waters and the nature landscape in the at their own pace with greater flexibility. See “— Boat Portfolio — Self-driving boat” below.

Ancient Canal Area (古運河區域)

As the water area in the Ancient Canal Area is relatively wide, we provide water sightseeing boat services primarily through medium to large-sized boats, typically with a passenger capacity ranging from approximately 100 to over 200 persons. Our service offerings in this scenic area include (i) standard water sightseeing boat services and (ii) sightseeing boat services for the Grand Canal Yangzhou night show, both of which are offered through various themed boats, including classical painted leisure boats with passenger capacities of 38, 100, or 110 persons and modern yachts with passenger capacities of 136, 206, or 216 persons. For the Grand Canal Yangzhou night show, we also offer imitation antique steel leisure boats with a passenger capacity of 60 persons, and pontoon boats with a passenger capacity of 20 persons. For further details about our boats, see “— Boat Portfolio” below.

Our service offerings within the Ancient Canal Area are illustrated below:



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Ancient Canal Water Tour Routes (古運河水上游覽線)

The Ancient Canal Water Tour Routes are operated through four different combination of routes, traveling between Bianyi Gate Wharf (便益門碼頭), Dongguan Ancient Ferry Wharf (東關古渡碼頭), Nanmen Ruins (南門遺址), Sanwan Park (三灣公園) and Guazhou Ancient Ferry (瓜洲古渡). The Ancient Canal, the section of the Grand Canal within Yangzhou, is the oldest section of the Grand Canal and has the richest historical sites and cultural resources. The water flows through the city of Yangzhou with various ancient landmarks lining on both shores, connecting a total of over 20 cultural and ecological scenic spots, creating a unique local atmosphere. The scenery along these tour routes combine garden landscapes, culture and leisure, making it a popular sightseeing destination. Taking our water sightseeing boat along the Ancient Canal feels like traveling back in time, allowing visitors to experience Yangzhou’s profound cultural heritage and the unique charm of “Yangzhou on the Water (水上揚州).”

To cater for the high demand for its many “must-do” historical sites in the Ancient Canal Area, we offer four different combination of tour routes within the scenic area: (i) a 50-minute return tour route starting at Bianyi Gate Wharf, traveling directly to Nanmen Ruins, and then returning to Bianyi Gate Wharf, with departures every hour from 14:00 to 17:00 on daily basis for RMB100 per ticket; (ii) a 40-minute return tour route starting from Dongguan Ancient Ferry Wharf, then going directly to Nanmen Ruins, and returning to Dongguan Ancient Ferry Wharf, with departures every 60 minutes from 14:30 to 17:30 on daily basis for RMB100 per ticket; (iii) a 40-minute one way tour route between Dongguan Ancient Ferry Wharf and Sanwan Grand Canal Museum Wharf (三灣大運河博物館碼頭), with departures from Dongguan Ancient Ferry Wharf at 09:00 and 14:00 and from Sanwan Grand Canal Museum Wharf at 11:00 and 16:00, and this tour route operates on daily basis for RMB80 per ticket; and (iv) a six-hour comprehensive tour route with departures from Dongguan Ancient Ferry Wharf at 10:00, two-hour stop at Guazhou Ancient Ferry (瓜洲古渡) from 11:30 to 13:30, one-hour stop at Sanwan Park from 14:30 to 15:30, and returns to Dongguan Ancient Ferry Wharf around 16:10 with live guide; and this tour route operates on daily basis for RMB160 per ticket.

In addition to the standard water sightseeing boat services offered through the Ancient Canal Water Tour Routes, we also offered sightseeing boat services for the Grand Canal Yangzhou night show within the Ancient Canal Area. See “— Grand Canal Yangzhou (大運揚州)” below.

We regularly review and update our tour route designs to reflect changes in visitor flow, seasonal demand, feedback from visitors and changes in the access to the scenic areas or tourist attractions.

The following tables set out further details of (i) the maximum number of boats that could operate and maximum number of rides that could operate for each water tour route per day in our service areas, and (ii) the maximum number of boats operated by us at any given time during the Track Record Period

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and the maximum number of rides we operated per day during the Track Record Period, by service areas and the type of boats:

Shugang-Slender West Lake Scenic Area

	Max. number of operating boats ⁽¹⁾	Max. number of operating boats at any given time during the Track Record Period ⁽²⁾	Max. number of rides per day ⁽³⁾	Max. number of rides per day during the Track Record Period ⁽⁴⁾
Qianlong Imperial Water Tour Route				
— Eco-friendly painted leisure boat	—	12	—	120
— Premium painted leisure boat or Anfu boat	—	13	—	130
— Premium eco-friendly painted leisure boat	—	20	—	200
<i>Sub-total</i>	<u>60</u>	<u>45</u>	<u>600</u>	<u>450</u>
— Yuloh boat	<u>40</u>	<u>36</u>	<u>560</u>	<u>504</u>
Northern Ancient City Moat Water Tour Route				
— Eco-friendly painted leisure boat or premium eco-friendly painted leisure boat	15	2	225	30
Songjiacheng Water Circular Island Tour Route				
— Eco-friendly painted leisure boat or premium eco-friendly painted leisure boat	17	2	204	24
Baozhang Lake Water Tour Route				
— Eco-friendly painted leisure boat or premium eco-friendly painted leisure boat	15	8	90	48
Designated area for self-driving boat service within the Slender West Lake Scenic Area	80 ⁽⁵⁾	80	800	800
Designated area for self-driving boat service within the Songjiacheng area	60 ⁽⁵⁾	41	600	410

Ancient Canal Area

	Max. number of operating boats ⁽¹⁾	Max. number of operating boats at any given time during the Track Record Period ⁽²⁾	Max. number of rides per day ⁽³⁾	Max. number of rides per day during the Track Record Period ⁽⁴⁾
Ancient Canal Water Tour Routes (daytime tour routes) ⁽⁶⁾				
— 50-minute return tour route between Bianyi Gate Wharf and Nanmen Ruins	10	4	40	16
— 40-minute return tour route between Dongguan Ancient Ferry Wharf and Nanmen Ruins	8	2	40	10
— 40-minute one way tour route from Dongguan Ancient Ferry Wharf to Sanwan Grand Canal Museum Wharf	16	2	176	4
— six-hour tour route from Dongguan Ancient Ferry Wharf to Guazhou Ancient Ferry, to Sanwan Park and back to Dongguan Ancient Ferry Wharf	12	1	12	1
Grand Canal Yangzhou (night tour route) ⁽⁷⁾				
— Pontoon boat	—	2	—	6
— Imitation antique steel leisure boat	—	1	—	3
— Classical painted leisure boat	—	6	—	18
— Modern yacht	—	3	—	11
<i>Sub-total</i>	<u>16</u>	<u>12</u>	<u>76</u>	<u>38</u>

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Notes:

- (1) Maximum number of operating boats represents the theoretical maximum number of boats that could be operated for the relevant water tour route at any given time, which is calculated using the duration of one-way tour route divided the minimum interval time between departures of two boats. In case of bi-directional tour route, the maximum number of operating boats shall be multiplied two. For the avoidance of doubt, the aforementioned calculation has not taken into account (i) any factors that could affect our operating conditions, such as weather, peak and off-peak tourism seasons, number and type of operating boats, passenger capacity, speed of operating boats and demand from number of visitors, and (ii) additional time incurred for visitor embarkation and disembarkation, extra navigation time for passing through bridges and bends, encounters between boats, or utilization of the shared navigation routes. See “Business — Water Sightseeing Boat Service Business — Water Sightseeing Boat Services by Service Areas” for further details on duration and operation business hours of each water tour route.
- (2) Maximum number of operating boats during the Track Record Period represents the maximum number of boats operated by us for the relevant water tour route at any given time during the Track Record Period, which is subject to the actual number of each type of available boats, operating conditions and additional navigation time under actual operating conditions and without taking into account the adjustment to the allocation of themed boats across different tour routes.
- (3) Maximum number of rides per day represents the maximum number of rides for the relevant water tour route during the relevant business operating hours on daily basis, using the aggregate operating time divided by the duration of a single tour route. For the avoidance of doubt, the aforementioned calculation has not taken into account (i) any factors that could affect our operating conditions, such as weather, peak and off-peak tourism seasons, number and type of operating boats, passenger capacity, speed of operating boats and demand from number of visitors, and (ii) additional time incurred for visitor embarkation and disembarkation, extra navigation time for passing through bridges and bends, encounters between boats, or utilization of the shared navigation routes. See “Business — Water Sightseeing Boat Service Business — Water Sightseeing Boat Services by Service Areas” for further details on duration and operation business hours of each water tour route.
- (4) Maximum number of rides per day during the Track Record Period represents the maximum number of rides for the relevant water tour route operated by us during the Track Record Period, which is subject to the actual number of each type of available boats, operating conditions and additional navigation time under actual operating conditions.
- (5) See “— Boat Portfolio — Operational restrictions” for further details.
- (6) For each of the Ancient Canal Water Tour Routes, we use both classical painted leisure boat and modern yacht and the relevant number of operating boats and rides represent the total number and the total rides of operating classical painted leisure boat and modern yet, respectively.
- (7) For the purpose of calculating the maximum number of operating boats and rides for the Grand Canal Yangzhou night show, the extended operating business hours from 18:00 to 22:30 for peak tourism seasons are used.

Boat Portfolio

All of our boats are self-owned. We engage third party boat manufactures for the design and manufacturing of our boats, and maintain a wide range of boat portfolio to offer diverse and tailor-made water sightseeing boat services to visitors, whether they are pursuing for unique and immersive traveling experience, or they are looking for a more personal and luxury traveling experience. Through our comprehensive portfolio of boats to cater for different needs and preferences of different types of visitors, we are confident that each visitor, whether seeking tradition, flexibility, convenience, exclusivity or immersive experience, can find a tailored sightseeing boat experience that best matches their interests, needs and expectations. Our offering of water sightseeing boat services can be broadly categorized into three types, Yuloh boats, self-driving boats and themed boats according to its decoration and styles and sizes to cater to different demands of our targeted customers.

Yuloh boat

Yuloh (搖櫓) boat is sculling oar Yangzhou style hand-rowed boat typically maneuvered by Chuanniang (船娘) using a single stern-mounted sculling oar with rhythmic movements. Yuloh boat is an iconic feature of Yangzhou’s water culture and our signature boat, in particular in the Slender West Lake Scenic Area, and it is often accompanied by local opera singing by the Chuanniang along with rhythmic movements of Yuloh boat.

Yuloh boat is available exclusively in chartered services. Yuloh boat is popular among general tourists and visitors seeking in-depth experience of local culture and is the most popular offering in our portfolio of boats. Drivers for Yuloh boat are known as Chuanniang for female or Chuanfu for male. All of our Chuanniang and Chuanfu are well trained to possess five core skills, namely, boat rowing, tour commentary, local opera singing, bilingual seamless communication and psychological guidance. Our

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“Slender West Lake Chuanniang (瘦西湖船娘)” has been recognized as a premium tourism brand and Chuanniang maneuvered Yuloh boat services has long been our signature, attracting a wide range of visitors, both domestically and internationally and was rated as a “must-do” activity by the Voice of Yangzhou in 2024.



Self-driving boat

Self-driving boat is an electronic self-navigated boat with intuitive joystick control that can accommodate four to six passengers depending on the boat model. Our self-driving boats are only available in the designated waters of the Slender West Lake Scenic Area and Songjiacheng Scenic Area within the Shugang-Slender West Lake Scenic Area, and are ideal and trending among families and small group of visitors, allowing them to chart their own course and explore the waters and the nature landscape in the scenic areas at their own pace with greater flexibility.



Themed boats

Themed boats are boats with different decorations and are widely used for all purposes, including our standard sightseeing boat services, value-added “Boat+” and chartered boat services as well as for the Grand Canal Yangzhou night show. Our themed boats can be sub-categorized into ecological painted leisure boat, premium painted leisure boat, premium ecological painted leisure boat, Anfu boat, classical painted leisure boat, imitation antique steel leisure boat, modern yacht and pontoon boat:

- *ecological painted leisure boat* — a small-sized economy-class boat with a maximum passenger capacity of 20 people, offering a high-quality yet cost-effective sightseeing solution for price-conscious visitors and being equipped with high-quality recorded audio guides to enhance the touring experience.



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- *premium painted leisure boat* — a small-sized luxury boat with a maximum passenger capacity of 24 people, which is offered for visitors seeking a higher standard of service and comfort. The boat resembles a floating palace and is equipped with more refined amenities (such as luxury chairs and tea tables) and professional tour guides offering live narration and interactive Q&A, thereby delivering an elevated and more flexible sightseeing experience with in-depth immersion in the historical and cultural heritage of Yangzhou and the Grand Canal.



- *premium ecological painted leisure boat* — a medium-sized premium boat with a maximum passenger capacity of 32 people, which resembles a traditional wooden boat in ancient China.



- *Anfu boat* — a medium-sized boat with a maximum passenger capacity of 32, 37 or 42 people depending on the model, which is offered for visitors with high spending power and is equipped with luxury sofa and dining tables.



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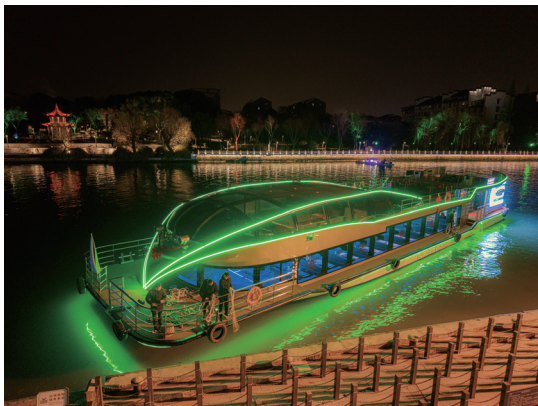
- *classical painted leisure boat* — a traditional style boat featured with two dragons at the bow with a maximum passenger capacity of 38, 100 or 110 depending on the model. The boat is exclusively operated in the Ancient Canal Area.



- *imitation antique steel leisure boat* — a small-sized luxury boat featured with modern decoration with a maximum passenger capacity of 20 people. The imitation antique steel leisure boat is exclusively used for visitors seeking for a more immersive and premium experience of our Grand Canal Yangzhou night show.



- *modern yacht* — a mega-sized modern style yacht with a maximum passenger capacity of 136, 206 and 216 people depending on the model. Our modern yacht is exclusively operated in the Ancient Canal Area.



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- *pontoon boat* — a small-sized premium luxury boat with a maximum passenger capacity of 20 people and is exclusively used for the Grand Canal Yangzhou night show for visitors who are seeking for a higher standard of touring experience.



For further details on the ticket prices of each type of our boats for different tour routes are set out in “ — Pricing — Our ticket prices and pricing basis.”

The table below sets out the number of our boats during the Track Record Period:

Types of Boat	As of December 31,		
	2023	2024	2025
Yuloh boats	36	36	36
Self-driving boats	113	106	121
Themed boats	42	62	64
TOTAL	191	204	221

Throughout the Track Record Period, the number of our self-driving boats decreased slightly from 2023 to 2024 due to our enhanced asset utilization rate which allows us to dispose of outdated self-driving boats without the necessity of acquiring new ones to accommodate increased number of visitors during the same period. The total number of self-driving boats are also restricted by the operating water area designated for self-driving boats. See “— Operational restrictions” below. In response to the trending and increasing demand for flexible, self-paced exploration among families and small groups, we bought 15 new self-driving boats in 2025. In line with the growth in our boat ticket sales and recent business expansion initiatives, such as the increasing demand of the Grand Canal Yangzhou night show, we continue to acquire new themed boats throughout the Track Record Period, and we plan to purchase more themed boats in line with our business expansion. See “Business — Our Strategies — Continue to empower our business through continuous asset upgrading” and “Future Plans and [REDACTED].”

Operational restrictions

There are no specific restrictions imposed by relevant authorities on the number of boats that are permitted to be operated in each of the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area. However, our Company instituted a self-imposed restrictions on the maximum number of self-driving boats that are permitted to be operated at any given time within the designated Slender West Lake and Songjiacheng areas to maintain enhanced safety and order and to prevent congestion on the waterways. Self-driving boats are operated by visitors, who are non-professional boat drivers for sightseeing and recreational purpose and who may not possess the requisite experience to navigate congested and challenging conditions. Having considered the water surface area and the number of other types of sightseeing boats that may be operated in or near the designated area, and based on our boat operating experience in the areas, our Company has established an internal management rules for the safety of boat operation in each of the Slender West Lake and Songjiacheng area, pursuant to which the maximum number of self-driving boats that could be operated at any given time shall not exceed 80 and 60, respectively. Our Directors are of the view that such operational restrictions do not have any material adverse impact on our business operations or financial performance, on the basis that (i)

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according to our accumulated operation experience in the designated area, the limitation on the number of self-driving boats ensures optimal utilization of waterway capacity, thereby enhancing our overall operational efficiency and visitor experience, (ii) the rigorous safety and management measures we adopted internally significantly reduced the likelihood of incidents that could result in reputational harm to us or financial liability to be borne by us, thereby protecting the long-term interests of our Company and our shareholders, and (iii) such restrictions align with our Company’s commitment to public safety.

In practice, when determining the number of operating boats at any given time in a designated water area we take into account a number of interrelated factors, such as (i) safety of visitors and the operating boats, including the density of operating boats to prevent overcrowding and ensure effective responses in case of emergency, (ii) orderly movement of both self-driving boats and other boats to reduce congestion, minimize navigational conflicts and maintain prescribed traffic pattern, ensuring seamless and predictable waterway operations, (iii) the quality of our water sightseeing boat service by balancing our service availability in a timely manner with the manageable visitor flows, ensuring timely access to service and minimal waiting times, and (iv) physical capacity and operational conditions of wharf docking areas, so that we can guarantee an orderly movement of visitors in the embarking and disembarking processes as well as a safety conditions for boat maneuverability near the wharf docking areas. Our Directors are of the view that these measures are designed to uphold the highest standards of safety and operational efficiency to achieve visitor satisfaction consistently; in addition, these dynamic measures allow our Company to have a comprehensive assessment on the specific operating conditions when making a decision, instead of a catch-all approach, thereby maximizing our operational efficiency and profitability, benefiting our Company and our shareholders in a long run.

The table below is a summary of our boats by service areas as of December 31, 2025:

Type of Boat	Shugang-Slender West Lake Scenic Area	Ancient Canal Area
Yuloh boat	36	—
Self-driving boat ⁽¹⁾	121	—
Themed boat ⁽²⁾	49	15
TOTAL	206	15

Notes:

- (1) Self-driving boats are only available within the designated waters in Shugang-Slender West Lake Scenic Area. As of December 31, 2025, we had 80 self-driving boats for operation in the Slender West Lake Scenic Area and 41 self-driving boats in the Songjiacheng Scenic Area.
- (2) Themed boats include five premium painted leisure boats, 20 premium eco-friendly painted boats, 16 eco-friendly painted boats, eight Anfu boats, seven classical painted leisure boats, one imitation antique steel leisure boat, three modern yachts and four pontoon boats.

We select third party boat manufactures through public tender process for the designing and manufacturing of all of our boats. All of our sightseeing boats are wholly owned by us so as to ensure that we have complete control over the quality, safety and availability of our boats while allowing us to efficiently schedule maintenance, implement upgrades and adjust our operations in response to changing visitors’ demand or trends in the cultural tourism industry. In addition, comparing to lease or charter arrangements, directly owning our boats allows us to reduce long-term operating costs and mitigate exposure to pricing volatility and potential supply constraints in the boat rental market. As a result, we are able to maintain a consistent standard of service and safety throughout our operations, which strengthens our brand reputation for delivering a high-quality experience for all visitors to the scenic areas.

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Value-added “Boat+” and Chartered Boat Services

In addition to standard water sightseeing boat services, we also offer chartered boat services since we start the water sightseeing boat services. As part of our long-term initiative to drive innovation across multiple sectors with focus on integrating and enhancing the synergies among the water-based tourism, waterway transportation and other innovative services, we extended our water sightseeing boat service capabilities to growing demand for a more dynamic, diverse and immersive service offerings through the provision of value-added “Boat+” since 2015, which enriched our visitors’ experience, further broadened our service offerings and diversified our revenue streams, continuously driving our business growth.

During the Track Record Period and up to the Latest Practicable Date, we launched the following value-added “Boat+” services:

- *“Boat + Dining”*. Since January 2017, we started strategic collaboration with an independent renowned local restaurant, Yechun Catering Co., Ltd.* (冶春餐飲股份有限公司), which is famous for its Yangzhou-style breakfast tea, to offer a unique on-boat dining experience for our visitors. Visitors are required to book their boat tickets in advance. We offer ecological painted leisure boat for “Boat + Dining” services and which can accommodate up to 16 persons.
- *“Boat + Corporate”*. We tailor-made “Boat + Corporate” service to suit the needs of corporate customers, using our boat as an exceptional venue for various corporate events or activities, ranging from large-scale enterprise activities such as team building activities and product launches to bespoke private events such as strategic meetings and client appreciation events.
- *“Boat + Education”*. We developed “Boat + Education” tour programs centered on the profound history and cultures and ecological significance of the Grand Canal primarily for primary and secondary school students. For example, we launched interactive educational field trip program (研學項目) where the participants could board on themed water sightseeing boats and visit notable historical and cultural landmarks as well as engage in field studies that integrate themes of integrity, heritage and environmental stewardship. In relation to our “Boat + Education” tour programs, we have invited intangible cultural heritage inheritors (非物質文化遺產繼承人) from the Yangzhou Quyi Research Institute* (揚州市曲藝研究所), national-level professional actors, and outstanding emerging Quyi performers to provide local intangible cultural heritage performances on our sightseeing boats. Such performances include Yangzhou Pinghua (揚州評話), Yangzhou Tanci (揚州彈詞), Yangzhou Qingqu (揚州清曲), enabling visitors to engage with and learn about intangible cultural heritage traditional culture. In addition, our Company integrates culture resources along the Grand Canal and creates commentaries to the canal culture and Yangzhou traditional culture for the “Boat + Education” tour programs, delivers on-board commentary to tourists during the voyage, providing visitors with on-boat commentary during the water sightseeing tour, and a dynamic and unique learning experience in the those cultural fields.

As advised by the PRC Legal Adviser, our “Boat + Education” tour program business is operated with a focus on our offering of water sightseeing boat service, and does not involve the education and training business stipulated in the Law of the PRC on the Promotion of Private Education (as amended 2018)* (中華人民共和國民辦教育促進法(2018年修正)) and the Regulations on the Implementation of the Law of the PRC on the Promotion of Private Education (as revised in 2021)* (中華人民共和國民辦教育促進法實施條例(2021年修訂)); and therefore, our “Boat + Education” tour programs do not require special permission or approval from relevant education authorities.

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During the Track Record Period, we have also refined our chartered boat services to cater to specific visitor demand. Chartered boat services play a significant role in diversifying our service offering and are provided in a various scenarios, including corporate team-building events, private gatherings or celebrations such as weddings and birthdays, business receptions and other personalized occasions, with itineraries and onboard experiences designed in consultation with the customers.

Our valued-added “Boat+” and chartered boat service have made a significant contribution to our revenue growth. For the three years ended December 31, 2023, 2024 and 2025, the revenue generated from our value-added “Boat+” and chartered boat service amounted to RMB37.8 million, RMB38.9 million and RMB39.8 million, respectively, accounting for approximately 34.6%, 35.0% and 33.7% of our total revenue generated from the water sightseeing boat service business for the periods, respectively, representing a CAGR of approximately 2.35% from 2023 to 2025.

We believe that together with the breadth of our boat offerings, the introduction of various value-added boat services collectively position us to cater for diverse interests, needs and expectations of both individual and group visitors, whether they are seeking tradition, flexibility, convenience, exclusivity or a deeper cultural immersion in their travelling experience.

Grand Canal Yangzhou (大運揚州)

Overview

In October 2024, we launched the Grand Canal Yangzhou night show as part of our commitment to offering our visitors an immersive experience of the historical and cultural heritage of Yangzhou and the Grand Canal to further enhance the local tourism experience and distinguish ourselves in the water-based tourism industry, while diversifying our revenue streams and driving our business growth. By blending the 2,500 years of history, culture and immersive entertainment, our Grand Canal Yangzhou night show attracts a wide range of visitors and increases overall visitor engagement during the sightseeing tour and has quickly become a highlight of Yangzhou’s cultural tourism offerings. Since its launch, the show has become our fast-growing business segment.

Show contents and times

The Grand Canal Yangzhou is a large-scale outdoor night processional show staged along the open waters within the Ancient Canal Area. The show provides immersive storytelling with professional tour guides and audio guides narrating Yangzhou’s rise as a prosperous salt trading city and as part of the Grand Canal cultural heritage. The show unfolds as a processional experience on sightseeing boats that transform into moving theatres. The show allows visitors to experience our designed storyline which unfolds in different chapters, each illustrating a distinct era or story from the vibrant canal history of Yangzhou and the Grand Canal. The show features live performance, music, dynamic lighting, visual effects and water effects that reflect the changing themes of each chapter encapsulating a distinct epoch that has shaped Yangzhou’s rich canal and cultural legacy. The main contents of the key chapters of the Grand Canal Yangzhou night show are described below:

- Chapter 1 — “Dreams moor in Yangzhou (夢棲揚州)”: this chapter employs advanced visual technology to vividly depict Yangzhou as a city intrinsically linked to the Grand Canal, whose prosperity and cultural vitality have, for centuries, been nourished by the lifeblood of the canal. Under this chapter, such relationship that is vividly brought to life through high-spray water curtain projections with laser effects to create an immersive scene in which the “moon rises from the water (水炮出明月).” Chuanniang, dressed in traditional attire, dance gracefully at bamboo rafts as mobile performance platforms, creating a dreamlike scene of “people on the raft, raft on the canal, and the canal entering the painting (人在筏上，筏在運河，運河入畫),” in response to the famous poem that “of moonlight, three parts grace the land; two, Yangzhou did command (天下三分明月夜，二分無賴是揚州)”, taken from

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“Reminiscence of Yangzhou” (《憶揚州》) by Xu Ning (徐凝), a renowned poet of Tang Dynasty. These two lines has made Yangzhou widely known for its beautiful night scenery and emotional resonance, which has become an identity of the city for centuries.



- Chapter 2 — “The Wu King Opens the Canal (吳王開運)”: this chapter introduces the legendary story of Wu King who ambitiously dominated the central part of ancient China and excavated the Han Gou (邗溝), the earliest section of the Grand Canal, in 486 BCE. This chapter is presented by two processional boat performances. One boat features an actor acting as Wu King, who appears with commanding presence brandishing a sword; and the other is designed replica war boat accompanied by drummers and dancers dressed as ancient warriors. The scene is further enhanced by intelligent pyrotechnic effects, which produces a “blazing sky” spectacle, telling the profound historical moment when the canal was first excavated.



- Chapter 3 — “The Canal Flourishes during the Sui and Tang Dynasties (隋唐起運)”: this chapter introduces the flourishing of the Grand Canal during the Sui and Tang Dynasties. The performance commences with the boat departing from the Spring and Autumn setting, towards a “Gateway of Time and Space (時空之門)” constructed through the interplay of mist, water curtains, and laser effects, forming a semi-transparent screen of light and shadow. The boat then proceeds along this illuminated passage, gradually entering the flourishing history of the Grand Canal during the Sui and Tang Dynasties. This is presented by live dancing with a performer, portraying a Chuanniang, elegantly dancing upon a projection stage opposite to the wharf and guiding visitors, through dancing, that the Emperor, Yang Guang, of the Sui Dynasty, was standing on his dragon boat and gazing toward the wharf, and during his era, Emperor Yang Guang ambitiously extended the canal and expanded his domain. The chapter was accompanied with rich narratives on how Emperor Yang Guang led the popularity of Chuanniang as a leisure activity. With advanced dynamic holographic projection and naked-eye 3D technologies (動態全息投影與裸眼3D技術視覺技術), the performance employs a fan-shaped water curtain as the backdrop, and through the 3D projections, the scene demonstrates how the Grand Canal, through trade and cultural exchange, brought unprecedented prosperity to the cities along its route, including Yangzhou.

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The chapter continues with a live performance featuring the renowned Tang poet Li Bai, one of greatest lyrical geniuses in the history of China, who reclines at the bow of his boat, serenely reciting his celebrated verses “my friend said farewell to me at the Yellow Crane Tower in the west, amidst the blossoms of March, heading down to Yangzhou (故人西辭黃鶴樓，煙花三月下揚州).” This scene is accompanied with narratives introducing the literary legacy of Yangzhou which was appraised by over 150 poets in the Tang Dynasty in more than 400 poems. As Li Bai’s boat drifts away, a large LED screen projects the images, names and verses of other poets who praised Yangzhou, along with the vibrant street scenes of the Tang Dynasty, recreating the city’s historic cultural splendour.



- Chapter 4 — “The Canal’s Continuous Prosperity during the Kangxi and Qianlong Eras (康乾大運)”: this chapter explores Yangzhou’s prosperity during the reigns of Emperors Kangxi and Qianlong of the Qing Dynasty. The scene starts with the boat transitioning from the Sui and Tang Dynasties through “Gateway of Time and Space” using 3D projection technologies to bring the historical scroll to life upon Xuningmen Bridge (徐凝門橋), which is adorned with laser effects that simulate golden ingots drifting from the sky and gradually transforming into grains of salt. The sides of the arches under the bridge are serving as screens, unfolding the prosperous Yangzhou and its economic ascent from Tang and Song Dynasties to Ming and Qing Dynasties. This chapter is accompanied with an actor acting as Emperor Qianlong reciting a poem about Yangzhou’s scenic beauty, especially the enchanting landscape along the canal, expressing his desire for artists to draw detailed scrolls of the canal, capturing the opulent grandeur of the canal. The chapter is accompanied by narratives in the background, revealing the prosperous salt trading in Yangzhou in the Qing Dynasty which in turn prompted the thriving salt merchants in Yangzhou and fostered rapid social, economic and cultural development of Yangzhou, ushering in the city’s third golden age. During that time, Emperor Kangxi visited Yangzhou six times during his southern tours, while Emperor Qianlong also toured the city six times and composed nearly 200 poems, demonstrating their appreciation for the city’s beauty.

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- Chapter 5 — “A Long Flow of Good Fortune (綿長好運)”: this chapter is the concluding chapter where the boat proceeds through a visual spectacle created by a fibre-optic lighting, simulating a dreamlike landscape reminiscent of twinkling stars. This final chapter is presented as a duet, symbolizing the enduring legacy and continuous good fortune of Yangzhou as a city illuminated by the Grand Canal. The performance background is constructed through the integration of advanced 3D projection technology, special-effect lasers, and direct-flow water curtain systems, creating an immersive audio-visual environment. The performance stage further utilises special water effects and a cooling fog system, producing a futuristic atmosphere that delivers a dual feast for the senses and vision. This chapter demonstrated the history of Yangzhou from its initial rise in the Han Dynasty, which brought abundant goods and renown, through its peak prosperity in the Tang Dynasty, marked by widespread peace and glory, to its continued flourishing in the Qing Dynasty, characterized by lively trade and vibrant local life. Yangzhou’s history is portrayed as a continuously flowing “river of good fortune,” signifying the city’s perpetual vitality, rooted in its rise through the Grand Canal and the enduring transmission of its cultural heritage.



By integrating rich history, poems and visual effects, the Grand Canal Yangzhou night show aspires to offer a culturally enriching experience that deepens our visitors’ understanding of the enduring legacy of Yangzhou and its symbiotic relationship with the Grand Canal while evaluating visitors’ perceived value of our services offering.

The Grand Canal Yangzhou night show runs three times daily from 18:00 to 21:00, subject to frequency adjustment during peak tourism seasons, and each show lasts about 60 minutes. The 60-minute show takes place between Bianyi Gate Square Wharf (便益門廣場碼頭) and Nanmen Ruins along a picturesque section of the Grand Canal with a total of 4.8 km waterways. We offer three types of themed boats to visitors for the Grand Canal Yangzhou night show, including small-sized premium pontoon boats, medium-sized imitation antique steel leisure boat and mega-sized modern yacht for visitors of different spending power and demand for personalized experience. In addition to our sightseeing boats, a typical show requires six performing boats positioned along the canal and which are specifically designed and decorated as boat-as theaters. These boats are used exclusively for performance only and will not be used for other water sightseeing boat services.

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Projection, Operation and Intellectual Property Rights

To ensure the high quality of our Grand Canal Yangzhou night show, we engaged Yao Youguang, a professional third party, specialized in the provision of show related services, including recruitment and management of performers. Pursuant to the contract with such third party, (i) such third party is responsible for making a performance plan, which shall include the schedule of performance sessions, timings, list of performing chapters and performers, and details of staff members involved in the show; and (ii) we are responsible for creating and providing the script contents for the show, and pay to such third party fees for rehearsal, performance, costume and prop production as well as fees relating to their overall management and supervision of the show. Under the contract, we are also entitled to supervise and manage the execution of the performances.

In addition, we have an exclusive license from Yangzhou Cultural Investment Management Co., Ltd.* (揚州市文化投資管理有限公司) (“**Yangzhou Cultural Investment**”), an independent third party, to use the “Grand Canal Yangzhou (大運揚州)” trademark as the name of our night show for five years from October 1, 2024 to September 30, 2029. Upon the expiration of the aforementioned trademark license, we intend to renewal such license right with Yangzhou Cultural Investment. We believe that we will be able to renew such license right with Yangzhou Cultural Investment on substantially the same terms and conditions on the basis that (i) Yangzhou Cultural Investment has confirmed in written that it will renew the trademark license agreement with us on substantially the same terms and conditions, including the grant of free licence to us to use “大運揚州” as the name of our Grand Canal Yangzhou night show, (ii) we maintained a good working relationship with Yangzhou Cultural Investment during the contractual period, (iii) according to Yangzhou Cultural Investment, it currently does not have any plans or discussions regarding the termination or revocation of our license to use “大運揚州” trademark, and it does not foresee any legal impediments or other restrictions that would adversely impact its subsequently grant of the trademark license to us.

Licensing Requirements

Pursuant to applicable PRC laws and regulations, and considering our operation of the Grand Canal Yangzhou night show, we must hold a commercial performance license (營業性演出許可證) categorized as a performance brokerage agency (演出經紀機構) (the “**Performance Brokerage Agency License**”) and obtain a permit (the “**Performance Organization Permit**”) from the local cultural authority before launching the show.

The Grand Canal Yangzhou night show was launched in October 2024, and from October 2024 to September 2025, we (i) did not hold the Performance Brokerage Agency License; instead, we operated the show under the inappropriate category of domestic literary and artistic performance group (文藝表演團體), and (ii) commenced the operation of the show without first obtaining the Performance Organization Permit. See “— Non-compliance” below.

Pricing, Ticketing and Revenue Recognition

The price for the Grand Canal Yangzhou night show is included in boat ticket price which is determined by us and designed to be transparent and accessible. According to local regulations, the boat ticket price for this show do not require approval by the pricing department of Yangzhou Government but must be filed with it for record. Boat ticket prices for the show are RMB158 per ticket for pontoon boats, imitation antique steel leisure boat and classical painted leisure boats or RMB168 per ticket for modern yachts, which are determined with reference to factors such as route length and boat type. Boat ticket prices for the Grand Canal Yangzhou night show include the price for the show itself. The prices are reviewed regularly by us to ensure that the price is competitive and accessible for visitors. From time to time, we may also offer promotional packages or “combo” tickets with other sightseeing services to enhance visitor experience. For further details about pricing of our boat tickets, see “— Pricing” below.

For ticketing and payment arrangement as well as the revenue recognition of the Grand Canal Yangzhou night show, please see “— Ticketing” and “— Payment and Revenue Recognition” below.

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Synergies

Since its launch, Grand Canal Yangzhou night show has delivered a range of positive impacts on local tourism, economy and cultural identity. It attracted a total of 290,945 visitors since its launch up to the Latest Practicable Date. The show has a synergetic effect on the regional economy as it attracted more domestic and international visitors with increasing demand for related services such as restaurants, hotels and transport in Yangzhou and in turn contributing to the robust growth in local tourism industry and sparked new revenue stream. For the six months ended June 30, 2025, the total number of visitors stayed overnight in Yangzhou increased by approximately 16.3% compared to the same period in 2024, according to the statistical data published by the government of Jiangsu Province. The popularity of our Grand Canal Yangzhou night show also promoted other tourism spending in the region through cross-selling strategies. For example, we promoted a bundled ticket package combining boat ticket for the Grand Canal Yangzhou night show and the boat ticket for water sightseeing boat service within the Gaoyou City Lake Tourism Resort at a price of RMB168 per bundled ticket package for the period from January to October 2025, resulting in the sale of an aggregate 9,316 ticket packages, generating an aggregate revenue of approximately RMB1.4 million. In addition, the show requires certain number of dedicated performers, technical staff and support personnel which has created local employment opportunities, and the show’s production requires our collaboration with local businesses such as design of boat-as-theatre and lighting, which further boosted the regional economy. According to Frost & Sullivan, the employment opportunities in the local cultural and entertainment industry has increased since late 2024.

By placing Yangzhou’s stories and traditions at the center of a modern, engaging entertainment format, the Grand Canal Yangzhou night show has strengthened community pride and raised awareness of local heritage. Its popularity on social media and positive customers’ reviews have enhanced Yangzhou’s reputation as a cultural destination. For example, the widespread dissemination of the Grand Canal Yangzhou through national media platforms, such as the report titled Research in the New Era of China: Cultural China | Yangzhou, Jiangsu: The Fusion of Ancient and Modern Showcasing the Cultural Pulse of the Grand Canal Ancient City (《新時代中國調研行之文化中華 | 江蘇揚州：古今交融展現運河古城文化脈動》) with the Grand Canal Yangzhou night show as a key feature published by Xinhua News Agency and the Joint Focus programme (《共同關注》欄目) of CCTV broadcasting a special report on the Grand Canal Yangzhou night show under the theme of New Spring Tourism Scenarios: Canal Culture Drives Diverse Experiential Consumption, Sightseeing Boat-as-Theater Performances Travel Through History, Grand Canal Night Tours Promote Consumption, generated significant attention and positive sentiment on social media, which has in turn contributed to a notable enhancement of Yangzhou’s reputation as an attractive cultural destination. At the same time, the show also demonstrated our innovation capability in the water-based tourism industry through integrating traditional boat tours with live cultural and immersive performance, setting a benchmark for creative tourism experiences in the region and beyond.

The Grand Canal Yangzhou night show has demonstrated significant growth potential. Since the launch of the show in October 2024, revenue generated from the Grand Canal Yangzhou night show amounted to RMB3.4 million for the three months ended December 31, 2024 and RMB29.5 million for the year ended December 31, 2025, representing 3.1% and 24.9% of the total revenue generated from our water sightseeing business segment for the same periods, respectively. With ongoing enhancements in performance content and a commitment to quality, we believe that our Grand Canal Yangzhou night show is poised to remain a flagship attraction and “must-do” activity, continuing to drive our revenue growth and business expansion while supporting Yangzhou’s pursuit as a leading cultural tourism destination and contributing to the preservation and celebration of its historic legacy, which in turn further enhance our market position in the cultural tourism industry.

Ticketing

We sell our boat tickets to retail customers, including individuals and groups, (i) directly through on-site box offices and self-service ticket machines and our self-owned WeChat Mini-program “Yangzhou Slender West Lake Water Tour (揚州瘦西湖水上遊)” by cash or electronic payment, and (ii) indirectly through third party ticket sales channels including OTA platforms such as Meituan, Ctrip, Douyin and Tongcheng and collaborating hotels. We also sell our boat tickets directly to corporate customers, including travel agencies and other corporate customers, by way of wholesale. Since August

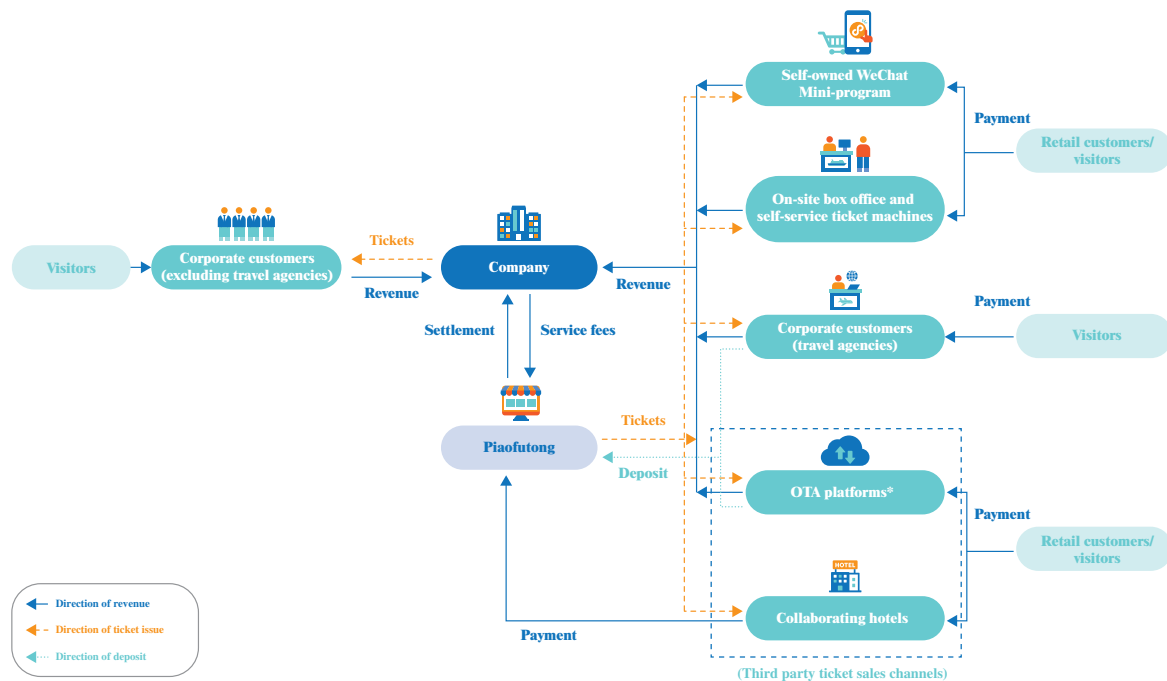
BUSINESS

2017, except for boat tickets sold to certain collaborating hotels who were not within our Piaofutong network and corporate customers other than travel agencies were settled directly with us by bank transfer, all other boat tickets sold are settled through an independent ticketing platform, Piaofutong.

Piaofutong (票付通)

Piaofutong is a specialized third-party one-stop ticketing service provider and its platform is used by us to streamline the ticket issuance and management for our water sightseeing boat service business. It plays a vital role in the coordination and management of our ticket transactions across multiple channels and platforms, ensuring both efficiency and transparency of the ticket transactions. Piaofutong acts as an independent intermediary among us, ticket channels and visitors. Piaofutong offers a centralized ticketing management system where we shall upload our ticket inventory details, pricing and availability on Piaofutong which then synchronizes such details with our self-owned WeChat Mini-program, on-site box offices and self-service ticket machines (except for cash), travel agencies and across all third party ticket sales channels, including OTA platforms and collaborating hotels who agreed to participate in the *Piaofutong* network. When a customer purchases a boat ticket, either online, the purchase order will be directed to and processed via Piaofutong for ticket issue.

The following flowchart illustrates our boat ticket selling model:



* OTA platform operated under Model B was not required to make a security deposit in the Piaofutong system. See “OTA platforms” below.

According to the service agreement entered between us and Piaofutong in 2022 and 2023, (i) we paid to Piaofutong a fixed annual service fee of for the provision of its integrated, one-stop ticketing sales, distribution and settlement services; (ii) in relation to settlements conducted through Piaofutong, we shall pay a technical service fee equivalent to 0.5% of the settlement amount to Piaofutong, and we shall ensure that there are sufficient funds available in our designated account on Piaofutong to settle the payment of technical service fees; and (iii) in the event of insufficient funds resulting in Piaofutong’s inability to successfully deduct the technical service fees from our account, we will not be able to successfully process ticket orders through the system. Typically, our service agreement with Piaofutong is entered into for a fixed term of one year. Upon expiry of the current service agreement, our Company and Piaofutong may, upon mutual agreement, enter into a new service agreement to continue the provision of the aforesaid ticketing-related services. During the Track Record Period and up to the

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Latest Practicable Date, there was no incident where we were not able to process ticket orders through the Piaofutong system as a result of insufficient funds on the Piaofutong accounts of relevant customers or third party sales channels that led to Piaofutong’s inability to deduct the technical service fees.

Our unified ticketing payment, issue and settlement approach through Piaofutong ensures that ticket prices are standardized across all ticketing platforms and ticket sale channels, and payments are settled in a timely manner, thereby building trust with both of our customers and our partners through the digitalized and efficient ticketing ecosystem.

Since December 2023, we also sell, issue and settle of our boat tickets through an advanced smart ticketing system, which was developed by Piaofutong in accordance with requirements set by Ctrip and us (the “**Offline QR Code Ticketing System**”). The Offline QR Code Ticketing System has already been set up in all of our operating areas, including the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and includes the installation of access control devices, ticketing gate equipment and the deployment of corresponding ticketing software terminals, significantly enhancing our ticketing infrastructure. Pursuant to the arrangement among Piaofutong, Ctrip and us, Ctrip has exclusive operation right of the offline QR code ticket purchasing segment. This integrated approach runs parallel with Piaofutong, aiming to streamline our boat ticket issue and management processes and fostering a more efficient and intelligent ticketing ecosystem across service areas within our service network.

OTA platforms

We normally enter into cooperation agreement with OTA platforms for the sale of our boat tickets through such OTA platforms for a fixed period of one year, upon the expiration of which, parties shall enter into new agreement upon mutual agreement. During the Track Record Period, our cooperation with the OTA platforms can be categorized into two models, namely (i) model A (“**Model A**”) where boat ticket purchase orders placed through OTA platforms are subject to a certain percentage of the boat ticket prices as service fees and/or commissions for such OTA platforms, and (ii) model B (“**Model B**”), i.e. the Offline QR Code Ticketing System, where boat ticket purchases orders placed through scanning offline QR code and settled via online platform provided by the OTA platform. Such OTA platform will obtain an agency service fees representing the difference between the recommended boat ticket price and the settlement price, if any. During the Track Record Period and up to the Latest Practicable Date, we only had one OTA platform under Model B.

Under Model A and since November 2023, majority of our OTA platforms are required to pay us an upfront security deposit for the purchase of boat tickets from us; and the other OTA platforms are not required to pay us an upfront security deposit but they agreed to automatically settle their boat ticket orders placed with us through Piaofutong within five days upon confirmation of the actual boat ticket orders by both parties. Prior to November 2023, OTA platforms who were not required to pay us an upfront security deposit were required to settle their boat ticket orders within 15 days upon confirmation of the actual boat ticket orders by both parties. Under Model A, we agreed to authorise those OTA platforms to conduct online advance reservations for boat tickets through their respective sales networks and channels, and the OTA platforms agreed to deposit RMB1,000 as security for purchase of our boat tickets in the Piaofutong system.

Under our current arrangement with the OTA platforms under Model A, when a visitor reserves a boat ticket via such OTA platform, the visitor is required to make payment for the ticket directly to the OTA platform at the time of reservation. The OTA platform, in turn, transmits the list of pre-booked visitors to us through *Piaofutong* or other agreed means in accordance with the terms of the relevant cooperation agreement. On the day of the visit, visitors are not required to collect physical tickets; instead, they use the QR code for seamless admission to take our boats. The cooperation agreements set out the discounted online reservation price and the corresponding settlement price, which is the preferential rate agreed between us and each OTA platform. The difference between the online reservation price and the settlement price constitutes the commission payable to the relevant OTA platform for its ticketing services. Tickets purchased through such OTA platforms are also subject to certain service fees out of the ticket price to be charged by such OTA platforms.

Under Model B, such OTA platform offer offline QR code to on-site visitors and direct them to purchase boat tickets instantly through the online platform operated by such OTA platform, we do not require upfront security deposit from it. In this case, we agreed to provide reception and related services to tour groups and individual visitors with customised requirements introduced by such OTA platform

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and agreed to reserve, arrange and provide all or part of the tourism products as requested by such OTA platform for visitors who booked boat tickets through such OTA platform, and we also agreed to appoint such OTA platform to act as our sales agents, authorising it to sell our boat tickets through its respective sales channels, including designated third-party online platforms as determined by it. Under current arrangement with the OTA platforms under Model B, such OTA platform is required to adhere to the recommended boat ticket prices as stipulated by us and observe the agreed settlement prices. The difference between the recommended boat ticket prices and the settlement prices represents the profit of the OTA platform for its agency services.

Collaborating hotels

We normally enter into cooperation agreement with collaborating hotels for the sale of our boat tickets for a fixed period of one year, upon the expiration of which, parties shall enter into new agreement upon mutual agreement. Pursuant to the cooperation agreement, it is agreed that (i) we shall sell bundled boat tickets to the collaborating hotels via Piaofutong platform and each collaborating hotel shall be provided a unique self-managed account on Piaofutong platform, and (ii) the collaborating hotels shall submit an all-channel sales report to us on monthly basis and strictly adhere to our Company’s pricing control policies, including real-time inspection on their pricing implementation. In terms of our cooperation with collaborating hotels for the sale of boat tickets for the Grand Canal Yangzhou night show, collaborating hotels shall have their own account on Piaofutong and pay us instantly on each order, and they shall also charge certain service fees which were deducted directly from the boat ticket sales amount prior to their settlement with us.

The following table sets out a breakdown of our revenue from sales of sightseeing boat tickets from different sale channels, each expressed in an absolute number and as a percentage of our total revenue generated from water sightseeing boat services, for the periods indicated:

	Year ended December 31					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Direct Sales						
— On-site box offices and self-service ticket machines	78,929	83.0	68,189	71.0	70,187	59.3
— Corporate customers (including travel agencies)	3,980	4.2	4,625	4.8	5,887	5.0
— Self-owned WeChat Mini-program	54	0.1	400	0.4	60	0.1
<i>Sub-total</i>	<u>82,963</u>	<u>87.2</u>	<u>73,214</u>	<u>76.2</u>	<u>76,134</u>	<u>64.4</u>
Third party sales channels						
— OTA platforms	11,955	12.6	21,871	22.8	41,121	34.8
— Collaborating hotels	181	0.2	961	1.0	942	0.8
<i>Sub-total</i>	<u>12,136</u>	<u>12.8</u>	<u>22,832</u>	<u>23.8</u>	<u>42,063</u>	<u>35.6</u>
Total	<u>95,099</u>	<u>100.0</u>	<u>96,046</u>	<u>100.0</u>	<u>118,197</u>	<u>100.0</u>

Third party sales channel management

We have a robust and systematic approach in place to manage our third party sales channels. We set up designated account in the Piaofutong system for each of our third party sales channels for a streamlined ticket issue and management process. For OTA platforms who are required to pay upfront security deposit, we are able to manage their security deposit fund in the Piaofutong system and verify their transactions conducted. For collaborating hotel who can top up fund in their designated account in the system at their discretion, we are able to monitor the transactions conducted through their accounts.

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With a goal to cultivate a broad and vibrant ticket sale network and in line with the industry practice, we do not have rigid or pre-determined selection criteria for engagement with OTA platforms or collaborating hotels for ticket sale. However, we monitor the performance of each ticket sales channel on an ongoing basis, leveraging technology and data analytics to assess ticketing patterns, visitor preferences and the operational effectiveness of our ticket sales channels. This allows us to make timely response to adjust or terminate our relationships with ticket sales channels based on performance results and market developments. Meanwhile, we are also actively expanding the range of OTA platforms and collaborating hotels to further expand our ticket sales channels, increase our sales amount across different sales channels and our market share, enhancing our market position.

We adopt a unified ticket pricing policy across all of our ticket sales channels, which is contractually regulated and strictly enforced. All contracted OTA platforms and collaborating hotels must adhere to ticket prices approved by us, fostering a consistent and transparent ticketing ecosystem. The implementation of unified ticket pricing policy is also reinforced through Piaofutong. We believe that our established resilient, efficient and customer-oriented ticket sales channel network will continue to support our business objectives and reinforcing our market position. All of our third party ticket sale channel partners are independent third parties.

The table below sets out the number of our third party ticket sales channel partners as of the periods indicated:

	Year ended December 31,		
	2023	2024	2025
OTA platforms	4	4	4
Collaborating hotels	3	4	4
TOTAL	7	8	8

Refund

In relation to the sale of our water sightseeing boat tickets, our Company has established a refund policy based on the principles of complete documentation, status verification, authorized approval, prompt processing and clear record, and all refund requests must be reported in the designated refund group and may only be executed after obtaining the necessary approvals. We generally agree to refund “unused” tickets and will process the refund request in a timely manner on the conditions that the refund reason, mobile number of relevant visitor, number of refund tickets and value amount are clearly documented. All refund requests will be processed online through our designated refund group consisting of ticket clerks, team leader (中心班組長) and all employees of water sightseeing boat service department (遊船經營工作部) for relevant manager’s approval. Upon approval, the refund amount will be returned to visitor or credited to the visitor’s original payment account in a timely manner.

In addition, our Company also grants refunds in case of (i) force majeure such as sudden severe weather (such as thunderstorms, strong winds, heavy fog), natural disasters, public health incidents, etc., that result in full or partial suspension of sightseeing boat services, (ii) unexpected visitor incidents such as sudden illness, injury, or other accidents after ticket verification, (iii) operational reasons such as where visitors experience excessive waiting time or are unable to board as scheduled due to unexpected boat malfunctions or excessive visitor volume during peak seasons, (iv) visitor complaints on our service quality and such complaints cannot be remedied on-site, and (v) other special circumstances as determined by the relevant boat operation teams.

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During the Track Record Period, we had recorded a total number of 184, 2,331 and 6,689 refund requests for boat tickets, all of which were approved and duly processed, representing an aggregate of ticket value amount of approximately RMB19.5 thousand, RMB99.4 thousand and RMB440.3 thousand, respectively, representing less than 0.1% of the total revenue from our water sightseeing boat service business segment for 2023 and 2024 and approximately 0.4% of the total revenue from our water sightseeing boat service business segment for 2025. The significant increase in refund requests throughout the Track Record Period was primarily attributable to the growing adoption of OTA platforms and the Offline QR Code Ticketing System for ticket purchases from 2024 to 2025. In contrast to the historical on-site ticketing model, which was associated with lower refund rates, these digital channels offer visitors greater flexibility to purchase tickets in advance and initiate self-service refunds via mobile devices in the event of unforeseen itinerary changes. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any issues with counterfeit tickets.

We believe that our refund policy is adequate and effective in addressing the legitimate concerns of visitors while safeguarding our Company’s operational and financial interests. The Directors have considered the historical pattern of refund requests and the aggregate historical amounts refunded, and are of the view that the historical refunds during the Track Record Period have not had, and are not expected to have, any material adverse impact on our Group’s financial performance or position. Our Directors are of the view that the systematic procedures and controls embedded in our refund policy will minimize the risk of abuse and ensure that refunds are granted only in justified circumstances, thereby maintaining a prudent balance between visitor satisfaction and financial performance. Further, as advised by our industry consultant, Frost & Sullivan, that our refund policy is in line with the industry practice.

Payment and Revenue Recognition

We generally require full payment before we issue boat tickets to our customers, except for some long-standing and good credit corporate customers. During the Track Record Period, except for tickets sold to a few collaborating hotels which were settled through Piaofutong, all other tickets sold (i) to our retail customers through our self-owned WeChat Mini-program, third party ticket sales channels including OTA platforms and collaborating hotels as well as on-site box offices and self-service ticket machines and (ii) to travel agencies as our corporate customers were directly settled with us by way of bank transfer. Revenue is recognised once visitors have boarded our sightseeing boats and the water sightseeing boat services have been completed.

SIGHTSEEING TOUR BUS SERVICE BUSINESS

We are committed to enhancing our service offerings by implementing the “water + land” interconnectivity initiative. Driven by this initiative, in August 2022, we extended our service to land by offering sightseeing tour bus services in the designated tour routes within the Shugang-Slender West Lake Scenic Area, offering our visitors with a seamless travel experience that combines both water-based and land-based tours. By integrating land-based sightseeing bus tours and water-based sightseeing boat tours, we are able to cater to a broader range of visitor preferences and deliver a more comprehensive sightseeing services. Our offering of sightseeing tour bus service, combined with our principal water sightseeing boat service, further diversifies our customer portfolio and strengthens our competitive position in the cultural tourism market.

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The map below demonstrates our sightseeing tour bus routes within the Shugang-Slender West Lake Scenic Area:



Exclusive Operation Right, Service Areas and Designed Tour Routes

We have a 20-year exclusive operation right for sightseeing tour buses on the designed northern route in the Slender West Lake Scenic Area (瘦西湖景区内北線) and in the Sanwan Scenic Area of the Grand Canal (運河三灣景区内) within the Shugang-Slender West Lake Scenic Area (the “**Designated Tour Routes**”). On July 26, 2022, we successfully bid for the exclusive operation right for sightseeing tour buses on the Designated Tour Routes, and entered into the 2022 Concession Agreement, pursuant to which our Company obtained a 20-year exclusive operation right on the Designated Tour Routes for the period from August 1, 2022 to July 31, 2042. Further details of the 2022 Concession Agreement are set out below:

Date of agreement	July 26, 2022
Parties	The Shugang-Slender West Lake Administrative Committee (as the Grantor); and our Company (as the Grantee).
Duration	20 years from August 1, 2022 to July 31, 2042
Principle terms	Pursuant to the 2022 Concession Agreement, the Grantor shall grant to our Company the exclusive right to operate sightseeing tour buses on the Designated Tour Routes. Such exclusive rights shall also extend to the operation of sightseeing bus stations, charging rooms and other ancillary facilities in the designated area within the Shugang-Slender West Lake Scenic Area.

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Fees and payment During the term of the 2022 Concession Agreement, we shall pay to the Grantor an annual license fee of RMB200,000 for the first year as the base license fee. The annual license fee shall be increased by 10% every three years thereafter.

We shall pay the annual license fee for the preceding year to the Grantor on or before August 1 of the following year. If we fail to pay the license fees within three months after the due date, the Grantor shall be entitled to terminate the 2022 Concession Agreement and hold our Company liable for breach of contract.

Renewal Before the expiration of the 2022 Concession Agreement, if our Company wishes to continue to have such operation right, our Company is entitled to renew the operation right for sightseeing tour buses on the Designated Tour Routes, subject to the satisfaction of the same terms and conditions through a public tender process, provided that our Company has not breached any term of the contract during the term of the 2022 Concession Agreement. Our Company should be the first choice during the public tender process if we are more or equally qualified under the terms and conditions of the public tender.

Termination During the effective term of the 2022 Concession Agreement, if our Company elects to unilaterally terminate the agreement, our Company shall submit a written application to the Grantor at least three months in advance. Prior to the Grantor’s approval of the termination, our Company shall ensure the continued provision of normal operational services.

If our Company engages in unauthorized sub-letting, sub-contracting or lending of the operating premises, or is deemed to have breached the 2022 Concession Agreement pursuant to relevant its relevant terms, the Grantor shall be entitled to terminate the agreement. Upon such termination, the Grantor is entitled to require our Company to compensate for all losses arising from such unauthorized sub-letting, sub-contracting or lending and/or claim further damages against our Company.

According to the interview conducted with the Shugang-Slender West Lake Administrative Committee, the competent authority for operation right of sightseeing tour bus service in the Shugang-Slender West Lake Scenic Area, on September 19, 2025, it is confirmed that, as at the date of the interview, (i) to its knowledge, there are no other qualified or capable companies in Yangzhou that could replace us for the sightseeing tour bus operation in the Shugang-Slender West Lake Scenic Area, (ii) our Company is a high quality cultural tourism enterprise with a sustainable business model and growth potential, (iii) there has been no discussions or plans to introduce any other operator of sightseeing tour bus service within the Shugang-Slender West Lake Scenic Area, according to the Enterprise High-quality Development Rules of the Shugang-Slender West Lake Scenic Area, (iv) it has no intention to revoke or reallocate the operation right for sightseeing tour bus service within the Shugang-Slender West Lake Scenic Area, (v) although the Company is required to obtain or renew the operation right through a public tender process upon the expiration of the 2022 Concession Agreement, the Company can successfully renew its operation right and there is no foreseeable event that would prevent our Company from securing the exclusive operation right for sightseeing tour bus service within the designated Shugang-Slender West Lake Scenic Area, and (vi) given its satisfaction on our Company’s operation, it is willing for our Company to continue to operate the sightseeing tour bus service within the designated Shugang-Slender West Lake Scenic Area on an exclusive basis.

Having considered that (i) the competent authority, Shugang-Slender West Lake Administrative Committee, has expressed its satisfaction to our services and willingness for us to continue to operate the sightseeing tour bus service within the designated Shugang-Slender West Lake Scenic Area on an exclusive basis, and confirmed that it has no intention to revoke or reallocate the operation right of sightseeing tour bus service within the designated Shugang-Slender West Lake Scenic Area, (ii) as

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acknowledged by the Shugang-Slender West Lake Administrative Committee, currently, we are the only qualified operator with accumulated experience in sightseeing tour bus service operation within the designated Shugang-Slender West Lake Scenic Area, (iii) currently, we are the exclusive operator for sightseeing tour bus service within the designated Shugang-Slender West Lake Scenic Area with zero incidents and without any material disputes with or complaints from customers or visitors, and (iv) based on our qualification, experience and operation history, we believe, as confirmed by the Shugang-Slender West Lake Administrative Committee, that there is no foreseeable event that would prevent our Company from securing the exclusive operation right for sightseeing tour bus service within the designated Shugang-Slender West Lake Scenic Area, our Directors (i) believe that we are able to renew the sightseeing tour bus operation right under the 2022 Concession Agreement upon its expiry and are confident that we would be able to successfully win the bid in the public tender process, and (ii) are of the view that the risk of an early termination of the 2022 Concession Agreement is low.

In addition, to the best knowledge of our Directors, having made due enquiry, there are no known or potential changes in governmental policies, urban planning, environmental regulations or other regulatory developments that may affect our ability to continue operating sightseeing tour bus service within the Shugang-Slender West Lake Scenic Area.

We operate our sightseeing tour bus services on the Designated Tour Routes for a total of 8.0 kilometers with two designed tour routes: (i) red tour route, one way tour route with departures at North Gate (北大門) and ends at Five Pavilion Bridge (五亭橋) and passes through six scenic spots such as Drunk Moon Flying Jade Bridge (醉月飛瓊橋) and Jinquan Flower Island (錦泉花嶼); and (ii) blue tour route, one way tour route with departures at Five Pavilion Bridge and ends at North Gate, passes through six scenic spots such as 1757 Food Plaza (1757美食廣場) and Yangzhou Bonsai Museum (揚派盆景博物館).

We carefully designed our tour bus routes to connect with our water tour routes as well as other iconic attractions within relevant areas, enabling visitors to enjoy a more comprehensive “water + land” interactive sightseeing experience, fully immersing themselves in the beautiful scenery of the areas and canal attractions in Yangzhou while maximizing our utilization rate of our tour buses and the tour routes. We regularly review and update our tour route designs to reflect changes in visitor flow, seasonal demand and feedback from visitors.

Tour Bus Portfolio

We only have one type of tour bus, which is a 14-seat electronic tour bus, to offer visitors a convenient transition while immersing themselves in the unique and distinguished scenery along the tour routes. As at December 31, 2023, 2024 and 2025, we had a total of ten, 24 and 25 tour buses. The overall increase in the number of our tour buses during the Track Record Period are in line with our sightseeing tour bus service business growth during the same period.



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We purchased all of our tour buses from independent tour bus manufacturing companies. All of our tour buses are self-owned, ensuring that we have complete control over the quality, safety and availability of our tour buses, which also enables us to efficiently schedule maintenance, implement upgrades and adjust our operations in response to visitors’ changing demand or trends in the cultural tourism industry, such as more staff shifts and increased frequency of tour bus operations for tourism peak season and festival events.

For the three years ended December 31, 2023, 2024 and 2025, the revenue generated from our sightseeing tour bus service business segment amounted to RMB7.6 million, RMB9.2 million and RMB17.7 million, accounting for approximately 6.9%, 8.3% and 12.5% of our total revenue for the periods, respectively, representing a CAGR of approximately 52.5% from 2023 to 2025.

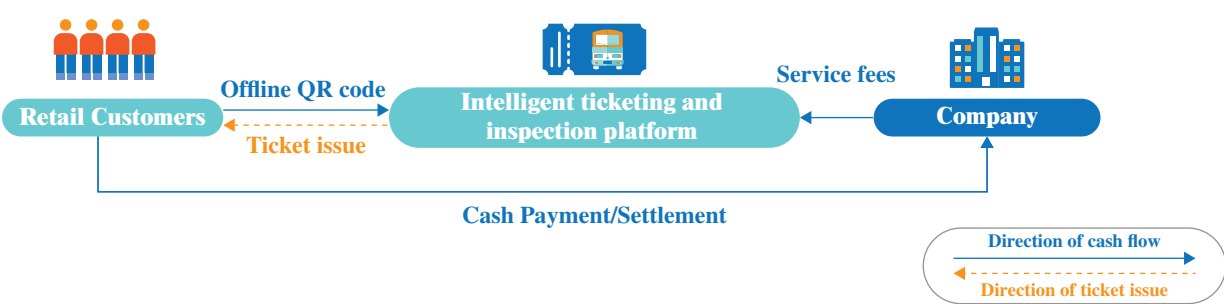
By offering integrated “water + land” sightseeing options and with sufficient number of tour buses, focusing on visitor convenience and safety, we position ourselves as a leader in the regional tourism industry in Jiangsu Province. Through our dedicated service and long-term commitment to quality and innovation, we ensure that our visitors receive a memorable and comprehensive sightseeing experience.

Ticketing, Payment and Revenue Recognition

Ticketing

We sell our sightseeing tour bus tickets principally through an intelligent sightseeing tour bus ticketing and inspection platform (system) (觀光車智能化售檢票平台(系統)), a smart ticketing system specially designed to optimize the ticket issue and validation process for our sightseeing tour bus service operations, which was developed in collaboration with an independent ticketing and payment solution provider, Lakala Payment Co., Ltd.* (拉卡拉支付股份有限公司). The system offers an electronic ticketing process, enabling our visitors to have seamless self-service ticket purchase experience and us to efficiently validate the tour bus tickets for visitors. In addition, the third party payment solution provider also provided us multiple lightweight on-board ticket inspection terminals which are installed on our tour buses. By integrating advanced electronic ticketing and onboard validation technology, the system significantly enhances our operational efficiency, improves the accuracy of ticket sales data, and ensures a seamless ticketing purchase experience of our visitors.

The following flowchart illustrates our sightseeing tour bus ticket selling model:



Refund

During the Track Record Period and prior to the adoption of the intelligent sightseeing tour bus ticketing and inspection system in March 2025, we sold our sightseeing tour bus tickets through on-site box offices or other means immediately before the purchasers getting on the tour bus for departure.

In relation to the sale of our sightseeing tour bus tickets, we general agree to refund “unused” tickets in two circumstances, (i) where a purchaser purchased a ticket through QR code scanning but has not yet validated or used, the purchaser may initiate refund request through designated WeChat Mini-program, which allows the purchaser to complete the refund process independently; and (ii) where a purchaser purchased an incorrect ticket and subsequently completed the QR code validation which

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confirms the “usage” status of the ticket, a ticket refund request may only be processed upon the tour bus driver submitting his ticket purchase proof to the head of the sightseeing tour bus business unit for verification on the grounds for the refund and, if deemed appropriate, the supervisor will effectuate the refund through our internal system. Refunds, and upon approval in the case of (ii), will ordinarily be returned to the original payment account of the purchaser.

Since the commencement of our sightseeing tour bus business in August 2022 to March 2025, all tour bus tickets were sold on site immediately before departure, and there were no refund before March 2025. When the intelligent sightseeing tour bus ticketing and inspection system has been adopted since March 2025 and up to December 31, 2025, we had recorded a total number of 397 refund requests for tour bus tickets, all of which were unused tickets and duly approved and processed, representing an aggregate ticket value of RMB32,940, accounting for approximately 0.2% of the total revenue from our sightseeing tour bus service business segment for the same period. During the Track Record Period and up to the latest Practicable Date, we had not encountered any counterfeit tickets.

We believe that our refund policy is adequate and effective in addressing the legitimate concerns of visitors while safeguarding our Company’s operational and financial interests. The Directors have considered the historical pattern of refund requests and the aggregate historical amounts refunded, and are of the view that the historical refunds during the Track Record Period have not had, and are not expected to have, any material adverse impact on our Group’s financial performance or position. Our Directors are of the view that the systematic procedures and controls embedded in our refund policy will minimize the risk of abuse and ensure that refunds are granted only in justified circumstances, thereby maintaining a prudent balance between visitor satisfaction and financial performance. Further, as advised by our industry consultant, Frost & Sullivan, that our refund policy is in line with the industry practice.

Payment and revenue recognition

We generally require full payment before we issue tour bus tickets to our customers. During the Track Record Period, all of tour bus tickets sold through intelligent sightseeing tour bus ticketing and inspection platform (system), were settled by way of bank transfer. Revenue is recognised when they board our sightseeing tour buses and we complete the provision of our sightseeing tour bus services.

PRICING

Our pricing strategy balances regulatory requirements, operational costs, and market competitiveness. According to the Notice on Implementing the Jiangsu Province Measures for the Administration of Scenic Area Ticket Prices and Related Service Prices (Yangfa Gaijia Fa [2023] No. 346) (《關於貫徹落實江蘇省景區門票和相關服務價格管理辦法的通知》(揚發改價格發[2023]346號)) (“**Jiangsu Pricing Notice No. 346**”), service prices within scenic areas shall implement government-set prices or self-determined market prices, details of which are set out below:

Government-guided prices

The Jiangsu Pricing Notice No. 346 states that prices of transportation services with monopolistic nature within scenic areas shall be subject to government-guided prices. Accordingly, the prices for our water sightseeing boat services offered in water areas with transportation functions such as boat ticket prices for the Qianlong Imperial Water Tour Route, the Northern Ancient City Moat Water Tour Route, the Songjiacheng Water Circular Island Tour Route, the Baozhang Lake Water Tour Route and the Ancient Canal Water Tour Routes for shared services, and our sightseeing tour bus services for shared services shall be subject to the highest price approved by the Development and Reform Bureau of Yangzhou Government and go through thorough cost analysis and collective reviews conducted by relevant pricing department of Yangzhou Government to ensure that the prices are transparent and reasonable, reflecting the operational costs and in the interests of the consumers.

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The Yangzhou Development and Reform Committee will set or adjust the highest price in the following circumstances: (i) when a new monopolized water tour route is proposed to be developed for commercial operation and prior to its operation, the committee will issue the highest price, and (ii) where our service offering is substantially changed or our operation costs are significantly increased, resulting in material adverse impact on our business operations, we may submit an application to the Yangzhou Development and Reform Committee for the re-assessment of the highest price, for the purpose of safeguarding the long-term stability and sustainability of our business operation. During the Track Record Period, we have never adjusted our ticket price above the highest price set by the governmental authority. When determining the final ticket price, we take into account the local economic conditions and the disposable income of our target visitors so as to ensure that our ticket prices remain competitive and accessible to a broad range of visitors while maximizing our revenue.

During the Track Record Period and up to the Latest Practicable Date, the Yangzhou Development and Reform Bureau did not make any adjustment to the highest prices it set and neither our Company has applied to the bureau for re-assessment of and adjustment to the highest prices set.

Our Directors are of the view that the government-set highest price mechanism does not have material impact on the pricing of our services or products, on the basis that (i) underlined mechanism of government-set highest price is to provide an industry-wide pricing regulation guidance with the objectives to maintain an orderly market and safeguard consumer rights, rather than intervening the business operation of market players or pricing decisions, and (ii) our Company has been strictly adhered to a market-driven pricing approach, pursuant to which we have taken into account factors such as market demand, operation costs, operational efficiency and the competitive landscape of the industry in determining our boat ticket prices, so as to ensure our prices comply with regulatory requirements and remain competitive in the market. In addition, our Directors are of the view that the above pricing regulations have no material impacts on our pricing flexibility or profitability, having considered that (i) the differences between our final prices and relevant government-set highest prices represent pricing flexibility permitted under regulations to provide a “pricing buffer margin” for the industry to respond to exceptional market fluctuations or significant increase in costs, rather than constraining business decisions, (ii) the government-set highest prices are generally above the prevailing industry average pricing levels, and (iii) our Company’s historical financial results achieved under such market-driving pricing strategy, together with our Company’s effective cost control measures and business development strategies, demonstrated that our Company’s profitability remains resilient and unaffected by the government-set highest prices and the pricing difference mentioned in (i).

Self-determined prices and fees

For chartered boat service, chartered tour bus service, self-driving boat service and sightseeing boat services for the Grand Canal Yangzhou night show, they are considered of leisure and entertainment nature and we can determine their prices independently. Further, our service prices are also subject to mutual negotiation between us and the customer(s), taking into account the customers’ personalized requirements, such as the type and size of the boat or the number of tour bus(es), the specific tour route, duration of service, operational costs, current market conditions, and any special requirements from the customer(s). In addition, in determining our service prices, we also take into account relevant government policies or regulations or guidance on general pricing for the broader tourism industry, for example, the Guiding Opinions of the National Development and Reform Commission on Improving the Pricing Mechanism for Entrance Tickets of State-owned Scenic Areas and Reducing the Entrance Ticket Prices of Key State-owned Scenic Areas (Fa Gai Jia Ge [2018] No. 951) (《國家發展改革委關於完善國有景區門票價格形成機制降低重點國有景區門票價格的指導意見》) issued by the National Development and Reform Commission in June 2018 and the Opinions of the General Office of the State Council on Further Stimulating the Potential of Cultural and Tourism Consumption (Guo Ban Fa [2019] No. 41) (《國務院辦公廳關於進一步激發文化和旅遊消費潛力的意見》(國辦發[2019]41號)) issued by the State Council in August 2019 which encourage price reductions for entrance ticket prices for scenic areas. Our boat and tour bus tickets are not entrance tickets for scenic areas and therefore shall not be subject to such policies; however, we will take those general

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pricing policies or regulations into consideration in determining the prices of our boat and tour bus tickets. Such general pricing policies for related service offerings (i) provide valuable reference for us to form a diverse competitive and attractive pricing strategies, and (ii) allow us to have better understanding on the market expectations and consumer preferences, and by incorporating similar pricing strategies in our business operation, we could enhance our competitiveness in the broader tourism industry, further our engagement with wider community, and align our service offerings with prevailing regional practices, ultimately helping to attract a broader customer base and increase overall visitor satisfaction. Therefore, our Directors are of the view that such general pricing policies, regulations or guidance for the broader tourism industry serve as a valuable guidance for the industry trend and taking these factors into our price determination mechanism is beneficial to our Company to make timely adjustment to our pricing policy and ticket prices and fees so as to maintain our competitiveness in the water-based tourism industry. For self-priced services, the prices are posted clearly at each site.

In relation to our boat tickets, we adopted a systematic pricing policy across all of our ticket sales channels, including our direct ticket sales channels and third party ticket sales channels. To ensure consistent prices and compliance with the applicable pricing regulations, we also request our ticket sales channels to process boat ticket purchase orders through *Piaofutong*. Ticket prices include settlement price applicable to our ticket sales channels and direct sales price applicable to visitors. Settlement price in respect of boat tickets sold through our ticket sales channels are pre-agreed in the relevant cooperation agreements. Direct sales price (i) for direct sale of boat tickets to our retail customers through on-site box offices and self-service ticket machines as well as our self-owned WeChat Mini-program “揚州瘦西湖水上遊” and (ii) for direct wholesale of boat tickets to our corporate customers (a) are pre-agreed in the relevant cooperation agreements with travel agencies or (b) are subject to parties’ negotiation in respect of corporate customers (other than travel agencies). For details on our ticketing and related arrangements, see “Water Sightseeing Boat Service Business — Ticketing” above.

Our ticket prices of our water sightseeing boats and tour buses are in compliance with the government-set prices and where required, the final ticket prices have been filed with the local pricing bureau according to relevant laws and regulations. As confirmed by our PRC Legal Adviser, no record has been found of our Company being penalized by the relevant authorities in connection with the compliance with applicable pricing laws and regulations. We believe that our systematic pricing approach, combined with rigorous approval processes and clear public disclosures, helps foster trust and clarity for both customers and business partners.

Our ticket prices and pricing basis

The following tables set forth further details of our sightseeing boat and tour bus ticket prices and their respective pricing basis by service type, boat type and water tour routes during the Track Record Period and up to the Latest Practicable Date for the government-guided pricing mechanism and the self-determined pricing mechanism, respectively:

Government-guided pricing mechanism

Ticket price ⁽¹⁾		Pricing basis
Water sightseeing boat services		
Standard sightseeing boat service (themed boats)		
— Qianlong Imperial Water Tour Route	• RMB50 per person every two stops for eco-friendly painted leisure boat • RMB60 per ticket every two stops for premium painted leisure boat, premium eco-friendly painted leisure boat and Anfu boat	The boat ticket prices were determined based on the Notice on the Approval of Transportation Service Prices within the Slender West Lake Scenic Area” (Yang Jia Fu (2016) No. 110) (《關於核定瘦西湖景區內交通運輸服務價格的通知》揚價服(2016)110號文件) (“ Pricing Notice No. 110 ”), which stipulates that the boat ticket price per person is RMB30 per person per stop for large painted leisure boat, and RMB25 per person per stop for the eco-friendly painted leisure boat.

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	Ticket price ⁽¹⁾	Pricing basis
— Northern Ancient City Moat Water Tour Route	• RMB50 per person every two stops for eco-friendly painted leisure boat • RMB60 per person every two stops for premium eco-friendly painted leisure boat	Pursuant to the Pricing Notice No. 110, the ticket price per stop for eco-friendly painted leisure boat is RMB25 per person and for premium eco-friendly painted leisure boat is RMB30 per person.
— Songjiacheng Water Circular Island Tour Route	• RMB50 per ticket for eco-friendly painted leisure boat and premium eco-friendly painted leisure boat	See above. Songjiacheng Water Circular Island Tour Route has a total of four stops and according to the Pricing Notice No. 110, the complete tour shall be RMB100 per ticket covering four stops for eco-friendly painted leisure boat and RMB120 per ticket covering four stops for premium eco-friendly painted leisure boat. The reduced ticket price of RMB50 per ticket was made with reference to (i) our Company’s pricing strategy to leverage cost-effectiveness with lower ticket price for rapid market penetration and attracting a base of price-sensitive visitors to stimulate visitor flow and sustainable growth, and at the same time, our pricing strategy highlighting the importance of cost-effectiveness over traditional mass advertising approach also fostered word-of-mouth recommendation among visitors, which in turn further promote our brand exposure and encourage repeat purchases or purchases of our value-added service offerings; and (ii) our Company’s operation costs for the tour route.
— Baozhang Lake Water Tour Route	• RMB50 per ticket for eco-friendly painted leisure boat • RMB60 per ticket for premium eco-friendly painted leisure boat	The boat ticket prices were determined based on the Notice on the Publication of Low and Peak Season Ticket Prices, Night Tour Hours, and Free Open Days for Scenic Spots in Yangzhou Subject to Government-guided Pricing in 2025 (Yang Fa Gai Jiage Fa (2024) No. 341) (《關於公布2025年揚州市實行政府指導價管理景區(點)淡旺季門票價格、夜遊時間及免費開放日的通知》(揚發改價格發(2024)341號)) (the “Pricing Notice No. 341”), which stipulates that the provisional one-way tour route boat ticket price for Baozhang Lake Night Tour shall be RMB60 per person. In respect of our reduced price of RMB50 per ticket for eco-friendly painted leisure boat, we also considered our Company’s pricing strategy to leverage cost-effectiveness with lower ticket price for rapid market penetration and attracting a base of price-sensitive visitors to stimulate visitor flow and sustainable growth, and at the same time, our pricing strategy highlighting the importance of cost-effectiveness over traditional mass advertising approach also fostered word-of-mouth recommendation among visitors, which in turn further promote our brand exposure and encourage repeat purchases or purchases of our value-added service offerings; and (iii) our Company’s operation costs for the tour route.
— Ancient Canal Water Tour Routes	• 50-minute return tour route between Bianyi Gate Wharf and Nanmen Ruins • RMB100 per person for classical painted leisure boat and modern yacht	The boat ticket price was determined based on the (i) Notice on the Approval of Boat Tour Prices for the Section from Bianyi Gate to Nanmen Ruins on the Ancient Canal (Yang Jia Fu (2010) No. 142) (《關於核定古運河便益門至南門遺址段遊船遊覽價格的通知》(揚價服(2010)142號文件)), which stipulates that the one-way tour route boat ticket price from Bianyi Gate to Nanmen Ruins is RMB60 per person; and (ii) our Company’s pricing strategy to leverage cost-effectiveness with lower ticket price for rapid market penetration and attracting a base of price-sensitive visitors to stimulate visitor flow and sustainable growth, and at the same time, our pricing strategy highlighting the importance of cost-effectiveness over traditional mass advertising approach also fostered word-of-mouth recommendation among visitors, which in turn further promote our brand exposure and encourage repeat purchases or purchases of our value-added service offerings; and (iii) our Company’s operation costs for the tour route. As such, our Company adjusted boat ticket price to RMB100 per person for return tour route.

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Ticket price ⁽¹⁾	Pricing basis
40-minute return tour route between Dongguan Ancient Ferry Wharf and Nanmen Ruins - RMB100 per person for classical painted leisure boat and modern yacht	See above. Dongguan Ancient Ferry Wharf is between Bianyi Gate Wharf and Nanmen Ruins. This 40-minute return tour therefore covers the same tour route as the 50-minute return tour route between Bianyi Gate Wharf and Nanmen Ruins, and therefore is subject to the same pricing basis as above. In addition, we have also taken into account our Company’s pricing strategy to leverage cost-effectiveness with lower ticket price for rapid market penetration and attracting a base of price-sensitive visitors to stimulate visitor flow and sustainable growth, and at the same time, our pricing strategy highlighting the importance of cost-effectiveness over traditional mass advertising approach also fostered word-of-mouth recommendation among visitors, which in turn further promote our brand exposure and encourage repeat purchases or purchases of our value-added service offerings, as well as our Company’s operation costs for the tour route, adjusted boat ticket price to RMB100 per person for return tour route.
40-minute one way tour route from Dongguan Ancient Ferry Wharf to Sanwan Grand Canal Museum Wharf - RMB80 per person for classical painted leisure boat and modern yacht	The boat ticket prices was determined based on the Notice on the Approval of Additional Water Tour Route Boat Ticket Prices for the Ancient Canal (Yang Fa Gai Jiage Fa (2025) No. 105) (《關於核定古運河新增水上遊覽線游船價格的通知》揚發改價格發(2025)105號文件) (“Pricing Notice No. 105”), which stipulates that the one-way tour route boat ticket price from Dongguan Ancient Ferry to Sanwan Park is RMB80 per person.
- six-hour tour route from Dongguan Ancient Ferry Wharf to Guazhou Ancient Ferry, to Sanwan Park and back to Dongguan Ancient Ferry Wharf - RMB160 per person for classical painted leisure boat and modern yacht	The boat ticket prices was determined with reference to the Pricing Notice No. 105, which stipulates that the one-way tour route boat ticket price for different sections of the tour route, including the ticket price from Dongguan Ancient Ferry to Guazhou Ancient Ferry is RMB120 per person, and from Dongguan Ancient Ferry to Sanwan Park is RMB80 per person. Our reduced ticket price of RMB160 per person for the six-hour tour route also took into account (i) our Company’s pricing strategy to leverage cost-effectiveness with lower ticket price for rapid market penetration and attracting a base of price-sensitive visitors to stimulate visitor flow and sustainable growth, and at the same time, our pricing strategy highlighting the importance of cost-effectiveness over traditional mass advertising approach also fostered word-of-mouth recommendation among visitors, which in turn further promote our brand exposure and encourage repeat purchases or purchases of our value-added service offerings; and (ii) our Company’s operation costs for the tour route.
Sightseeing tour bus service - red tour route - blue tour route	RMB20 per person The tour bus ticket price was determined based on the Pricing Notice No. 110, which stipulates that the sightseeing tour bus ticket price shall be RMB20 per person.

Note:

(1) The ticket prices are the standard ticket prices and do not take into account adjusted prices during promotional period or set for marketing events.

BUSINESS

Self-determined pricing mechanism

	Ticket price⁽¹⁾	Pricing basis
<i>Water sightseeing boat service</i>		
Standard sightseeing boat service (self-driving boat)	- RMB120 per hour for four-seat model and RMB150 per hour for six-seat model within the Songjiacheng area - RMB200 per hour for both five-seat six-seat models within the Slender West Lake Scenic Area	The ticket prices for self-driving boat were determined based on (i) the prices of similar self-driving leisure boats operated by comparable companies in Jiangsu Province, and (ii) the maintenance and other costs and expenses associated with the operation of self-driving boats.
Chartered boat service	- RMB2,000 per boat every two stops for premium painted leisure boat - RMB1,000 per boat every two stops for eco-friendly painted leisure boat - RMB1,000 per boat every two stops for Yuloh boat	The chartered boat service prices were determined with reference to (i) the Pricing Notice No. 110 which stipulates that the chartered boat service price shall be subject to negotiation between the parties; and (ii) the operation costs, including compensation for boat drivers, energy costs such as fuel and costs for purchasing the boats and maintenance fees.
Grand Canal Yangzhou ⁽²⁾	- RMB158 per ticket for pontoon boat, imitation antique steel leisure boat and classical painted leisure boat - RMB168 per ticket for modern yacht	The boat ticket prices for the Grand Canal Yangzhou night show were determined with reference to the government-recommended price set out in the Pricing Notice No. 341, which stipulates that the Grand Canal Yangzhou night tour is subject to market-adjusted pricing, with recommended ticket prices at RMB258 and RMB198. Our reduced ticket prices of RMB158 and RMB168 per ticket depending on type of boat also took into account (i) our Company's pricing strategy to leverage cost-effectiveness with lower ticket price for rapid market penetration and attracting a base of price-sensitive visitors to stimulate visitor flow and sustainable growth, and at the same time, our pricing strategy highlighting the importance of cost-effectiveness over traditional mass advertising approach also fostered word-of-mouth recommendation among visitors, which in turn further promote our brand exposure and encourage repeat purchases or purchases of our value-added service offerings; and (ii) our Company's operation costs for the show.
<i>Sightseeing tour bus service</i>		
Chartered tour bus service	RMB500 per tour bus for 30 minutes	The price is determined with reference to (i) the government-set RMB20 per person for tour bus operated on shared basis as set out under the Pricing Notice No. 110, (ii) the premium rising from chartered services where visitors have exclusive and customized tour bus services with flexibility to hop on and off any time during the 30 minutes as well as the flexibility to deviate from our usual fixed tour routes, and (iii) the longer service time of 30 minutes than usual tour bus route (of approximately 10 minutes) and the associated costs derived from employee compensation and energy consumption.

Notes:

- (1) The ticket prices are the standard ticket prices and do not take into account adjusted prices during promotional period or set for marketing events.
- (2) Prices for the Grand Canal Yangzhou night show are boat ticket prices which include the price for the show itself.

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In relation to our ticket prices for our offering of various value-added “Boat+” services, the ticket prices include all services (such as dining and corporate events) offered under our “Boat+” services. The boat ticket prices for our “Boat+” services vary depending on the (i) the boat ticket price determined for the relevant tour route, (ii) the operation costs for such services, such as the ingredient costs and other relevant fees we paid to our collaborating restaurant for “Boat + Dining” service, and compensation of additional service personal and customized decoration as requested by corporate customers for “Boat + Corporate” service, and (iii) other personalized requirements from relevant customers; and the ticket prices are also determined with reference to the premium arising from the exclusiveness of service customized for our customers of our “Boat+” services.

Our Directors are of the view that the ticket prices of our water sightseeing boat service and sightseeing boat service are in line with applicable regulatory pricing notices during the Track Record Period and up to the Latest Practicable Date.

SEASONALITY

Our water sightseeing boat service and sightseeing tour bus service are subject to the seasonal fluctuations throughout the year. These seasonal fluctuations include (i) the general peak season and off-season of the cultural tourism market, public holidays and school holidays, (ii) weather conditions, (iii) promotional festivals and events, and (iv) other factors that affect travel behavior and visitor demand. The revenue from our water sightseeing boat service and sightseeing tour bus service demonstrate an obvious seasonality. Historically and during the Track Record Period, peak seasons generally represented:

- spring time (from March to May) due to the cultural influence of the renowned poem “To Yangzhou in spring’s bloom and mist I sail (煙花三月下揚州)” from Li Bai, one of the most celebrated and beloved poet in ancient China, which significantly shaped public perception, inspiring a strong preference among visitors to visit Yangzhou during the spring season when the city’s natural landscape is believed to be at its most captivating and the weather conditions are the best;
- major holidays such as May Day Holiday (International Labour Holiday) often characterised by increased number of travellers due to the holiday break, Chinese National Holiday (October Golden Week Holiday) attracting large crowds of travellers as families and tourists take advantage of an extended break, and Spring Festival (Chinese Lunar New Year); and
- school breaks such as summer holidays and spring holidays which recorded a rise in family travel, contributing to increased tourist activities.

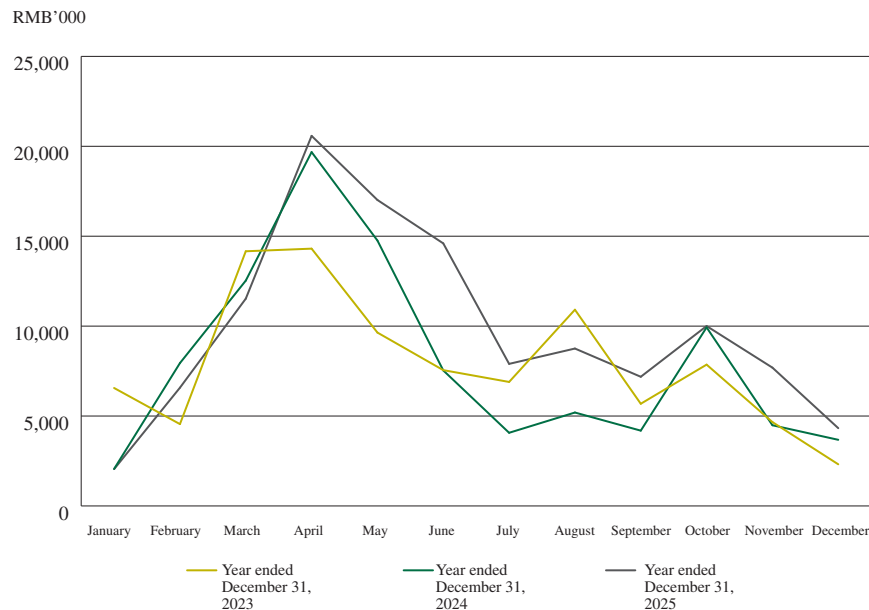
Seasonality analysis on water sightseeing boat service business

The following table sets out the revenue of our water sightseeing boat service by month during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
January	6,559	6.9	2,060	2.1	2,048	1.7
February	4,551	4.8	7,943	8.3	6,575	5.6
March	14,162	14.9	12,529	13.0	11,525	9.8
April	14,308	15.0	19,677	20.5	20,580	17.4
May	9,641	10.1	14,759	15.4	17,014	14.4
June	7,552	7.9	7,536	7.8	14,600	12.3
July	6,895	7.3	4,068	7.3	7,900	6.7
August	10,913	11.5	5,195	5.4	8,753	7.4
September	5,682	6.0	4,187	4.4	7,183	6.1
October	7,858	8.3	9,928	10.3	10,004	8.4
November	4,663	4.9	4,487	4.7	7,690	6.5
December	2,315	2.4	3,677	3.8	4,325	3.7
TOTAL	95,099	100.0	96,046	100.0	118,197	100.0

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The following line chart illustrates the seasonality analysis of our water sightseeing boat service in terms of revenue recognised during the Track Record Period.



During the Track Record Period, the monthly revenue generated from our water sightseeing boat service business demonstrated notable seasonal fluctuations, with highest demand observed generally between March to May as well as high demand in the summer months between August and October, reflecting peak tourist season in spring time, summer holiday and the October Golden Week Holiday. In addition to the overall seasonal fluctuations, our revenue throughout the year is also affected by the significant rebound of tourism consumption in 2023, one-off or short-term promotions or marketing events in a particular month and the weather conditions, especially sunny days, during a particular month, and the new launch of the Grand Canal Yangzhou night show in October 2024 which introduced a new stream of revenue for our Company. In particular:

- the elevated revenue in January 2023 compared to that in 2024 and 2025, primarily driven by the rebound of tourism consumption following the initial relaxation of COVID-19 pandemic restrictions. This period coincided with the 2023 Chinese New Year holiday, during which the Slender West Lake Scenic Area implemented a free admission promotion activity, attracting a large number of visitors, which in turn significantly increased visitors' consumption of water sightseeing boat service in January 2023;
- the revenue in March showed a downward trend from 2023 to 2025, primarily due to that (i) March 2023 was warmer with more comfortable weather conditions compared to March 2024 and 2025, resulting in more visitors in March 2023; and (ii) March 2024 and 2025 were normal peak tourism season and due to more sunny days in March 2024, there were more visitors in March 2024 than March 2025, leading to higher revenue in March 2024 than March 2025;
- the revenue in April showed an upward trend from 2023 to 2025. The revenue increased from April 2023 to April 2024 is primarily due to continued growth of tourism consumption with further relaxation of COVID-19 pandemic restrictions and our increasing passenger capacity with the expansion of our boat portfolio from 2023 to 2024; and the further revenue increase from April 2024 to April 2025 is primarily due to the launch of the Grand Canal Yangzhou night show in late 2024 which introduced a new revenue stream of our Company and attracted more visitors to take our water sightseeing boats;

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- the revenue in May showed an upward trend from 2023 to 2025, and revenue in May 2025 is higher than that in 2023 and 2024, primarily due to the launch of the Grand Canal Yangzhou night show in late 2024 which introduced a new revenue stream of our Company and attracted more visitors to take our water sightseeing boats;
- the increase in revenue in June 2025 is much higher than that in 2023 and 2024, primarily driven by an inflow of visitors attracted by the promotion of free admission to the Shugang-Slender West Lake Scenic Area for Yangzhou citizens during the Jiangsu Football City League event period that commenced in June 2025 as well as the launch of the Grand Canal Yangzhou night show in October 2024;
- although August is not a typical peak season, August 2023 is the first year following the lift of the COVID-19 pandemic and therefore had a significant tourism consumption, especially for family group during the school summer holidays. As a result, the revenue in August 2023 is higher than that in 2024 and 2025; and
- the revenue in July and September through December 2025 exceeded that of the corresponding periods in 2023 and 2024, primarily due to the growing popularity of the Grand Canal Yangzhou night show.

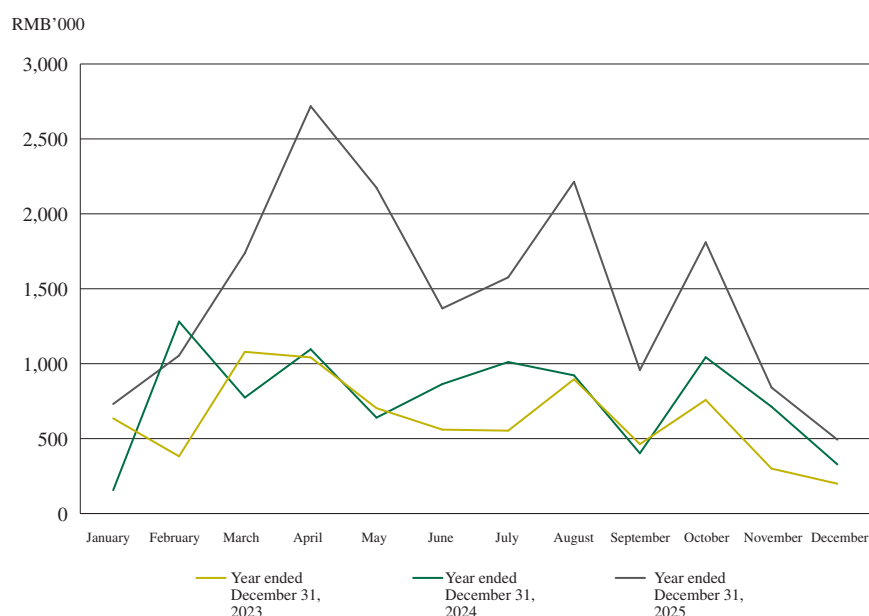
Seasonality analysis on sightseeing tour bus service business

The following table sets out the revenue of our sightseeing tour bus service by month during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
January	635	8.4	156	1.7	731	4.1
February	382	5.0	1,281	13.9	1,054	6.0
March	1,079	14.3	774	8.4	1,738	9.8
April	1,042	13.8	1,096	11.9	2,718	15.4
May	703	9.3	640	6.9	2,174	12.3
June	560	7.4	864	9.4	1,369	7.8
July	553	7.3	1,011	10.9	1,576	8.9
August	896	11.8	922	10.0	2,214	12.5
September	463	6.1	402	4.4	958	5.4
October	758	10.0	1,043	11.3	1,810	10.2
November	300	4.0	713	7.7	841	4.8
December	199	2.6	328	3.5	494	2.8
TOTAL	7,570	100.0	9,230	100.0	17,677	100.0

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The following line chart illustrates the seasonality analysis of our sightseeing tour bus service in terms of revenue recognised during the Track Record Period.



During the Track Record Period, the monthly revenue generated from our sightseeing tour bus service business demonstrates seasonal fluctuations, with higher demand during peak tourist months, particularly in spring and the holiday periods. In addition to the overall seasonal fluctuations, the revenue of our sightseeing tour bus throughout the year is also affected by holiday period in that month and the change of our passenger capacity. In particular:

- the elevated revenue in January 2023 and 2025 was driven by the Chinese New Year holiday at that time; and the robust revenue in January 2023 was driven by a significant rebound in tourism consumption upon the lift of COVID-19 pandemic restrictions as well as the Chinese New Year holiday in January, which was further reinforced by the promotion of free admission to the Slender West Lake Scenic Area implemented during that time, resulting in substantial increase in the number of visitors; whereas the Chinese New Year holiday for 2024 fell in February and therefore, January 2024 was a relative off-peak period for the Slender West Lake Scenic Area with fewer visitor inflow and consumption;
- the revenue in February 2023 was lower than that in 2024 and 2025 as the Chinese New Year holiday fell in February 2024 and in late January and early February 2025, attracting a relatively larger number of visitors for tourism consumption in February 2024 and 2025;
- the revenue in March 2024 was relatively lower than March 2023 and March 2025, primarily due to that (i) March 2023 benefitted from a rebound in tourism consumption after the lift of the COVID-19 pandemic restrictions, and (ii) March 2025 benefitted from increase in the number of our boats, resulting in increased capacity of our water sightseeing boat service which in turn increased our revenue for that period; and
- the revenue in April through December 2025 was higher than respective period in 2023 and 2024, primarily due to the additional five and nine sightseeing tour buses acquired in April and June 2024, respectively, which were put into operation in late April and June 2024, respectively, and as a result, our overall passenger capacity in April through December 2025 was higher than respective period in 2023 and 2024, resulting in higher revenue in April through December 2025.

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Seasonality impact and measures

Due to the seasonal fluctuations, a significant portion of our annual revenue is concentrated in a few key months, particularly during spring time, major holidays and long weekends. As a result, our financial results may vary significantly from quarter to quarter and are not necessarily indicative of long-term trends.

Given that seasonality plays a critical role in shaping our business operation and financial performance. We have implemented appropriate systems to forecast demand, adjust operations and mitigate the impact of seasonal fluctuations on our business. Nevertheless, our results of operations and cash flows will continue to be influenced by these recurring seasonal trends. We have put in place the following measures to minimize the adverse impacts from the seasonal fluctuations:

- *optimizing operational and cost structure*: in respect of peak season and off season times, we optimize our staffing and cost structures. Personnel expenses make up a significant portion of our operating costs and remain relatively stable throughout the year. However, during peak seasons, we incur additional expenses related to overtime compensation and increased operational support. Despite the surge in revenue during busy periods, we carefully monitor and manage our cost base to protect profitability during quieter months;
- *diversifying our “Boat+” services*: we have proactively diversified our service offering through value-added “Boat+” services to reduce dependency on our principal water sightseeing boat services that are subject to weather and natural conditions, thereby broadening our revenue base during off-peak seasons and enhancing operational stability throughout the year. For example, we offer “Boat + Education” services to cater to school groups and educational institutions, which can be scheduled during off-peak seasons and are less sensitive to weather conditions, and we also offer “Boat + Enterprise” services where we promote corporate events or activities to be held onboard our boats, which may be organized year-round and are less affected by seasonality; and
- *enhancing marketing strategies and initiatives*: we collaborated with local tourism authorities, educational institution, and corporate customers to jointly promote off-peak and non-seasonal products and services. We also conduct targeted marketing campaigns and off-season promotions to stimulate customer demand and enhance market awareness of our diversified offerings.

We regularly assess the effectiveness of our measures and monitor industry practices, including those adopted by comparable companies, so as to identify best practices and implement enhancements where feasible, and to further mitigate the impact of seasonal fluctuations and deliver stable and sustainable growth.

SAFETY MANAGEMENT

Safety Management Team

We believe that safety is crucial to our long-term success. We place significant emphasis on safety matters during our service offerings. We have a dedicated leadership structure with chairman of our Board responsible for overall safety matters and managers and department heads responsible for safety implementation within their respective areas. We also have set up a safety management department (安全工作部) which is responsible for safety matters arising from all aspects of our business operation processes, including our water sightseeing boat service, sightseeing tour bus service as well as safety of our visitors during the course of our service offering. As at December 31, 2025, our safety management department consisted of nine employees, including one head of the department who shall be responsible for the overall safety related matters. We also have a team of specialized safety staff (專職安全人員) and emergency management team (應急管理團隊) for the safety management of the respective operational centers and teams.

BUSINESS

Our safety management team is principally responsible for (i) overseeing the implementation of safety management practices, coordinating with various departments and teams, (ii) ensuring compliance with interim regulations for sightseeing boat operations, (iii) investigating any incidents, (iv) coordinating with local maritime and waterways management departments, monitoring weather changes and making timely operational adjustments accordingly, (v) training service staff, boat drivers and tour bus drivers, in terms of safety procedures and technical skills, (vi) conducting daily inspections to monitor safety operations, (vii) conducting monthly safety reviews, and (viii) implementing enhanced on-site safety management. In cases of emergency, our safety management team is also responsible for organizing and implementing appropriate countermeasures. In addition, our safety management team also implement protocols to ensure that safety patrol boats are properly maintained and available for use when needed.

We regularly updated our safety management systems and policies to align with the latest regulations and standards, including the PRC Work Safety Law (安全生產法) and various maritime regulations, ensuring that our business operation meets or is above the latest regulatory requirements at all times.

Safety Management Measures

We always take safety seriously and put it as our No. 1 priority. To this end, we have adopted strict and comprehensive protocols to ensure that all of our sightseeing boats and tour buses as well as relevant personnel remain in full compliance with the relevant regulatory requirements at all times and to ensure safety across all aspects of our business operations, safeguarding visitors’ wellbeing and ensure the orderly operation of our sightseeing boats. During the Track Record Period and up to the Latest Practicable Date, we maintained a record of zero safety accidents.

Sightseeing boats

We have implemented strict protocols for our sightseeing boats, including full set of safety equipment, regular inspections and patrols and intensified inspections and patrols during peak seasons, rigorous adherence to operational safety procedures, speed and passenger capacity as well as clear boarding instructions. All of our service boats are equipped with the necessary safety equipment, such as safety belts, life jackets, fire extinguishers and loudspeakers, in compliance with vessel inspection requirements. We have established strict and detailed safety protocols for our boat operations for daily inspections by operational teams, weekly sample inspections by the relevant department and comprehensive safety inspections before every holiday and peak season. All findings and actions are recorded. When any deficiencies or potential hazards are identified, we take immediate rectification measures and the boats can only be put into operation until all issues are fully resolved and the boat itself has been officially inspected and confirmed to be safe for use. We also launched “Red Ribbon (紅絲帶)” safety initiative in May 2020, aiming to identify and resolve hidden risks at early as possible. During the Track Record Period and up to the Latest Practicable Date, through our “Red Ribbon” initiative, we have significantly enhanced employees’ proactive engagement in identifying and eliminating safety hazards in their immediate working environments; and as a result, we have maintained a record of zero safety incidents throughout the relevant period.

In addition, during the Track Record Period and up to the Latest Practicable Date, all of our boats have duly obtained ownership certificates, national registration certificates and inspection certificates, and have duly completed annual renewals; and all of our tour buses have duly obtained the special equipment usage registration certificates and duly completed annual renewals. In addition, we also have patrol boats to conduct regular patrols on daily basis and intensified patrols during peak periods to supervise and promptly correct any unsafe driving behaviour or circumstance to ensure that all operational safety protocols are strictly adhered during the boat operation, including no speeding and no overloading.

BUSINESS

Technological advancements also play a vital role in our safety management measures. Since May 2025, all of our sightseeing boat cockpits have been upgraded and equipped with intelligent monitoring system (遊船駕駛室智能監控系統) which allows for real-time supervision of navigation conditions, enabling our management and operational teams to promptly identify and address any irregularities or unsafe behaviors of boat drivers. In addition, the intelligent monitoring system records key operational data, such as speed, route adherence and the functioning of critical equipment, thereby supporting a comprehensive incident investigation and continuous safety improvement. In addition, since May 2025, we have also installed in-boat real time visitor monitoring system to monitor the visitor activity area to ensure that all visitors onboarding our boats follow our safety protocols. The in-boat monitoring system also improves the effectiveness of emergency response by providing immediate visual access to the situation onboard, allowing our staff to respond in a timely manner to any safety incident or emergency. These monitoring systems collectively reduced human error in boat operation, enhanced operational discipline and timely detected and rectified potential safety matters.

Sightseeing tour bus

We have also implemented strict protocols for our sightseeing tour buses, including full set of safety equipment, regular inspections and intensified inspections during peak seasons, rigorous adherence to operational safety procedures, speed and passenger capacity as well as clear safety reminders. All of our service tour buses are equipped with the necessary safety equipment, such as safety belts, fire extinguisher in compliance with vessel inspection requirements. All of our tour bus drivers are required to carry out detailed pre-operational inspections on the tour buses, including braking system, steering assembly, tyre pressure, signal indicators, horn, battery connections and the driving recorder. Should any malfunction or safety risk be identified, the relevant tour bus must stop providing service and shall undergo examination and rectification, and shall only be back to service once all safety issues have been duly resolved. Tour bus drivers are further required to complete and sign daily and weekly inspection record. We strictly prohibit overloading and speeding and require all of our tour buses must only operate along designated routes. Deviation, U-turns, or operating against the designated direction and routes are not permitted.

Technological advancements also play a vital role in our safety management measures. Since 2024, all of our sightseeing tour buses have been fitted with smart speed monitoring system (智能監控測速系統) which monitors the speed of each tour bus in real time, ensuring strict adherence to prescribed speed limits and regulatory requirements. The system also provides instant alerts to drivers and management personnel in case of speeding or any deviation from the designated tour route, significantly reducing the risk of over speeding incidents. In addition, the system records speed data to facilitate our comprehensive review and analysis of driving behavior, supporting ongoing monitoring and improvement in operational safety standards.

Staff qualification and training

Staff qualification is a core pillar of our safety management. Drivers for boats of five meters long or above must register on the Inland Vessel Crew Service Book (內河船員服務簿) or obtain the Inland Vessel Crew Certificate of Competency (內河船舶船員適任證書) which can be renewed every five years. Both the aforementioned service book and certificate are issued by the Transportation Bureau of Yangzhou (揚州市交通局). *Chuanniang* for our *Yuloh* boats are not required to obtain the certificate of competency as their skill sets are different from other boat drivers. *Chuanniang* are required to obtain the basic crew certificate and all of our *Chuanniang* have obtained the crew certificates. Drivers for our sightseeing tour buses must obtain a special equipment safety management and operation certificate for internal motor vehicle operations (N2) which is issued by the Yangzhou Market Supervision Bureau (揚州市市場監管局) and shall be renewed every four years. Personnel responsible for charging batteries for our boats and tour buses must obtain a low voltage electrician operations certificate (特種作業操作證 — 低壓電工作業) issued by the Yangzhou Emergency Management Bureau. This certificate is valid for six years and must be reviewed every three years.

BUSINESS

Before commencing their duties, all relevant staff are required to obtain the necessary certifications as stipulated by the competent government authorities. In addition, we conduct regular internal audits of certificate validity to ensure that all renewals are timely processed and that no lapses occur in staff qualifications. During the Track Record Period and up to the Latest Practicable Date, all of our staff, including boat drivers and tour bus drivers, regardless of their roles, have obtained the necessary certificates.

To maintain a high level of safety standards, we are committed to provide robust safety training to our employees. We request all of our employees to attend regular safety trainings to ensure that both new and existing staff are well-prepared to respond to emergencies while improving their safety awareness. Such safety trainings are held at least once per month and cover a range of topics and practical exercises including emergency rescue drills, swimming training, viewing educational safety films, instruction on safe vessel operation and safety trainings on boat driving. For new staff, we request them to complete such safety trainings first before the commencement of their work duties. We also review and update our safety training plan annually to reflect changes in regulatory requirements, industry standards, and insights gained from operational experience and launched a reward program to reward staff who take initiatives to identify safety hazards. All of our staff are required to sign a personal safety responsibility agreement and to study operational safety procedures relevant to their roles.

Visitor safety

Our visitors are protected by a comprehensive set of safety measures during our service offering. Safety belts, life jackets and seat belts are provided on all of our boats and tour buses. Before departure, on-boat employees or tour guides will deliver safety briefings to all visitors. For visitors who rent our self-driving boats, they are required to sign a safety commitment agreement before boarding. In addition, prominent signage and instructional materials on the use of life-saving equipment are displayed at boarding points and box offices and safety demonstration videos and emergency contact numbers are also made available.

MARKETING STRATEGIES AND VISITOR ENGAGEMENT

Marketing Strategies

We implement a multi-faceted marketing strategy that combines both digital and traditional methods to increase brand awareness and visitor engagement. We established robust presence on leading digital platforms such as Douyin (抖音) and Xiaohongshu (小紅書) to increase our visibility. We operate and manage two official Douyin (抖音) accounts, namely “Yangzhou Ancient Canal Sightseeing Boats (揚州古運河遊船)” and “Slender West Lake Water Tour (瘦西湖水上遊)”, to market and promote our tourism products and services, including themed boat tours and the *Grand Canal Yangzhou* night show, thus enhancing our brand visibility and customer reach. We collaborate with professional third parties such as professional MCN (Multi-Channel Network) companies to produce and distribute engaging short videos and live-stream as well as OTA platforms such as Douyin (抖音), Ctrip (携程), Meituan (美團) and Tongcheng (同程) to attract new customers. In parallel, we also deploy traditional marketing methods such as collaboration with hotels and travel agencies to market seasonal promotions or discounts for our service offerings. We also participate in offline activities where we have the opportunities to directly engage with young people, achieving effective marketing through direct illustration of the profound heritage of the Grand Canal and our unique Chuanniang service. These branding and marketing activities further strengthen our brand recognition and ensure high-frequency exposure to both local and visiting visitors, attracting a diverse base of customers. In addition, these strategies also significantly enhance visibility of the Slender West Lake which will raise more awareness to our service offering in the scenic area.

BUSINESS

Our marketing strategies are designed to be responsive to seasonal changes, market demand, and special events in the cultural tourism industry. During peak seasons, we roll out early bird discounts, group ticket offers and bundled packages that combine multiple attractions or experiences at a preferential price. For example, we may offer combo tickets with various attractions and sightseeing boat options at a discounted rate or provide limited-time offers in light of high volume of visitors during regional activities like sporting events. We also designed marketing strategies for different groups of customers. For example, we collaborate with local hotels and travel agencies to promote exclusive deals for families, couples, students and corporate groups. For larger teams and corporate clients, we negotiate tailored packages that address specific needs, such as team-building activities, event hosting, or business events.

In addition, we closely monitor our ticket sales and revenue amount and established sales data reporting system, under which we regularly review our sales data and activities and promptly implement measures to enhance sales performance. Internally, our general manager, sales team and responsible principle of relevant business segments shall discuss the sales data reports and the changes on monthly basis to propose any identified issues and marketing measures to improve our sales. We also carry out annual assessment on the effectiveness of our marketing strategies implemented and based on which, we shall make necessary adjustments to our next year marketing planning to further enhance the effectiveness of our marketing strategies.

As of December 31, 2025, we had completed over 1,000 brand promotion and marketing activities, with not less than one marketing release disseminated through our various marketing channels on a daily basis.

Visitor Satisfaction

We have a system in place to promptly address visitor complaints. We use our visitors’ feedbacks as a tool for both securing excellent services as well as input for the continuing development of our services offerings. Owing to our dedicated service offerings, our visitor satisfaction level remains high and has developed positively over the years, laying a strong foundation for our brand reputation and has become a key pillar that supports our high quality growth. The key drivers for visitors’ positive feedbacks to our services are the high quality of our service offerings, continuous investments in experience enhancement for our sightseeing services including the *Grand Canal Yangzhou* night show and the timely respond we made to complaints, if any. We also rely on online reviews to consistently improve our services through addressing the constructive feedbacks from our visitors and reviewing the comments on online platforms.

MANAGEMENT SERVICE BUSINESS

Since our inception, we have been taking initiatives to diverse our revenue stream, minimize potential risks that may be resulted from narrow business scope and hedge the risks on our asset heavy business focusing on water sightseeing boat service and sightseeing tour bus service. In 2016, we successfully developed and implemented an asset-light business model, under which we provided strategic consulting services, covering regulatory consulting on relevant licensing requirements for its launch of water sightseeing boat tour routes, on-site supervision of the construction of wharves, boat charging facilities, etc., facilitating the establishment of safety management system and providing training for its boat drivers, to the Yancheng Chuanchang River (鹽城串場河) in respect of its water tourism project in Yancheng Dayangwan (鹽城大洋灣). Such project-based consulting services is one-off in nature and the scope of our service offering is limited to a few aspects as requested by our customer. Upon the completion of the water tourism project in Yancheng Dayangwan in 2017, our Company has not taken any other one-off project-based consulting service. We subsequently refined our asset-light business model and started to offer a full spectrum entrusted management services to tourist attractions.

BUSINESS

The operational structure of our management service business is illustrated below:



Management Services

Our management business is a cornerstone of our asset-light business model. We provide a comprehensive suite of management services, underpinned by our deep understanding of our customers’ requirements and our strong emphasis on tailoring solutions to suit the unique characteristics of each project such as local cultural history, historical context and geographical landscapes. In delivering entrusted management services, we act as a professional operator and manager, taking on delegated responsibilities for their day-to-day management, aiming to optimize resource allocation, deepen team collaboration within the scenic area or tourist attraction, enhance operation efficiency, improve infrastructure to integrate with the environment, facilitate market promotions, enhance brand exposure and reputation while maximizing economic benefits, upgrading visitor experiences while driving the revenue growth of the tourist attractions. Through the provision of bespoke strategies, we facilitate the achievement of operational excellence and support long-term sustainable development of our customers.

Under our management business segment, we typically offer the following services:

- *ticketing solutions*: where we are responsible for the ticketing operations of the core scenic area, which include ticket sales, the development of customers, the compilation and analysis of visitor statistics as well as ancillary services associated with visitor admission to the scenic area such as online ticket reservations, ticket verification and customer service. Our comprehensive ticketing solutions are designed to ensure seamless visitor access, facilitate effective visitor management, and maximize the revenue for the scenic area;
- *internal operation solutions*: where we oversee the full spectrum of commercial operations within the core scenic area, which include the management of car parks, sightseeing boats, tour buses, food and beverage outlets, event venues and street-front retail shops as well as other commercial operations. Our solutions cover both the operational and management aspects of all such commercial operations with most of our revenue generated from the provision of tour bus and sightseeing boat services as well as the entrance ticket sales;
- *accreditation and planning solutions*: where we formulate and implement enhancement strategies for the scenic area in accordance with targeted level of scenic area standards. Our solutions cover the upgrading of tourism transportation, visitor facilities, visitor safety, sanitation, postal and telecommunications infrastructure, visitor shopping experience, overall management and natural resource and environmental protection. We are committed to meeting accreditation requirements by proposing innovative planning for signature tourism projects, distinctive tourism products, tourism and leisure offerings, tour routes, smart service systems, public facilities and landscaping and environmental systems, while preserving existing site conditions and operational needs;

BUSINESS

- *media and marketing solutions*: where we are responsible for promoting the scenic area through both traditional and new media platforms. We have an established network of collaborating media and marketing channels including national platforms such as CCTV Video (央視頻) and Xinhuanet (新華網), as well as local scenic area official accounts, WeChat Video Channels (微信視頻號), Douyin (抖音) and major urban billboards at key locations. We also regularly invite key opinion leaders (KOLs) to experience the scenic area and conduct multi-dimensional promotional campaigns across various social media platforms, thereby expanding the scenic area’s brand exposure. In addition, we tailor-omake promotional videos for the scenic area, producing various versions for dissemination across different media channels to maximise exposure and attract new customers; and
- *event planning solutions*: where we focus on the scenic area itself and leverage local cultural characteristics and integrate media promotion with event-driven marketing strategies to curate bespoke tourism route products. These efforts are aimed at enriching visitors’ choices and delivering differentiated tourism experiences to visitors.

Gaoyou City Lake Tourism Resort

During the Track Record Period, we provided entrusted management services to Gaoyou City Lake Tourism Resort, which has been accredited as a national 3A-level tourist attraction, a provincial-level wetland park in Jiangsu and a provincial-level water conservancy scenic area. Gaoyou City Lake Tourism Resort is one of the seven key tourism resorts in Yangzhou with a total area of approximately 13.8 sq.km., offering an integrated resort services, including hot spring leisure, water sports, and aquatic delicacies. The resort is renowned for outstanding ecological environment.

We entered into the 2022 Cooperation Agreements with Gaoyou Tourism Investment Co. and Yangzhou Media Co. on June 13, 2022 effective from July 1, 2022 to June 30, 2025. Upon expiration of the 2022 Cooperation Agreements, we entered into the 2025 Cooperation Agreements with Gaoyou Tourism Investment Co., Yangzhou Media Co. and Gaoyou Ancient Post City Management Co. on June 30, 2025 effective from July 1, 2025 to June 30, 2028, together with the 2022 Cooperation Agreements, the “**Gaoyou City Lake Cooperation Agreements**”).

Summary of the principle terms of the 2022 Cooperation Agreements is set forth below:

- | | |
|----------------------|--|
| Date and term | <p>(i) <i>Tripartite Cooperation Agreement for the Quality Enhancement of Gaoyou City Lake Tourism Resort</i></p> <ul style="list-style-type: none"> • Date: June 13, 2022 • Term: from July 1, 2022 to June 30, 2025 <p>(ii) <i>Cooperation Agreement (for advertisement services)</i></p> <ul style="list-style-type: none"> • Date: August 9, 2022 • Term: from July 1, 2022 to June 30, 2025 |
|----------------------|--|

Within six months prior to its expiry on June 30, 2025, the parties to the 2022 Cooperation Agreements shall negotiate the terms of next phase of cooperation.

- | | |
|----------------|--|
| Parties | <p>(i) <i>Tripartite Cooperation Agreement for the Quality Enhancement of Gaoyou City Lake Tourism Resort</i></p> <ul style="list-style-type: none"> • Gaoyou Tourism Investment Co. • Our Company • Yangzhou Media Co. |
|----------------|--|

BUSINESS

(ii) *Cooperation Agreement (for advertisement services)*

- Our Company
- Yangzhou Media Co.
- Yangzhou Jingqu Rong Media Center*

**Cooperation model
and terms**

Entrusted management model for the core area of Gaoyou City Lake Tourism Resort, pursuant to which Gaoyou Tourism Investment Co. entrusts our Company and Yangzhou Media Co. to provide operational management services in terms of the agreed service area, including the overall operation and management of Gaoyou City Lake Tourism Resort, including ticket sales, internal operation and management, application for 4A-level scenic area accreditation, event planning and promotion and marketing activities as well as development of C&C products.

Our Company shall be responsible for the day-to-day operational management of the tourist attraction, including the centralized coordination of operational personnel, the planning, formulation and implementation of the 4A-level scenic area accreditation, the marketing of the tourist attraction, the design of tour routes, the promotion of tourism products and other related matters. Our Company shall also bear the costs and expenses associated with its operational personnel. More specifically, those responsibilities include (i) *ticketing operations* — including ticket sales, the customer development, the visitor statistics as well as ancillary services associated with visitor admission to the touristic attraction such as online ticket reservations, ticket verification and customer service; (ii) *internal commercial operations* — including the management of car parks, sightseeing boats, sightseeing tour buses, dining, event venues and street-front retail shops as well as other commercial operations; and (iii) *4A-level scenic area accreditation planning service* — including formulating and implementing enhancement strategies for the tourist attraction in accordance with 4A-level scenic area standards.

Yangzhou Media Co. shall be responsible for integrated publicity and marketing matters, creating marketing events, planning and execution of important events, brand promotion and publicity activities for the tourist attraction, and shall bear the costs and expenses associated with its operational personnel. More specifically, such responsibilities shall include: (i) *integrated media publicity* — which encompasses utilising a variety of platforms and leveraging the respective strengths of both traditional and new media, with Yangzhou as the centre of publicity initiatives, jointly promoting the tourist attraction; and during such publicity or marketing activities, KOL groups shall be invited from time to time to participate in marketing experiences and to promote the tourist attraction through their respective social media platforms. In addition, promotional videos shall be produced in accordance with the development and 4A-level accreditation requirements of the tourist attraction; and (ii) *event planning* — including the customisation of tour routes within Gaoyou City Lake Tourism Resort.

Our Company shall also cooperate with Yangzhou Media Co. to (i) ensure the planning and organisation of not fewer than five large-scale marketing or promotional events; and (ii) design C&C products themed around the Grand Canal culture, culinary culture, and distinctive local culture of Gaoyou.

BUSINESS

**Cooperation fees
and payment
terms**

(i) *Fixed management fees*

Gaoyou Tourism Investment Co. shall pay our Company a fixed annual amount of RMB3.0 million, which shall be paid by two installments on semi-annual basis. The first installment shall be paid within two weeks after the signing of the agreement and the second installment shall be paid within two weeks upon the lapse of the six months after the signing of the agreement.

(ii) *Variable fees linked to the revenue of Gaoyou City Lake Tourism Resort (or the revenue-sharing mechanism)*

Pursuant to the 2022 Cooperation Agreement, our Company and Yangzhou Media Co. shall, on best effort basis, to achieve an annual visitor volume of 100,000 and a minimum revenue which is equivalent to the Benchmark Revenue (as defined below); and our Company is entitled to the annual revenue of Gaoyou City Lake Tourism Resort up to the Benchmark Revenue (as defined below).

Revenue-sharing mechanism

Further, pursuant to the 2022 Cooperation Agreement, the parties agreed on a revenue-sharing mechanism, pursuant to which each party is entitled to one-third of the annual revenue of Gaoyou City Lake Tourism Resort that exceeds the Benchmark Revenue (as defined below). Each party’s annual entitlement under the revenue-sharing mechanism is calculated based on the formula below:

Revenue-sharing entitlement = (Total Annual Revenue – Benchmark Revenue) / 3

“Total Annual Revenue” represents the total annual revenue generated from the sales of entrance tickets, sightseeing boat tickets and sightseeing tour bus tickets of Gaoyou City Lake Tourism Resort. “Benchmark Revenue” represents the average revenue of Gaoyou City Lake Tourism Resort for the three financial years immediately prior to the entering into of the 2022 Cooperation Agreements.

(iii) *Advertising fees*

Our Company shall pay Yangzhou Media Co. a fixed amount of RMB0.5 million for its provision of marketing services to Gaoyou City Lake Tourism Resort, which shall be paid on annual basis.

Pursuant to the 2022 Cooperation Agreements, our Company shall directly collect the Total Annual Revenue. Of the Total Annual Revenue amount collected by us, (i) the pre-agreed fixed management fees, the revenue amount up to the Benchmark Revenue and the revenue-sharing entitlement attributable to our Company shall be recognized as our revenue, (ii) the fixed advertising fees and the revenue-sharing entitlement attributable to Yangzhou Media Co. shall be recognized as our revenue and accounted for as our cost of sales upon our payment to Yangzhou Media Co., and (iii) the revenue-sharing entitlement attributable to Gaoyou Tourism Investment Co. shall be collected by us on its behalf and accounted for the revenue of Gaoyou Tourism Investment Co., any unsettled amount of which at the end of reporting period of our Company shall be recognized as other payables.

BUSINESS

During the Track Record Period and pursuant to the Gaoyou City Lake Cooperation Agreements, the total fees derived from our service offering of management business to Gaoyou City Lake Tourism Resort, including the fixed management fees and the variable fees linked to the revenue of Gaoyou City Lake Tourism Resort, amounted to RMB5.3 million, RMB5.7 million and RMB5.2 million, respectively, accounting for approximately 4.9%, 5.1% and 3.7% of our total revenue, respectively. Pursuant to the 2025 Cooperation Agreement, our management fees was further increased from RMB3.0 million (including tax) to RMB3.5 million (including tax). We believe and as confirmed by Gaoyou Tourism Investment Co. that it is satisfied with our service offering on the basis that (i) the revenue of Gaoyou City Lake Tourism Resort had been increasing during the period of the 2022 Cooperation Agreements except for slight decrease in the first half of 2025 caused by the promotion of free entrance tickets for Yangzhou citizens, (ii) the number of visitors to Gaoyou City Lake Tourism Resort had been increasing during the period of the 2022 Cooperation Agreements and from approximately 43 thousand for 2022 to approximately 290 thousand for 2024, and further increased to approximately 291 thousand for the six months ended June 30, 2025, and (iii) extensive marketing and promotions organized or carried out by us, including over 30 marketing events and promotional activities, promotional video of Gaoyou City Lake Tourism Resort played on outdoor mega screen in the heart of Yangzhou as well as over 30 national and provincial-level publicity articles and over 70 municipal-level publicity articles. We also believe that the increase in our annual management fees by Gaoyou Tourism Investment Co. demonstrated its satisfaction of our service offerings and the results achieved as aforementioned.

The terms of the 2025 Cooperation Agreements, are substantially the same as the 2022 Cooperation Agreements, except for (i) that there were four signing parties to the agreement, (ii) the revenue exceeding the Benchmark Revenue will be shared as to one-fourth by each signing party, and (iii) the marketing expenses to Yangzhou Media Co. shall be RMB0.6 million per year. See “Summary — Recent Developments.”

Summary of the principle terms of the 2025 Cooperation Agreements is set forth below:

Date and term	(i) <i>Cooperation Agreement for the Quality Enhancement and Operation Management of Gaoyou City Lake Tourism Resort</i> • Date: June 30, 2025 • Term: from July 1, 2025 to June 30, 2028 (ii) <i>Cooperation Agreement (for advertising services)</i> • Date: June 30, 2025 • Term: from July 1, 2025 to June 30, 2028
	Within six months prior to the expiration of the term of the 2025 Cooperation Agreements on June 30, 2028, the parties thereto shall negotiate the terms of next phase of cooperation.
Parties	(i) <i>Cooperation Agreement for the Quality Enhancement and Operation Management of Gaoyou City Lake Tourism Resort</i> • Gaoyou Tourism Investment Co. • Our Company • Yangzhou Media Co. • Gaoyou Ancient Post City Management Co. (ii) <i>Cooperation Agreement (for advertising services)</i> • Our Company • Yangzhou Media Co.

BUSINESS

Cooperation model and terms

Entrusted management model for the core area of Gaoyou City Lake Tourism Resort, pursuant to which Gaoyou Tourism Investment Co. and Gaoyou Ancient Post City Management Co. entrust our Company and Yangzhou Media Co. to provide operational management services in terms of the agreed service area, including the overall operation and management of Gaoyou City Lake Tourism Resort, including ticket sales, internal operation and management, application for 4A-level scenic area accreditation, event planning and promotion and marketing activities as well as development of C&C products.

Our Company and Yangzhou Media Co. shall be responsible for the day-to-day operational management of the tourist attraction, which includes the centralized coordination of operational personnel, ticketing operations, routine cleaning and security management of the tourist attraction, commercial operations, tourism marketing, route planning, and product promotion, and shall bear all costs and expenses in relation to their operational personnel. More specifically, those responsibilities include (i) *ticketing operations* — including ticket sales, the customer development, the visitor statistics as well as ancillary services associated with visitor admission to the touristic attraction such as online ticket reservations, ticket verification and customer service; (ii) *commercial operations* — including the management of car parks, sightseeing boats, sightseeing tour buses, dining, event venues and street-front retail shops as well as other commercial operations; and (iii) *4A-level scenic area accreditation planning service* — including formulating and implementing enhancement strategies for the tourist attraction in accordance with 4A-level scenic area standards.

Our Company and Yangzhou Media Co. shall be responsible for (i) integrated media publicity — which encompasses leveraging the respective strengths of both traditional and new media, with Yangzhou as the centre of publicity initiatives, jointly promoting the tourist attraction; and (ii) event planning and implementation — for each event, KOL groups shall be invited to participate in marketing experiences with the production of no fewer than one promotional video tailored to each event. During the publicity activities, due consideration will be given, within a reasonable scope, to incorporate Gaoyou’s notable cultural tourist attractions, projects, and events into the publicity work.

Our Company and Yangzhou Media Co. shall also (i) ensure the planning and organisation of not fewer than four large-scale marketing or promotional events on annual basis; and (ii) undertake the design of not fewer than ten C&C products themed around the Grand Canal culture, culinary culture, and distinctive local culture of Gaoyou.

BUSINESS

**Cooperation fees
and payment
terms**

(i) Fixed management fees

Gaoyou Tourism Investment Co. shall pay our Company a fixed annual amount of RMB3.5 million, which shall be paid by two installments on semi-annual basis. The first installment shall be paid within two weeks after the signing of the agreement and the second installment shall be paid within two weeks upon the lapse of the six months after the signing of the agreement.

(ii) Variable fees linked to the revenue of Gaoyou City Lake Tourism Resort (or the revenue-sharing mechanism)

Pursuant to the 2025 Cooperation Agreements, our Company and Yangzhou Media Co. shall, on best effort basis, to achieve an annual visitor volume of 250,000. Further, the parties agreed on a revenue-sharing mechanism, pursuant to which (i) our Company is entitled to the annual revenue of Gaoyou City Lake Tourism Resort up to the Benchmark Revenue (as defined below), and (ii) each party is entitled to 25% of the annual revenue of Gaoyou City Lake Tourism Resort that exceeds the Benchmark Revenue (as defined below). Each party’s annual entitlement under the revenue-sharing mechanism is calculated based on the formula below:

Revenue-sharing entitlement = (Total Annual Revenue – Benchmark Revenue) x 25%

“Total Annual Revenue” represents the total annual revenue generated from the sales of entrance tickets, sightseeing boat tickets and sightseeing tour bus tickets of Gaoyou City Lake Tourism Resort. “Benchmark Revenue” represents the average revenue of Gaoyou City Lake Tourism Resort for the three financial years immediately prior to the entering into of the 2022 Cooperation Agreements.

(iii) Advertising fees

Our Company shall pay Yangzhou Media Co. a fixed amount of RMB0.6 million for its provision of marketing services to Gaoyou City Lake Tourism Resort, which shall be paid on annual basis.

(iv) Other fees

In the event that our Company successfully assists Gaoyou Tourism Investment Co. in attaining the accreditation of a 4A-level scenic area, 50% of all subsidies, rewards, and guidance funds granted by relevant authorities (if any) in connection therewith shall be allocated to us and Yangzhou Media Co. and the relevant amount to be further apportioned between us and Yangzhou Media Co. in accordance with workload undertaken by us and Yangzhou Media Co., respectively. Upon completion of such allocation, we shall settle the distributed amount with Yangzhou Media Co. based on the actual work undertaken.

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For all funds applied for under the name of the tourist attraction (other than those specified above), the entity submitting the application shall, after receipt of such funds, distribute an amount equivalent to 50% of the total funds obtained as a reward, which shall be divided equally among the other three entities.

Pursuant to the 2025 Cooperation Agreements, our Company shall directly collect the Total Annual Revenue. Of the Total Annual Revenue amount collected by us, (i) the pre-agreed fixed management fees, the revenue amount up to the Benchmark Revenue and the revenue-sharing entitlement attributable to our Company shall be recognized as our revenue, (ii) the fixed advertising fees and the revenue-sharing entitlement attributable to Yangzhou Media Co. shall be recognized as our revenue and accounted for as our cost of sales upon our payment to Yangzhou Media Co., and (iii) the revenue-sharing entitlement attributable to Gaoyou Tourism Investment Co. and Gaoyou Ancient Post City Management Co. shall be collected by us on their behalf and accounted for their revenue, any unsettled amount of which at the end of reporting period of our Company shall be recognized as other payables.

Pricing, Payment and Revenue Recognition

Our pricing for management service business segment is determined and agreed upon through arm's length negotiations with relevant counterparties by reference to prevailing market price, project scale and the scope of services to be provided for each projects. These projects not only contribute to our revenue but also enhance our reputation and attract future engagements across the tourism industry.

The detailed payment schedule is subject to the arm's length negotiation with relevant parties by reference to the prevailing market practice. We usually request the counterparty to make full payment of the pre-agreed fixed management fees by installments within period of the relevant service agreement. Pursuant to the Gaoyou City Cooperation Agreements, Gaoyou Tourism Investment Co. shall pay us (i) 50% of the first semi-annual amount of the total pre-agreed fixed management fees within one week after the date of the relevant service agreement, (ii) the remaining 50% of the first annual amount of the total pre-agreed fixed management fees within one week upon the lapse of the six months from the date of the relevant agreement, and (iii) for each of the second and third semi-annual installments, payment shall be made in the same manner and according to the schedules set out in (i) and (ii) as aforementioned.

In line with industry practice and the terms stipulated under each agreement, revenue derived from our management service business is recognised on a fixed-fee basis and is generally recognised based on the progress of performance obligations, taking into account key project milestones or the continuous provision of services over the contractual period. Specially: (i) the fixed pre-agreed annual management service fee is recognized on a straight-line basis over the contract period according to the progress of performance. (ii) the revenue drives from the revenue-sharing mechanism in the management services contract is recognized over time as services are rendered.

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Potential for Replication and Scalability

Our management business presents significant growth potential, fueled by booming tourism trends, and is inherently scalable and well-suited for replication across a broad spectrum of tourism and cultural assets. Looking ahead, with the governmental policy support on boosting the tourism economy and in particular the canal economy, scenic area owners and operators are increasingly seeking to differentiate themselves and elevate the quality of visitor experiences. In turn, we expect that the demand for tourist attraction entrusted management services will further increase. In addition, with the digital transformation of tourism industry, evolving visitor preferences and the increasing demand for sustainability, we expect that there will be a growing need for trending and practical solutions in terms of project planning, branding, marketing and operational excellence. We believe that through continuous innovation and expansion of our management capabilities, we are well positioned to capture new market opportunities, strengthen customer relationships, and drive long-term, sustainable growth for our entrusted management business. Our successful management of Gaoyou City Lake Tourism Resort demonstrates the effectiveness and replicability of our management business model, serving as a model for future management projects in other tourist attractions.

OUR CUSTOMERS

Overview

During the Track Record Period, (i) customers of our water sightseeing boat service business, as recognised in our financial statements, were (a) retail customers, including individual customers and group customers, who purchased our boat tickets directly through on-site box offices and self-service ticket machine as well as our self-owned WeChat Mini-program “Yangzhou Slender West Lake Water Tour (揚州瘦西湖水上遊)” by cash or electronic payment or indirectly through third party ticket sale channels including OTA platforms such as Meituan, Ctrip, Douyin and Tongcheng and collaborating hotels, and (b) corporate customers, including travel agencies and other corporate customers, by way of wholesale; (ii) customers of our sightseeing tour bus service business, as recognised in our financial statements, were retail customers who purchased our tour bus tickets on-site directly; and (iii) customer of our management service business which was Gaoyou Tourism Investment Co., the owner of Gaoyou City Lake Tourism Resort.

Top Five Customers

For the three years ended December 31, 2023, 2024 and 2025, our top five customers in each year accounted for approximately 7.0%, 7.5% and 6.1% of our total revenue for each period, respectively. Our largest customer accounted for approximately 4.9%, 5.1% and 3.9% of our revenue for each of the three years ended December 31, 2023, 2024 and 2025, respectively.

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The following tables summarize information about our five largest customers by revenue during each year of the Track Record Period:

For the year ended December 31, 2023

Ranking	Customer	Background	Services/products provided	Commencement of Relationship (Year)	Credit Term	Payment Method	Revenue RMB'000	% of Total Revenue
1	Gaoyou Tourism Investment Co.	A state-owned owner and operator of tourist attractions with focus on the their investment, development, and management of tourist attractions	Management services to Gaoyou City Lake Tourism Resort	2022	7 days	bank transfer	5,343	4.9
2	Customer E	A private ticket agency company	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2019	—	bank transfer	975	0.9
3	Customer F	A private travel agency	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2020	—	bank transfer	521	0.5
4	Customer G	A private travel agency	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2023	—	bank transfer	450	0.4
5	Customer H	A private trading company	Advertising and marketing services by playing promotional videos inside the cabins and displaying illuminated advertisements on the exterior sides of two water sightseeing boats operating in the Ancient Canal Area	2023	—	bank transfer	377	0.3
TOTAL							7,666	7.0

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For the year ended December 31, 2024

Ranking	Customer	Background	Services/products provided	Commencement of Relationship (Year)	Credit Term	Payment Method	Revenue RMB'000	% of Total Revenue
1	Gaoyou Tourism Investment Co.	A state-owned owner and operator of tourist attractions with focus on the investment, development, and management of tourist attractions	Management services to Gaoyou City Lake Tourism Resort	2022	7 days	bank transfer	5,718	5.1
2	Customer G	A private travel agency	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2023	—	bank transfer	889	0.8
3	Customer E	A private travel agency	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2019	—	bank transfer	827	0.7
4	Customer F	A private travel agency	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2020	—	bank transfer	692	0.6
5	Customer I	A private service provider of radio and television program production, marketing planning, advertising services, and cultural event organization	Advertising and marketing services by playing promotional videos inside the cabins and displaying illuminated advertisements on the exterior sides of two water sightseeing boats operating in the Ancient Canal Area	2024	7 days	bank transfer	340	0.3
TOTAL							8,466	7.5

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For the year ended December 31, 2025

Ranking	Customer	Background	Services/products provided	Commencement of Relationship (Year)	Credit Term	Payment Method	Revenue RMB'000	% of Total Revenue
1	Gaoyou Tourism Investment Co.	A state-owned owner and operator of tourist attractions with focus on the investment, development, and management of tourist attractions	Management services to Gaoyou City Lake Tourism Resort	2022	7 days	bank transfer	3,343	2.4
2	Customer G	A private travel agency	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2023	—	bank transfer	1,077	0.8
3	Customer J	A private travel agency	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2023	—	bank transfer	956	0.7
4	Customer K	A private travel agency	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2019	—	bank transfer	529	0.4
5	Customer E	A private travel agency	(i) Boat and tour bus tickets for the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area, and (ii) boat and tour bus tickets and the entrance tickets for Gaoyou City Lake Tourism Resort	2015	—	bank transfer	437	0.3
TOTAL							6,342	4.6

During the Track Record Period, all of our five largest customers in each year were independent third parties of the Group. None of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our total registered share capital immediately following the completion of the [REDACTED]) has any interest in any of our five largest customers during the Track Record Period that is required to be disclosed under the Listing Rules.

OUR SUPPLIERS

Overview

During the Track Record Period, our suppliers primarily consisted of (i) third party dispatched employee service providers, from whom we engaged dispatched employees for our business operation, (ii) boat manufactures, from whom we also procured boats for our water sightseeing boat service business, and (iii) suppliers of fuel. All materials provided by our suppliers and services procured must comply with the quality control requirements.

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Top Five Suppliers

For the three years ended December 31, 2023, 2024 and 2025, our purchases from our five largest suppliers in aggregate in each period accounted for approximately 56.9%, 84.1% and 59.1% of our total purchases for the same period, respectively. Our purchases from our largest supplier in each period accounted for approximately 28.8%, 49.4% and 28.7% of our total purchases for the same period, respectively.

The following tables summarise information about our five largest suppliers by purchase amount during the Track Record Period:

For the year ended December 31, 2023

Ranking	Supplier	Background	Services/products procured	Commencement of Relationship (Year)	Credit Term	Payment Method	Purchase Amount RMB'000	% of Total Purchase
1	Supplier A	A private company and a service provider of dispatched employee service and property management service	Dispatched employee service	2020	—	Bank transfer	6,612	28.8
2	Supplier D	A private boat manufacturing company	One imitation antique steel leisure boat	2023	14 days	Bank transfer	1,750	7.6
3	Shugang-Slender West Lake Administrative Committee	A governmental body supervising the overall operation of the Shugang-Slender West Lake Scenic Area	Exclusive operation right fees for operating water sightseeing boats and tour buses	2015	—	Bank transfer	1,652*	7.2
4	Supplier B	A state-owned producer and supplier of oil and petrochemical products	Diesel, gasoline, and other fuels for boats	2020	—	Bank transfer	1,541	6.7
5	Supplier E	A private boat manufacturing company	60 self-driving boats	2017	—	Bank transfer	1,513	6.6
TOTAL							13,068	56.9

* Represents the license fees of RMB1,452.0 thousand for operating water sightseeing boats within the Shugang-Slender West Lake Scenic Area for the year under the 2015 Concession Agreement; and the license fees of RMB200.0 thousand for operating sightseeing tour buses for the Designated Tour Routes within the Shugang-Slender West Lake Scenic Area for the year of 2022 under the 2022 Concession Agreement. For further details on the license fees, see “Water Sightseeing Boat Service Business — Exclusive Operation Rights — Exclusive operation right within the Shugang-Slender West Lake Scenic Area” and “Sightseeing Tour Bus Service Business — Exclusive Operation Right, Service Area and Designated Tour Routes.”

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For the year ended December 31, 2024

Ranking	Supplier	Background	Services/products procured	Commencement of Relationship (Year)	Credit Term	Payment Method	Purchase Amount RMB'000	% of Total Purchase
1	Yao Youguang	A private company specializing in stage engineering, commercial performances, and provision of lighting services	Performance planning services, as well as equipment supply and installation, for the Grand Canal Yangzhou night show	2024	—	Bank transfer	45,435	49.4
2	Supplier F	A state-owned boat manufacturing company	One modern yacht	2017	—	Bank transfer	12,115	13.2
3	Supplier G	A private boat manufacturing company	20 premium eco-friendly painted leisure boats	2023	—	Bank transfer	11,217	12.2
4	Supplier A	A private company and a service provider of dispatched employee service and property management service	Dispatched employee service	2020	—	Bank transfer	6,846	7.4
5	Supplier H	A private construction company engaged in all types of construction projects and the installation, modification, and repair of special equipment	Construction service for the Baozhang Lake landscape lighting project	2024	14 days	Bank transfer	1,743	1.9
TOTAL							77,356	84.1

For the year ended December 31, 2025

Ranking	Supplier	Background	Services/products procured	Commencement of Relationship (Year)	Credit Term	Payment Method	Purchase Amount RMB'000	% of Total Purchase
1	Supplier E	A private boat manufacturing company	One modern yacht	2017	—	Bank transfer	10,095	28.7
2	Supplier A	A private company, dispatched employee services and property management service	Dispatched employee services	2020	—	Bank transfer	4,825	13.7
3	Supplier J	A private service provider of landscape enhancement	Landscape enhancement service	2024	—	Bank transfer	2,583	7.3
4	Supplier I	A private service provider of performance-related services, including performance brokerage and commercial performance services	Providing performers for the Grand Canal Yangzhou night show	2024	7 days	Bank transfer	1,830	5.2
5	Yangzhou Radio and Television Station	A public institution established by Yangzhou Government, serving as a key local media outlet, providing professional publicity and media promotion services	Publicity and media promotion service	2025	—	Bank transfer	1,462	4.2
TOTAL							20,795	59.1

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During the Track Record Period, except for Yao Youguang, all of our five largest suppliers in each year were independent third parties of the Group. None of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our total registered share capital immediately following the completion of the [REDACTED]) has any interest in any of our five largest suppliers during the Track Record Period that is required to be disclosed under the Listing Rules.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, we had seven customers who were also our suppliers, namely, (i) Slender West Lake Administration Office, to whom we directly sold tickets for water sightseeing boats and from whom we purchased entrance tickets to the Slender West Lake Scenic Area and tour guide services, (ii) Yangzhou Ge Yuan Management Office* (揚州市個園管理處), to whom we directly sold tickets for water sightseeing boats and from whom we purchased entrance tickets to Ge Yuan and tour guide services, (iii) Company Y, to whom we directly sold tickets for water sightseeing boats and from whom we procured wellness retreat services for our current outstanding employees, (iv) Yangzhou Chuyouqi Trading Co., Ltd.* (揚州楚悠啟貿易有限公司), to whom we charged service fees in proportionate to their sales amount derived from operating beverage vending machines at the wharf operated by us and from whom we purchased bottled water and drinks for resale, (v) Company Z, to whom we directly sold tickets and provided chartered water sightseeing boat services for its customers which are mainly visitors or travelers and from whom we procured travel ticket reservation services for business trips of our employees, (vi) Customer I, one of our top five customers in 2024, to whom we provided advertising and marketing services by displaying illuminated advertisements on the exterior sides of two water sightseeing boats operating in the Ancient Canal Area and from whom we purchased advertising boards for our marketing and promotional activities, and (viii) Supplier E, one of our top five suppliers in 2023 and 2025, from whom we purchased 60 self-driving boats in 2023 and one modern yacht in 2025 and to whom we provided marketing services such as setting up advertising booth at exhibition events to it. Our Directors confirmed that the sales and purchases with the overlapping customers and suppliers during the Track Record Period were not connected nor conditional upon each other.

The total revenue from these seven overlapping customers and suppliers amounted to RMB209.7 thousand, RMB412.5 thousand and RMB146.6 thousand in 2023, 2024 and 2025, accounting for approximately 0.2%, 0.4% and 0.1% of our total revenue for the relevant periods, respectively. The total purchases from these seven overlapping customers and suppliers amounted to (i) RMB8.8 thousand in 2023, accounting for less than 0.1% of our total purchases for the same year, (ii) RMB80.1 thousand in 2024, accounting for approximately 0.1% of our total purchases for the same year, and (iii) RMB10,101.7 thousand in 2025, accounting for approximately 28.7% of our total purchases for the same year. The gross profits from these overlapping customers and suppliers amounted to RMB200.9 thousand and RMB332.4 thousand in 2023 and 2024, and the gross loss from these overlapping customers and suppliers amounted to RMB9,955.1 thousand in 2025, accounting for approximately 0.2%, 1.7% and 12.1% of our total gross profits the relevant periods, respectively. Gross profit/(loss) is calculated based on revenue minus purchase.

The gross profit margins of our sales of water sightseeing boat services and provision of services to the seven overlapping customers and suppliers were approximately 95.8% and 80.6%, respectively, in 2023 and 2024. As our revenue derived from sales of water sightseeing boat services and provision of services to the seven overlapping customers and suppliers was significantly lower than the total purchases made from them in 2025, which result in gross loss, therefore, the relevant gross margin is negative and is not a meaningful ratio. The gross profit margins of our sales of water sightseeing boat services and provision of services to other customers were approximately 78.9%, 16.9% and 82.2%, respectively, in 2023, 2024 and 2025. The gross profit margins of our sales of water sightseeing boat services and provision of management services to the seven overlapping customers and suppliers were calculated based on hypothetical gross profit which represents the differences between (i) the revenue derived from sales of water sightseeing boat services and provision of services to and (ii) the purchase

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amount from the relevant overlapping customer/supplier. The purchases from relevant overlapping customer/supplier are of different nature from sales of water sightseeing boat services and provision of management services and such purchases are of small amount as compared to our revenue derived from the same overlapping customer/supplier, such as short-period offering of dining services, advertising board design services out of sporadic or temporary needs and small amount of service fees paid for travel ticket reservation services.

The seven overlapping customers and suppliers include (i) Supplier E, one of our top five suppliers in 2023 and 2025, was also a customer of our Company in relation to our provision of marketing services such as setting up advertising booth at exhibition events to it, and (ii) Customer I, one of our top five customers in 2024, was also a supplier of Company in relation to supply of advertising boards to us. Details of the transactions with Gaoyou Tourism Investment Co., and Customer I are set out below:

Supplier E

For the year ended December 31, 2025

Revenue from Supplier E (RMB'000)	70
As a percentage (%) of our total revenue	—*
Purchase from Supplier E (RMB'000)	10,095
As a percentage (%) of our total purchase	28.7
Gross loss from Supplier E (RMB'000)	10,025
As a percentage (%) of our total gross profit	12.2

Customer I

For the year ended December 31, 2024

Revenue from Customer I (RMB'000)	340.0
As a percentage (%) of our total revenue	0.3
Purchase from Customer I (RMB'000)	9.3
As a percentage (%) of our total purchase	—*
Gross profit from Customer I (RMB'000)	330.7
As a percentage (%) of our total gross profit	97.3

* less than 0.1%

** Gross profit/(loss) is calculated based on revenue minus purchase.

Negotiations of the terms of our boat ticket sales or the provision of management services and advertising services to and purchases from those customers were conducted on an individual basis and the sales and provision of management services were neither inter-connected nor interconditional with each other. Our Directors also confirmed that the terms and the pricing policies of transactions with those customers are in line with normal commercial terms and similar to those transactions with our other customers and suppliers on the basis that (i) we are experienced and have good understanding of the water-based tourism industry as well as the broader tourism industry and therefore we are knowledgeable of the commercial terms adopted by most market players and are capable of identifying that the terms and pricing policies are in line with normal commercial terms, (ii) with respect to supplier engagement, we generally conduct public tender process as part of our supplier selection process and where public tender is not required, we will directly negotiate with the relevant suppliers, and we will compare the commercial terms of proposed suppliers of similar background in making the selection, and (iii) with respect to transactions with customers, for water sightseeing boat service, the commercial

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terms are the same and non-negotiable and for management services, commercial terms are heavily negotiated, customers may be in negotiations with our competitors, which ensures that the commercial terms are normal and in line with market practice.

PROCUREMENT MANAGEMENT

We strive to obtain high quality supplies from reliable sources at reasonable prices. We primarily procure hardware and facilities (including sightseeing boats, marine accessories, and cabin seating), engineering services (such as development of waterway tours and dock maintenance projects), fuel (diesel and gasoline), and various services (including dock security services).

We have established a procurement system to implement a multi-tier approval system for all purchase orders where a procurement order needs to be approved first by department head and responsible principal and then shall be submitted to our general manager. Authorisation levels are clearly defined, with higher value transactions of RMB40,000 or above subject to enhanced approval procedures and management oversight. Purchase order with procurement budget (i) at or above RMB50,000 shall be discussed and approved by the Board, (ii) at or above RMB8,000 per unit or RMB40,000 for bulk purchase shall be subject to market research process, and (iii) at or above RMB300,000 shall be subject to a public tender process. We typically have multiple suppliers for each category of suppliers to minimize any potential disruption in our operations, maintain sourcing stability, avoid over-reliance risk, and secure competitive prices from suppliers.

Supplier selection and quality control

Our Group is committed to sourcing high-quality products and services from reliable and reputable suppliers to support our continued growth and operational excellence. We have established a comprehensive supplier selection and evaluation framework to ensure transparency, competitiveness and adherence to industry-leading standards.

We do not maintain a list of qualified suppliers. Instead, our selection of suppliers is governed by a rigorous and structured process. Based on estimated value of goods or services, we have two different supplier selection procedures. For procurement of goods or services with an estimated value of RMB300,000 or above, supplier selection is conducted through a formal public tender process, ensuring that supplier selection is based on competitive bidding and objective evaluation criteria. For procurement of goods or services with an estimated value below RMB300,000, suppliers are identified and selected through a rigorous market research and comparison process, promoting cost-effectiveness and suitability.

We also implemented a strict supplier selection protocol, under which all potential suppliers must undergo a thorough qualification review, which includes verification of business licenses, financial statements and compliance documentation as well as examination on company history and records via public credit and business information platforms. For major suppliers, we also undertake site visits and on-site inspections. Where necessary, industry-specific verification is carried out, such as ensuring that boat manufacturers possess valid vessel manufacturing-grade professional qualifications.

We maintain stringent technical and quality requirements tailored to each category of procurement. For example, for on-boat furniture, we require the use of non-spliced ingia wood, mortise and tenon construction techniques and natural lacquer finishes to ensure durability and authenticity.

We are dedicated to improving our supplier selection and quality control procedures on ongoing basis through regular internal reviews and benchmarking against leading industry practices. Supplier performance is evaluated on an annual basis and such evaluation includes both quantitative scoring and qualitative assessments. Based on performance, suppliers are classified into four categories: “A” (excellent), “B” (good), “C” (qualified), and “D” (unqualified). The allocation of procurement volume for the subsequent year is adjusted according to these categories, and unqualified suppliers are eliminated from our supplier pool. Suppliers who fail to meet the requisite standards we set are required to take immediate remedial actions within a specified period and persistent non-compliance will result in the supplier being disqualified and removed from our supplier pool. Through adhering to our

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commitment to improving supplier selection and quality control management, we want to continuously foster transparency, operational excellence and ethical conduct throughout our supplier selection processes and quality control management.

Supplier management

We had 405, 437 and 411 suppliers as of December 31, 2023, 2024 and 2025, respectively. On average, we have approximately three years of business dealings with our major suppliers.

We seek to establish long-term strategic relationships with key suppliers to enhance supply chain stability and cost optimization. Through competitive bidding and tendering mechanisms, we are able to maintain our competitive position and secure advantageous terms with suppliers. We typically have three to five suppliers for each category of suppliers to minimize any potential disruption in our operations, maintain sourcing stability, avoid over-reliance risk and secure competitive prices from suppliers. We also adopt centralised procurement where appropriate and practicable, allowing us to benefit from bulk purchase discounts. We also established a supplier evaluation mechanism where suppliers fail to meet the requisite standards we set, they are required to take immediate remedial actions within a specified period. Suppliers who remain non-compliant are considered disqualified and will be removed from our supplier pool.

During the Track Record Period, we did not experience any interruption in our supply of products or services, early termination of supply agreements or failure to secure sufficient quantities of supplies that had any material adverse impact on our business or results of operations.

Our suppliers generally offer us a credit term up to 14 days. We typically settle trade payable obligations with respect to our suppliers through bank transfers.

Price management

We manage our prices by closely monitoring market price fluctuations. We also implement certain measures to control our purchase costs, such as (i) conducting market researches and obtaining fee quotes from at least three suppliers in the event that the estimated procurement amount is at or above RMB8,000 per unit or at or above RMB40,000 for bulk purchase, (ii) in the event that the estimated procurement amount is at or above RMB300,000, a formal tender process must be initiated with accurate procurement requirements and evaluation criteria; and (iii) entering into framework agreements with certain suppliers to secure sufficient supplies at agreed price. Moreover, we believe we are able to obtain favorable prices from suppliers as we generally conduct centralized procurement in large volumes. As is customary in our industry, we typically do not pass any short-term price increases of our supplies to guests.

Anti-bribery Measures

We have set forth strict guidelines against engaging in bribery and creating circumstances which may create a conflict of interest between us and our employees. In addition, we have a set of anti-bribery internal procedures. For example, all of our agreements with suppliers have incorporated anti-bribery terms and we may terminate our cooperation with the supplier if it violates any relevant laws or regulations or fail to report incident of bribery involving such supplier. We have also implemented a whistle-blower program under which employees will report instances of bribery or kickbacks directly to our discipline inspection and supervision office. As of December 31, 2025, our discipline inspection and supervision office had two employees and their principal responsibilities are supervising and auditing our operations and financial matters, and assisting with our internal inspections. The discipline inspection and supervision office implements internal anti-corruption policies, investigates relevant allegations and takes disciplinary actions when necessary. The multi-tier procurement system also enables us to limit the number of employees with the authority to select suppliers and thus to increase effectiveness of our internal control measures.

We have established a procurement center, which is consisted of two employees who are specialists responsible for our procurement and selection of suppliers. The two employees at the procurement center shall collaborate with employees from relevant business and financial departments to conduct market researches on the supplier candidates, on-site visits (where necessary), and make recommendations to the Board for determination. Our Directors are of the view that (i) assigning

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supplier selection responsibilities to a group of designated employees, including the two employees at the procurement center, who must act jointly with relevant business and financial departments and cannot make unilateral decisions, significantly mitigates the risk of bribery by eliminating the risk of single employee colluding with suppliers and requiring consensus between them, (ii) with only two employees representing the procurement center and collaborating with relevant business and financial departments to handle supplier selection matters, any anomalous transaction can be rapidly traced, which in turn facilitated alleged bribery investigation, and such concentrated responsibility also increases the cost and risk associated with any fraudulent behaviour, thereby serving as a deterrent. Accordingly, our Directors are of the view that the separation of selection authority and decision-making power in terms of supplier selection ensures that the two procurement employees do not have dominant influence over the supplier selection outcome for individual interest, thereby mitigating the risk of suppliers to offer bribes; and in addition, we also required clear documentation, rigorous traceability, and robust compliance framework in the supplier selection process to provide additional safeguards, which, together with our supplier selection and quality control mechanism, establishing an effective mechanism for deterring and preventing bribery in the procurement process. No other employee has the authority to select suppliers. During the Track Record Period and up to the Latest Practicable Date, there was no kickback arrangement with any of our suppliers.

Procurement procedure

We have established a comprehensive procurement procedure to ensure the quality, quantity, pricing, delivery, inspection and acceptance of goods and services required for our business operations. The procurement process is designed to ensure transparency, compliance with internal controls, and the safeguarding of our interests in accordance with industry practices and applicable laws and regulations.

The following outlines the principal steps involved in our procurement process:

- *Step 1:* the relevant procurement business or functional department submits a request for procuring goods or services, specifying requirements in terms of quality, quantity, delivery period and other relevant criteria.
- *Step 2:* the procurement request is reviewed and approved within defined authority limits by the designated department head and responsible principal(s).
- *Step 3:* with the department level approval, the procurement request shall then be submitted to our principal officers, Ms. Xu Shumei (executive Director and chairman of the Board) and Mr. Lian Gang (executive Director) for consideration and approval. For procurement request for a budget of RMB40,000 or above, such procurement request shall then be submitted to the chairman of the Board for consideration and approval.
- *Step 4:* upon receipt of the requisite approvals, the procurement centre initiates and conducts the procurement process in accordance with our procurement policy, including but not limited to supplier selection, contract negotiation and purchase order placement.
- *Step 5:* when goods or services are delivered, relevant departments shall conduct inspection on the quantity and quality of goods or services; and where necessary, such as critical projects, third-party inspection or audit firms may be engaged to participate in the inspection and acceptance process.

Handling disputes with suppliers

In the event of disputes arising with suppliers, we typically undertake a structured approach which includes promptly collecting relevant evidence such as contracts, invoices and inspection reports, followed by formal written communication to notify the supplier of the issues identified and to propose specific remedial actions within a reasonable timeframe. Should such negotiations fail to reach a satisfactory resolution, we may seek third-party mediation through industry associations or relevant administrative authorities. Where disputes remain unresolved, we may seek recourse through arbitration or legal proceedings in accordance with the terms of the relevant procurement contract. We also conduct internal review of procurement processes to identify the underlying causes of disputes and implements remedial measures as appropriate to mitigate recurrence and any adverse impacts on our business

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operations and financial results. During the Track Record Period and up to the Latest Practicable Date, we had not had any material disputes with our suppliers which have adverse impacts on our business operations or financial results.

DATA PRIVACY AND PERSONAL INFORMATION PROTECTION

In the ordinary course of our business, we collect certain personal information of our customers. For instance, during the processes of ticket purchase, ticket verification, and post-sales services provided to customers, we collect customers’ names, phone numbers, and ID numbers for the purpose of facilitating ticket purchase and validation process, verifying their identities, and enabling communication with them. When customers need us to issue invoices, we collect customers’ invoice issuance information along with their email addresses or phone numbers for the purpose of issuing and delivering invoices to them. See “Risk Factors — Risks Relating to Our Business and Industry — The PRC laws and regulations concerning cybersecurity and data protection are continuously evolving. Failure to comply with all applicable laws and regulations could harm our reputation, business, financial condition and results of operations and our [REDACTED] and [REDACTED] may be impeded”. We implement strict confidentiality measures by assigning data access permissions for customer information storage systems based on our employees’ job roles and responsibilities. In addition, we have formulated multiple internal management policies related to data privacy and personal information protection, including the Cyber Security Management Policy, Data Security Management Policy, Personal Information Protection Management Policy, and Emergency Response Plan for Data Security Incidents. Among these, the Cyber Security Management Policy applies to our network security compliance management activities. It specifies our Company’s cybersecurity management mechanism, mainly covering computer virus prevention management, classified medium management, computer room management, data and information security management, and asset and equipment management. The Data Security Management Policy governs our data processing activities and sets forth security requirements to be followed during data collection, storage, use, sharing, destruction, and transmission. The Personal Information Protection Management Policy applies to our personal information processing activities. It mainly clarifies the security requirements for personal information processing from dimensions such as compliance management of personal information processing activities, protection of the rights of personal information subjects, classification and grading of personal information, and management of personal information interaction with third parties. The Emergency Response Plan for Data Security Incidents is designed to mitigate the impact of data security incidents and applies to our response work to data security incidents. It mainly sets out the classification standards for data security incidents and the emergency response procedures that our Company shall adopt in the event of a data security incident. All the above policies have been adopted and implemented across all aspects of our Company’s business operation. We also require employees with access to customers’ personal information to comply with these policies. From a technical standpoint, we adopt technical measures such as secure password protection, login authentication, access control, and operation log retention to ensure data privacy and personal information security.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material incident of data leakage, data loss or breach incidents. Our PRC Legal Adviser is of the view that, as of the Latest Practicable Date, we have been in compliance with the relevant PRC laws, rules and regulations relating to cybersecurity and data protection in all material aspects on the basis that (i) we had implemented comprehensive cybersecurity and data protection policies, procedures and measures to ensure secured storage and use of data, and prevent unauthorised access or use of data; (ii) we had not been subject to any material fines or administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities for violation of cybersecurity and data protection laws, rules and regulations; (iii) there had been no material cybersecurity and data protection incidents or infringement upon the rights of any third parties, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of the knowledge of our Directors, threatened against or relating to us; and (iv) we did not experience any material leakage of data, any material breach of confidential business data or violation of cybersecurity and data protection and privacy.

INTELLECTUAL PROPERTIES

We rely on a combination of trademark and other intellectual property laws as well as confidentiality agreements with our suppliers, customers and others to protect our intellectual properties. As of the Latest Practicable Date, we had 24 registered trademarks in China, which are material to our

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business. For details of our intellectual property portfolio, see “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of the Group.”

During the Track Record Period and up to the Latest Practicable Date, our Directors and the PRC Legal Adviser both confirmed that, so far as they were aware, there was no material violation or infringement of any intellectual property rights owned by us or by any third parties, and we were not aware of any threatened material proceedings or claims relating to intellectual property rights against us. As further advised by our PRC Legal Adviser, there was no material violation or infringement of, or any material proceedings or claims relating to, intellectual property rights owned by us or by any third parties during the Track Record Period and up to the Latest Practicable Date. Moreover, despite our best efforts, we cannot be certain that third parties will not infringe or misappropriate our intellectual property rights or that we will not be sued for intellectual property infringement. See “Risk Factors — Risks Relating to Our Business and Industry — Our business depends on our ability to protect our intellectual property rights, and we may be exposed to intellectual property infringement and other claims by third parties, which, if successful, could cause us to pay significant damage awards and incur other costs.”

COMPETITION

The water-based tourism market in China is characterised by a dynamic and competitive landscape, driven by several key factors. With the increasing national disposable income and evolving consumer preferences, there is a notable shift towards cultural and immersive travelling experiences. Major market players, like us, are able to leverage unique local historical and cultural elements to create diverse service offerings, including a diverse selection of water-based sightseeing boat tours with a wide range of value-added “Boat+” and chartered boat services such as on-boat dining experience as well as the innovative Grand Canal Yangzhou night show and convenient sightseeing tour buses. The growth is further fueled by supportive government policies and technological advancements, enhancing visitor engagement. Nonetheless, we face competition from market players of similar scale, who may bring innovative services to their core sightseeing business which may have intensified market competition, positioning the water-based tourism market in China for significant expansion. According to Frost & Sullivan, it is projected that the revenue of water-based tourism service market in China will reach approximately RMB18.8 billion by 2029, reflecting a CAGR of approximately 13.0% from 2024; and the revenue in the water-based tourism service market in Jiangsu is projected to reach RMB975.6 million by 2029, representing a CAGR of 8.5% from 2024. See “Industry Overview — Water-based Tourism Service Market Overview in China and Jiangsu Province — The Market Size of Water-based Tourism Service in China and in Jiangsu Province” in this document for details.

Despite the above, our Directors consider that our core water sightseeing boat service business with track record can differentiate ourselves and tap into growth opportunities in the water-based tourism sector and the broader cultural tourism market.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

We are committed to complying with applicable national, municipal and local laws and regulations governing environmental protection, labour management, health and safety, business ethics and other relevant areas. Concurrently, we are developing ESG policies in accordance with Appendix C2 of the Listing Rules, which will cover, among others, (i) ESG policies and performance, (ii) ESG strategy, and (iii) ESG risk management and monitoring.

Our Board of Directors acts as the highest authority and decision-making body for the Group’s ESG management and related matters, assuming ultimate responsibility for the Group’s ESG targets, initiatives and strategy. In addition, we encourage our directors to participate in ESG-related training, including organizing internal training sessions, providing relevant learning materials for their

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professional development, and arranging other appropriate learning formats. These efforts are designed to develop and update their knowledge and skills, thereby enhancing the Board members’ ESG awareness and response capabilities, as well as keeping them informed of the latest developments in ESG-related risks and opportunities.

Materiality Assessment

To understand the scope and long-term impact of ESG issues on our operations and development, and to enhance our ESG management and disclosure, we conduct materiality assessments. These assessments integrate our business realities, industry trends, national macroeconomic conditions, and regular stakeholder engagement, identifying potential material issues that may impact the Group’s business or stakeholders. We conduct a materiality assessment of issues from the three dimensions of environment, social and governance, forming a materiality matrix. Issues with scores ranking in the top 20% based on the assessment results were selected as material issues. Through this process, we identify material ESG issues for the Group and prioritize them in implementing our sustainability values and goals.

ESG Goals

We focus on areas such as business ethics, environmental responsibility, sustainable supply chain, social responsibility and community engagement, and we intend to put our efforts in the following directions and goals:

- (i) Business ethics: we are committed to preventing corruption through a robust business ethics management framework, encompassing policies, regular anti-corruption training for all employees.
- (ii) Environmental responsibility: we will continuously strive to enhance our resource utilization efficiency, reduce our own carbon emissions, and increase resource recycling rates.
- (iii) Social responsibility: recognizing employees as invaluable assets, we are dedicated to safeguarding their rights-including workplace safety and health, competitive remuneration, comprehensive welfare programs, and initiatives to boost engagement and satisfaction.
- (iv) Sustainable supply chain: we aim to build a sustainable supply chain by optimizing our management systems and requiring suppliers to fulfill ESG obligations in areas such as labor practices, environmental protection, privacy safeguards, business ethics, and occupational health and safety.
- (v) Community engagement: we are committed to increasing investment in public welfare initiatives to contribute positively to society.

Business ethics

Our Group has long attached great importance to anti-corruption management, recognizing it as a cornerstone for the healthy, stable, and sustainable development of the enterprise. We have incorporated anti-corruption clauses into key documents, embedding anti-corruption principles into all aspects of corporate operations and employees’ daily work.

In addition to multi-channel publicity and education initiatives such as showing warning education videos to all employees and organizing integrity culture courses, we have innovatively launched the “Canal Breeze” (運河清風) integrity culture study tour route, with the canal as the spiritual link and water sightseeing boats as the unique carrier. This enables all employees to deeply understand the significance of anti-corruption work to the development of the enterprise, fostering a strong integrity culture within the Group and creating a positive atmosphere where everyone participates and abides by the rules.

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During the Track Record Period and up to the Latest Practicable Date, we ensured compliance with all relevant PRC laws and regulations.

Environmental responsibility

As an enterprise providing tourism services, our operational activities have relatively limited environmental impact. However, we fully recognize the growing societal emphasis on environmental protection. Accordingly, we strictly adhere to PRC environmental laws and regulations and implement robust environmental protection measures.

Response to climate change

Our Group is acutely aware that climate change presents complex challenges, with potential significant impacts on society and our day-to-day operations. Environmental and climate-related risks may expose us to financial losses and non-financial setbacks. Identifying both existing and potential risks to our business, and proactively managing and responding to them, is therefore critical to our sustainable development. Such risks primarily include:

- (i) Physical risks: Arising from the direct impacts of climate change, including acute extreme events such as floods, typhoons, and droughts, as well as chronic changes like long-term temperature rise and sea-level elevation, which may directly affect the canal’s hydrological ecology and infrastructure.
- (ii) Transition risks: Involving changes in policies and regulations, market dynamics, and reputation, which may require our Group to allocate more resources to climate change mitigation and adaptation. Increasingly stringent regulatory requirements and the market trend toward sustainable development will prompt us to raise compliance costs and advance green consumption upgrading to maintain competitiveness and reputation.

To address climate-related risks, our Group has formulated documents including the Extreme Weather Emergency Plan and Work Arrangements Under Special Weather Conditions. These documents clarify the responsibilities of various departments under extreme weather conditions, detail warning levels, response measures, disposal procedures, support measures, and training requirements, and establish corresponding management measures to ensure employee safety.

During the Track Record Period and up to the Latest Practicable Date, we have not incurred any material capital expenditures or compliance costs related to climate and environmental protection due to violations of environmental laws and regulations. If there are any changes to the existing laws or regulations, we may be required to comply with more stringent compliance requirements and incur additional costs in the future.

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Set forth below is a summary of the climate-related risks we have identified, their potential impact on business and financial performance, and the mitigating measures we have taken or plan to take:

Climate-related risk Categories	Climate-related risk Descriptions	Time impact	Potential impact on business performance	Potential impact on financial performance	Mitigating measures
Acute physical risk	Boat suspension due to heavy rains and floods.	Short-term (1–3 years)	Temporary closure of routes due to extreme weather events will lead to an increase in customer complaints.	During the suspension period, ticket and catering revenues will decrease.	Develop digital tour alternatives for the canal; sign insurance agreements with insurers to secure compensation upon suspension.
Policy and legal transition risk	New regulations on boat carbon emissions take effect.	Short-term (1–3 years)	In accordance with new regulatory requirements, high-emission boats must be phased out and replaced with electric ones, otherwise, we will face policy penalties.	Converting high-emission boats to electric ones will incur costs.	Apply for “green shipping subsidies” and implement phased retrofits.
Chronic physical risk	Diminished tourism value due to canal ecological degradation.	Medium-term (4–9 years)	Deterioration of water quality will affect the travel experience, leading to a decline in tourists’ revisit rate.	A reduction in tourist numbers will impact ticket revenues.	Collaborate with environmental protection authorities to plant water-purifying vegetation.
Market transition risk	Carbon neutrality certification becomes a bidding threshold.	Medium-term (4–9 years)	Failure to obtain carbon neutrality certification will result in the loss of orders.	Completing carbon neutrality certification will lead to an increase in carbon accounting costs.	Establish a canal tourism carbon account and purchase local carbon credits to achieve route carbon neutrality.

Environmental Management Goals

China is committed to enhancing its Nationally Determined Contributions through the implementation of more stringent policies and measures, striving to peak carbon emissions before 2030 and achieve carbon neutrality before 2060. In response, the Group has formulated a series of goals aimed at aligning with national strategic directions, while enhancing market competitiveness and strengthening brand image.

Aspect	Our Goals
Greenhouse Gas Emissions	Reduce greenhouse gas emissions intensity by 5% by 2028, with 2024 as the base year.
Energy Management	Reduce energy consumption intensity by 5% by 2028, with 2024 as the base year.
Water Resource Management	Reduce water consumption intensity by 5% by 2028, with 2024 as the base year.
Waste Management	Reduce non-hazardous waste intensity by 5% by 2028, with 2024 as the base year.

In setting these goals, we have taken into account the respective historical levels during the Track Record Period and comprehensively considered our future business expansion, with a view to striking a balance between business growth and environmental protection and achieving sustainable development. To fulfill the goals, we have developed a series of specific energy conservation and emission reduction measures, which are detailed in the corresponding sections below.

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Greenhouse gas emissions

Our Group attaches great importance to greenhouse gas (GHG) emissions and is firmly committed to exploring effective emission reduction pathways. We have implemented a range of measures to minimize carbon emissions, such as: specifying standard temperature settings for air conditioners in summer and winter.

By comparing with the average values of comparable tourism service companies [REDACTED] on the Stock Exchange from FY2023 to FY2024, we found that our GHG emission intensity is lower than the industry average. The table below sets forth our GHG emissions during the Track Record Period:

GHG emission	Unit	Year ended 31 December		
		2023	2024	2025
Scope 1 Greenhouse Gas direct emission ^(Note1)	tonne CO ₂ e	1,414.88	1,315.41	1,525.23
Scope 2 Greenhouse Gas indirect emission ^(Note2)	tonne CO ₂ e	249.18	307.93	475.54
Scope 3 other Greenhouse Gas indirect emission ^(Note3)	tonne CO ₂ e	3.47	6.07	10.58
Total Greenhouse Gas Emissions	tonne CO ₂ e	1,667.53	1,629.41	2,011.35 ^(Note4)
Total Greenhouse Gas Emissions Intensity	tonne CO ₂ e/ million RMB of revenue	15.28	14.62	14.25

Notes:

1. Scope 1 direct emission includes the GHG emissions from our self-owned boats. Emissions factors refer to the HKEx — How to prepare an ESG Report Reporting Appendix 2: Reporting Guidance on Environmental KPIs and Technical Guidelines for Compiling Integrated Emission Inventories of Atmospheric Pollutants and Greenhouse Gases.
2. Scope 2 indirect emission primarily includes the GHG emissions from our usage of purchased electricity. The emission factor is referred from the database of IEA and Chinese average emission factor of the national power grid.
3. Scope 3 other indirect emission includes the GHG emissions from electricity for the treatment of water and wastewater, as well as emissions from flights taken for business travel.
4. By the end of 2024, the Dayun Yangzhou project entered operation, driving up both electricity and water consumption, which in turn resulted in an increase in GHG emissions.

Air pollutant management

Since our Group has no company-owned cars, our air pollutant emissions mainly stem from the operation of water sightseeing boats, with nitrogen oxides (NOx), sulphur oxides (SOx), and particulate matter (PM) as the main contaminants.

By comparing with the average values of comparable tourism service companies [REDACTED] on the Stock Exchange from FY2023 to FY2024, we found that our air pollutant emission intensity is lower than the industry average. The table below demonstrates a breakdown of our air pollutant emission generated from water sightseeing boats record during the Track Record Period:

Air pollutant emission	Unit	Year ended 31 December		
		2023	2024	2025
Nitrogen oxides (NOx)	tonne	8.65	8.04	9.32
Sulphur oxides (SOx)	tonne	0.31	0.29	0.33
Particulate matter (PM)	tonne	0.69	0.64	0.75

Waste management

We ensure all waste treatment activities fully comply with PRC laws and regulations, with safe and compliant handling guaranteed throughout the process.

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As our core business is tourism services, no hazardous waste is generated during operations. Non-hazardous waste mainly comprises ordinary office waste.

By comparing with the average values of comparable tourism service companies [REDACTED] on the Stock Exchange from FY2023 to FY2024, we found that our non-hazardous waste intensity is lower than the industry average. The table below sets forth a breakdown of the amount of waste generated during the Track Record Period:

Waste generation	Unit	Year ended 31 December		
		2023	2024	2025
Non-hazardous waste	tonne	212	255	297
Intensity of non-hazardous waste	tonne/million RMB of revenue	1.94	2.28	2.10

Use of resources

As a tourism service enterprise, all our resources are sourced from standardised supply channels. In terms of energy, the main energy consumption in our operations comes from gasoline and diesel used in water sightseeing boats; electricity supports daily operational activities; and water resources, relying on the municipal water supply system, are used for Scenic Area environment maintenance and employees’ daily needs in office buildings and canteens. Overall, the impact of our business activities on these resources is relatively limited.

The Group strictly complies with all relevant laws and regulations of the People’s Republic of China regarding resource management.

By comparing with the average values of comparable tourism service companies [REDACTED] on the Stock Exchange from FY2023 to FY2024, we found that our energy consumption intensity, electricity consumption intensity and water consumption intensity are lower than the industry average. The table below sets forth a breakdown of our energy and resource consumption during the Track Record Period:

Energy and resources consumption	Unit	Year ended 31 December		
		2023	2024	2025
Direct energy consumption	MWh	2,189.88	2,035.93	2,360.68
Direct energy consumption intensity	MWh/million RMB of revenue	20.07	18.27	16.72
Electricity consumption	MWh	447.52	553.03	854.06 ^(Note1)
Electricity consumption intensity	MWh/million RMB of revenue	4.10	4.96	6.05
Water consumption	tonne	3,237.00	3,555.00	12,872.00 ^(Note1)
Water consumption intensity	tonne/million RMB of revenue	29.67	31.90	91.16

Notes: By the end of 2024, the Grand Canal Yangzhou night show commenced operation, driving up both electricity and water consumption.

Social Responsibility

Employees are a vital asset to our Group, and their growth contributes significantly to our development. Guided by a people-oriented philosophy, we are committed to providing employees with fair and equitable opportunities, a healthy and safe working environment, and a democratic and harmonious corporate culture.

Employment

Our Group strictly complies with PRC laws and regulations governing compensation and benefits, dismissal procedures, equal opportunities, diversity and inclusion, and anti-discrimination. We enter into labor contracts with all employees to safeguard their legitimate rights and interests, ensuring that

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dismissal processes are lawful and compliant. Adhering to the principle of diversified employment, we implement a talent diversification strategy that respects and accommodates differences among employees in all aspects. In recruitment, remuneration, and promotion processes, factors such as skin color, nationality, gender, age, ethnicity, marital status, religious belief, and household registration are ensured to have no impact, fostering a work environment of mutual respect, understanding, and integration for employees from diverse cultural backgrounds. Additionally, we actively support the employment of persons with disabilities, providing suitable positions based on their abilities and needs.

We attach great importance to protecting employees’ rights and interests. In strict accordance with relevant regulations, we explicitly prohibit the use of child labor and forced labor, requiring all employees to be at least 18 years old upon hiring.

In terms of compensation and benefits, we comprehensively consider factors such as market standards, job value, employee performance, and skills, striving to provide employees with competitive remuneration packages, including: basic salary, performance bonus, annual bonus and various policy-based reimbursements.

Occupational Health and safety

Occupational Health and Safety (“OHS”) is a top priority in our operational management. We strictly adhere to all PRC laws and regulations governing labor protection, work safety, and occupational accident prevention, committed to creating a caring and dynamic work environment that prioritizes employees’ physical and mental well-being. To safeguard the health of all employees, we regularly organize comprehensive health check-up services.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material non-compliance issues and accidents with regard to occupational health and safety. Our health and safety data for the Track Record Period are listed out below:

	Year ended 31 December		
	2023	2024	2025
Number of work-related fatalities (<i>person</i>)	0	0	0
Number of work-related injuries	0	0	0
Lost days due to work injury (<i>day</i>)	0	0	0

Development and Training

We attach great importance to the career development and growth of talents, and have formulated the Regulations on Employee Education and Training (《員工教育培訓管理規定》).

Quality training is a key means to achieve employee development. We have established clear provisions on training plans, types, implementation, and effectiveness evaluation. Each year, we develop a comprehensive training program covering diversified formats such as centralized training, self-directed learning, external study visits, and online courses. Post-training assessments are conducted through written tests or oral defenses to scientifically measure employees’ learning outcomes. Our diversified and multi-level training system fully stimulates employees’ potential and enhances their professional capabilities.

Sustainable Supply Chain

We have formulated comprehensive internal policies for supply chain management and established an evaluation mechanism covering the entire lifecycle of suppliers. When selecting suppliers, we score them against standards covering technical capabilities, personnel qualifications, quality management systems, overall corporate capabilities, after-sales service, and physical product inspections. We require suppliers and outsourcers to provide relevant qualifications and certifications such as business licenses and production/operation permits, and give priority to partners with outstanding ESG management practices, including those with excellent customer service capabilities and stable production capacity.

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The introduction of new suppliers must go through on-site assessment and review, and they can only become officially qualified suppliers after passing the probationary evaluation. In terms of ESG, we conduct continuous monitoring of suppliers’ performance. We believe that a responsible enterprise must maintain consistent practices throughout the entire supply chain to jointly promote social harmony and environmental sustainability. Any quality issues will result in immediate disqualification. At the beginning of each year, the procurement department will formulate the Regulations on Regular Supplier Evaluation, different departments will assess suppliers on various aspects, including ESG and evaluators will identify underperforming suppliers in accordance with these regulations and require them to rectify.

Community Engagement

We have always been committed to public welfare initiatives and actively fulfilling our corporate social responsibility. During the Track Record Period, we accumulated a total of RMB 468,000 in public welfare investment. The funds were mainly used to provide targeted support to Yuyangqing Agricultural Products Sales Co., Ltd. in Hengshan District, Yulin City (榆林市橫山區榆揚情農產品銷售有限公司), through purchasing agricultural products from the company. In addition, the *Chuanniang* team of our company regularly visits and sponsors two impoverished children. Going forward, we will continue to giving back to society and contributing to building a harmonious and sustainable society.

PROPERTIES

Owned Properties

As of the Latest Practicable Date, we owned two properties in the PRC, details of which are set out below:

No.	Location	Landlord	Usage	Approximate GFA ^{Note} (sq.m.)
1.	Portion of Jingxiang Garden, Dahongqiao Road, Yangzhou, Jiangsu Province (江蘇省揚州市大虹橋路靜香園部分)	Our Company	Leased to independent third party for commercial use	518
2.	Portion of Jingxiang Garden, Dahongqiao Road, Yangzhou, Jiangsu Province (江蘇省揚州市大虹橋路靜香園部分)	Our Company	Leased to independent third party for commercial use	176

Note: The GFA for each of our owned properties is measured on the total area of building area.

As of the Latest Practicable Date, we were not allowed and unable to obtain the land use rights for the aforementioned properties, and local regulations prohibit the issuance of property ownership certificates for structures such as wharves and ancillary facilities within the Slender West Lake Scenic Area. See “Non-compliance” below.

Ownership

Our Company obtained approval from the Planning and Construction Administration 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規劃建設管理局) and the Shugang-Slender West Lake Administrative Committee in 2014 for our investment in and construction of relevant ancillary facilities at Jingxiang Garden Wharf (靜香園碼頭) in the Slender West Lake Scenic Area. According to the Notice of the State Council on Strengthening the Supervision and Administration of Urban and Rural Planning* (《國務院關於加強城鄉規劃監督管理的通知》) issued on May 15, 2002, transfer or disguised transfer of scenic area resources and land within scenic areas in any name or manner shall be strictly prohibited, pursuant to which, we are not allowed and are unable to obtain the relevant land use rights within the Slender West Lake Scenic Area through land transfer or other means, and as a result, we are not allowed to and are unable to apply for property ownership certificates for such ancillary facilities. According to the confirmation letter issued by the Shugang-Slender West Lake Administrative Committee in January

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2026, it is agreed that our Company could lease such ancillary facilities to third parties and has an exclusive right to the income generated from such lease(s); and it is further explicitly confirmed that there is no ownership dispute over the ancillary facilities constructed by our Company.

Based on the above, our Company has listed the two properties we invested in and constructed at Jingxiang Garden Wharf in the Slender West Lake Scenic Area as self-owned properties.

Leased Property

As of the Latest Practicable Date, we had one leased property in the PRC, details of which are set out below:

Location	Landlord	Tenant	Lease Period	Usage	Approximate GFA (sq.m.)
The asset located in the south building of Bianyi Gate Square, No. 20 Gaoqiao South Road, Yangzhou (formerly the site of the wheat flour factory) (揚州市高橋南路20號便益門廣場的南樓資產(原麥粉廠舊址)) . .	Quanyu Tourism Company	Our Company	July 1, 2022 to December 31, 2026	Functional space	1,510

Note: The GFA for each of our owned properties is measured on the total area of building area.

Our landlord, Quanyu Tourism Company, is our controlling shareholder. The lease agreement entered into between Quanyu Tourism Company and us therefore constitute continuing connected transactions upon [REDACTED]. Please see section headed “Connected Transactions — One-off Continuing Connected Transaction — 1. Property Lease Framework Agreement” in this document for details.

We had obtained valid title certificates or documents to prove our legal rights from relevant landlords for all of these leased buildings.

We do not have any property interest with a carrying amount of 15% or more of our combined total assets as at December 31, 2025. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), 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 of our Group’s interests in land or buildings.

During the Track Record Period, (i) we did not register the lease agreement with respect to the above leased property at Bianyi Gate Square, No. 20 Gaoqiao South Road, Yangzhou with the relevant competent authorities in a timely manner in accordance with applicable PRC regulations primarily due to oversight of our employees responsible for the relevant matter; and (ii) we did not register the two lease agreements with respect to the above self-owned properties at the portion of Jingxiang Garden, Dahongqiao Road, Yangzhou, Jiangsu Province due to lack of property certificates. As of the Latest Practicable Date, we had completed the registration of the lease agreement with respect to the leased property at Bianyi Gate Square, No. 20 Gaoqiao South Road, Yangzhou. See “— Non-compliance” below for further details.

EMPLOYEES

As of December 31, 2023, 2024 and 2025, we had a total of 227, 232 and 201 employees. All of our employees are based in China, at our headquarters in Yangzhou, Jiangsu Province.

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The following table sets for the breakdown of our employees by function as of December 31, 2025:

Functions	Number of employees	% of total employees
Business operations	188	93.5
Safety management	3	1.5
Finance	2	1.0
Procurement	2	1.0
General and Administration	6	3.0
Total	201	100.0

We recruit employees through various method, including on-campus recruitment programs, online recruitment advertisements and internal referrals. We do not use any employment agencies.

Our success, to a considerable extent, depends on our ability to attract, retain and motivate a sufficient number of qualified employees. Therefore, we offer various training programs for employees of different departments and positions, covering subjects of service etiquette for cultural tourism professionals, maritime skills, financial and tax knowledge, safety, etc. so as to continuously enhance their professional skill sets and understanding of our Company and the cultural tourism industry. In addition, as part of our human resources strategies to attract and motivate talented employees, we also offer our qualified employees opportunities for career advancement through a structured promotion system and we also constantly review and update our remuneration and incentive policies through market research, ensuring a competitive employment system with fair remuneration and attractive benefits offering. We believe that remuneration package and benefits programs are competitive and above the average of the water-based cultural tourism industry.

We have an established an annual performance evaluation program to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions. The performance evaluation program varies among different teams, either on group basis with reference to the team’s collective operating results and profit margins, or on individual basis with reference to their respective performance and revenue generated.

We enter into labor contracts with all of our enterprise-nature employees, including full-time employees and temporary employees. We offer a competitive remuneration package to our employees. Our remuneration package is categorized into three models: (i) performance-based remuneration, namely salaries for senior management members, which shall be determined based on annual appraisal results conducted by the Economic Development Bureau of the Shugang-Slender West Lake Scenic Area with reference to our Company’s achievement of relevant economic targets, key work targets, regulatory compliance goals, social responsibility goals, party-building objectives, etc.; (ii) fixed remuneration, for employees who are responsible principles of each business teams or above, which consists of wages based on skills, allowances, position subsidies, living allowances, allowances for management members and performance bonuses; and (iii) commissioned-based remuneration, for tour guides and Chuangniang, which varies team by team and typically includes a base salary and commission based on their respective sales amount. Our employees do not negotiate the terms of their employment through any labor unions or by way of collective bargaining agreements.

As required by relevant PRC laws and regulations, we participate in various employee social security plans that are organized by municipal and provincial governments, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds. In addition, we also provide additional employee benefits such as annual holiday gifts, summer cooling supplies, maternity leave, parental leave, and single-child parental care leave. Except as otherwise disclosed in the paragraphs headed “Historical employee dispatch arrangement” below, our PRC Legal Adviser is of the view that, as of the Latest Practicable Date, we had complied with the applicable PRC labor laws and regulations in all material respects, and we have not experienced any of our employees negotiating their terms of employment through any labor union or by way of collective bargaining agreements.

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Historical employee dispatch arrangement

During the Track Record Period, we engaged dispatched employees by entering into procurement agreement for service (採購合同(服務)) with third-party human resources service company. During the Track Record Period, we did not fully comply with the PRC Labor Contract Laws and the Interim Provision on Labor Dispatch. Nevertheless, we rectified such non-compliance by transferring some good standing dispatched employees to full-time employees and terminating the engagement with relevant dispatched employees by September 10, 2025. See “— Non-compliance” below for further details.

Labor union

We established a labor union in June 2016 in accordance with relevant PRC laws and regulations. Our labor union represents the employees in labor disputes and other employee matters. Our labor union set up three committees, namely, union committee (工委委員會), economic review committee (經濟審查委員會), and women’s committee (女職工工作委員會). We also regularly organize employee representative meetings to review and discuss key matters of our Company. During the Track Record Period and up to the Latest Practicable Date, we did not have any labor disputes or suffered any strikes that would have a material adverse effect on our business, financial condition or results of operations.

INSURANCE

We maintain (i) public liability insurance to cover liability for damages arising out of our business operations in the designated waters of the Qianlong Imperial Water Tour Route, Ancient Canal Water Tour Routes, Northern Ancient City Moat Water Tour Route and the designated waters for self-driving boats in the Songjiacheng area, including, among other things, property damages and personal injury suffered by our employees or our customers and (ii) water tourism liability insurance which is group accident insurance for labours sourced from third parties and our temporary employees to cover liabilities for accidental hospitalization allowance, accidental death and disability and accidental injury medical expense. Our Directors consider our insurance coverage to be customary for business of our size and type and in line with the standard commercial practice in Mainland China. However, our insurance coverage may not be adequate to cover all losses that may occur. See “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be adequately cover the risks related to our business and operations.”

LEGAL PROCEEDINGS

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal, arbitral or administrative proceedings pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our business, reputation, financial condition or results of operations.

LICENSES AND PERMITS

We are required to obtain various licenses, permits and certifications for our operations. As advised by our PRC Legal Adviser, during the Track Record Period and as of the Latest Practicable Date, except as disclosed in “Water Sightseeing Boat Service Business — Grand Canal Yangzhou — Licensing Requirements” and “Non-compliance” below, we have duly obtained all material licenses, permits and certificates required by PRC laws and regulations applicable to the operation of our principal business, and such licenses, permits and certificates have remained in full effect. We renew all such permits and licenses from time to time to comply with the relevant laws and regulations. As of the Latest Practicable Date, as advised by our PRC Legal Adviser there was no foreseeable material legal impediment to renewing our licenses, permits and certificates required for our operations.

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The following table sets forth the details of our material licenses, permits and approvals obtained by our Group as of the Latest Practicable Date:

License/Permit/Approval	Issuing Authority	Holder	Grant Date	Expiration Date
Food Operation License* (食品經營許可證)	Market Regulation of Shugang-Slender West Lake Scenic Area of Yangzhou* (揚州市蜀岡—瘦西湖 風景名勝區市場監督 管理局)	Our Company	November 26, 2021	November 25, 2026
Approval for the “Grand Canal Yangzhou” Night Processional Show* (准予“大運揚州”行進式 遊船演藝”演出活動)	Culture, Radio, Television and Tourism Bureau of Yangzhou* (揚州市文化廣 電和旅遊局)	Yangzhou Yuntong	August 22, 2025	August 16, 2026
Performance Brokerage Agency License* (營業性演出許可證(演出經 紀機構))	Data Bureau of Yangzhou* (揚州市數據局)	Yangzhou Yuntong	October 23, 2025	October 22, 2027
License for Operating Tourist Sightseeing Services in Non- Navigable Waters* (非通航水域內從 事旅遊 觀光接待業務許可)	Tourism Bureau of Yangzhou* (揚州市旅遊局)	Our Company	August 29, 2006	N/A
Extension of the Tourist Vessel Route on the Grand Canal in Yangzhou* (延伸揚州古運河旅遊船舶航線) . . .	Transportation Department of Jiangsu Province* (江蘇省交通運輸廳)	Our Company	May 10, 2022	N/A
Filing for Tourism and Sightseeing Business Operations in Non- Navigable Waters* (非通航水域遊覽經營 活動備案)	Transportation Comprehensive Administrative Law Enforcement Brigade of Yangzhou* (揚州市交通運 輸綜合行政執法支隊)	Our Company	—	N/A
License for Water Sightseeing Boat Operation and Service within the Shugang-Slender West Lake Scenic Area* (蜀岡—瘦西湖風景名勝區內部水上 遊船經營服務 許可)	Economic Development Bureau of the Shugang- Slender West Lake Administrative Committee	Our Company	September 10, 2015	September 9, 2035
License for Sightseeing Tour Bus Operation and Service on the Northern Route of the Slender West Lake Scenic Area and in the Sanwan Scenic Area* (蜀岡—瘦西湖風景名勝區瘦西湖景 區內北線及 運河三灣景區內觀光車 經營服務許可)	Shugang-Slender West Lake Administrative Committee	Our Company	August 1, 2022	July 31, 2042

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NON-COMPLIANCE

The following table sets forth our non-compliance incidents under the relevant PRC laws and regulations during the Track Record Period and up to the Latest Practicable Date, and the corrective actions we have taken in response to these incidents:

Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
In relation to the operation of the Grand Canal Yangzhou night show from October 2024 to September 2025, we (i) did not hold the Performance Brokerage Agency License; instead, we operated the show under inappropriate category of domestic literary and artistic performance group (文藝表演團體), and (ii) commenced the show without first obtaining the Performance Organization Permit.	Such non-compliance incidents are primarily due to (i) our failure to consult relevant government authorities in a timely manner for guidance on obtaining the requisite licenses and completing approval procedures, and (ii) a misunderstanding of relevant laws and policies.	As advised by our PRC Legal Adviser, failure to timely obtain the Performance Brokerage Agency License or the commencement of commercial performance without first obtaining the Performance Organization Permit would result in our operation of the Grand Canal Yangzhou night show constituting unauthorized engagement in commercial performance business operations, for which we may be ordered to cease operations, have our performance equipment and illegal gain confiscated, and be subject to additional fines equivalent to eight to ten times of such illegal gain.	Yangzhou Yuntong, subsidiary of our Company and the operating entity for the Grand Canal Yangzhou night show, obtained (i) the Performance Organization Permit from the Culture, Broadcasting, Television and Tourism Bureau of Yangzhou* (揚州市文化广电及旅游局) in August 2025 and (ii) the Performance Brokerage Agency License from the Data Bureau of Yangzhou* (揚州市數據局) in October 2025. Our Company received certificates from the Culture, Broadcasting, Television and Tourism Bureau of Yangzhou which confirmed that (i) our failure to timely obtain the Performance Brokerage Agency License and commencement of the show without first obtaining the Performance Organization Permit were due to insufficient understanding of relevant laws and policies by our Company and Yangzhou Yuntong, and do not constitute material non-compliance; (ii) the revenue generated from the Grand Canal Yangzhou night show does not constitute illegal gain, and the Company and Yangzhou Yuntong will not be subject to any administrative penalties (including but not limited to fines, confiscation of illegal gain, etc.) due to the such non-compliance incidents; (iii) from their respective dates of establishment to the date of issuance of this confirmation, no complaints or reports have been received and made against the Company or Yangzhou Yuntong in their commercial performance-related business activities, neither the Company nor Yangzhou Yuntong has committed any material violations of laws or regulations, and no penalties have been imposed on the Company or Yangzhou Yuntong.

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Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
			In addition, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative fines or penalties (i) we had not received any notification from the relevant PRC authorities alleging that we had not obtained or requesting us to change or obtain another category of the commercial performance license or the requisite approval before the commencement of the show; (ii) we had not been ordered, nor were we aware of any plans by relevant authorities to order us to cease the operation of the show; and (iii) no fines or penalties had been imposed on us, nor were we aware of any plans by relevant authorities to impose such measures. Our PRC Legal Adviser is of the view that (i) the Culture, Broadcasting, Television and Tourism Bureau of Yangzhou is the designated authority in Yangzhou that is responsible for overseeing cultural affairs within Yangzhou and enforcing relevant laws and regulations in the cultural market in Yangzhou and therefore it is competent authority for granting Performance Organization Permit and is the competent authority to give the above confirmations, (ii) the Data Bureau of Yangzhou is the authority for the issue of the Performance Brokerage Agency License only and has no authority over cultural affairs within Yangzhou or enforce any relevant laws and regulations in the cultural market in Yangzhou, and (iii) based on the confirmation of the Cultural, Broadcasting, Television and Tourism Bureau of Yangzhou and the fact that the Company and Yangzhou Yuntong had not been subject to any material administrative fines or penalties, the likelihood that we would not be required by relevant authorities to cease the operation of the Grand Canal Yangzhou night show or become subject to material administrative fines or penalties by relevant authorities due to our failure to obtain the Performance Brokerage Agency License and the Performance Organization Permit is low. Having considered the foregoing, including our PRC Legal Adviser's view, our Directors are of the view that the relevant authorities will not confiscate our revenue generated from the Grand Canal Yangzhou night show during such non-compliance period and such non-compliance incident would not have a material and adverse effect on our business and results of operations.

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Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
			We have reviewed and implemented the enhanced internal control measures in September 2025 in relation to licensing matters involved in our business operations, including (i) we have enhanced our internal compliance policy with respect to licensing requirements relating our business operations in accordance with the PRC laws and regulations, including that new performance projects (if any) must be reported to and approved by designated department before commencing operations; and (ii) we also engaged an external legal counsel to advice us on regulatory matters, including licensing related matters. The internal control consultant of the Company, having reviewed the above enhanced internal control measures adopted by the Company, is of the view that (i) the relevant measures have a comprehensive risk management process, covering risk identification, measure implementation, monitoring and feedback, and also incorporate a inter-departmental collaboration mechanism to clearly define authorities and responsibilities of different business departments and units, (ii) the embedded principle of “segregation of duties and mutual checks” of the aforementioned measures are effectively mitigating human-related risks in license and approval management, and (iii) based on the foregoing, the Company’s internal control measures in terms of its management of relevant license and approval requirements for its business operation in the cultural and tourism industry are effective, and from a long-term perspective, such measures would be effective in responding to regulatory changes and business expansion needs, allowing the Company to identify and comply with relevant license and approval requirements in a timely manner. Our Directors believe that our enhanced internal control measures are sufficient and effective for our current business operations.

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Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
During the Track Record Period, we failed to make full contribution to the social insurance premiums and housing provident funds for certain employees based on the statutory contribution bases. For the three years ended December 31, 2023, 2024 and 2025, the shortfall in social insurance premiums and housing provident fund contributions amounted to approximately RMB0.9 million, RMB2.9 million and RMB0.4 million, respectively.	Such non-compliance incident was primarily because (i) some of our employees were not willing to bear the costs associated with social insurance premiums and housing provident funds strictly in proportion to their actual salary, and (ii) compared to other local enterprises in Yangzhou, our current contribution standards of social insurance premiums and housing provident funds are already at a relatively high standards, employees have low willingness to adjust the contribution base.	As advised by our PRC Legal Adviser, (i) in respect of the shortfall in social insurance premium contributions, the relevant PRC authorities may demand us to pay the outstanding social insurance premium contributions within a stipulated deadline and pay an overdue payment equivalent to 0.05% of the outstanding amount for each day of delay; if we fail to make such payment within the prescribed period, we may be liable for a fine of one to three times the outstanding contribution amount; and (ii) in respect of the shortfall in housing provident funds contributions, we may be ordered 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.	We made up all shortfall that we should have contributed in social insurance premiums for our employees for the period from January to August 2025, and in housing provident funds for July and August 2025. We have been making full contribution to the social insurance premiums and housing provident funds since September 2025. As of the Latest Practicable Date, (i) we had not received any notification from the relevant PRC authorities alleging that we had not made full contribution to the social insurance premiums and housing provident funds and demanding payment of the same before a stipulated deadline; (ii) we were not aware of any plan of relevant authorities to collect the outstanding amounts from us; and (iii) we had not received any notification from the relevant authorities requiring us to amend our policies or practice regarding our contribution of social insurance premiums and housing provident funds for employees. In addition, we have obtained the written confirmations from competent authorities in charge of social insurance premiums where our Company and our subsidiary are located that, (i) there has been no instance or potential instance that could result in claims against our Company to make up the shortfall in contribution to social insurance premiums and (ii) no administrative penalties had been or will be imposed on our Company or our subsidiary. We have also received written confirmations from the housing provident fund management department overseeing our Company and our subsidiary, stating that neither our Company nor our subsidiary has ever been penalized for violations of national or local housing provident fund-related laws and regulations. Our Directors believe that such non-compliance incident would not have a material and adverse effect on our business and results of operations, considering that: (i) as advised by our PRC Legal Adviser, based on the relevant regulatory requirements for social insurance premiums and housing provident fund matters, and the facts stated above, the risk of the Company or its subsidiary being required by relevant authorities to make up any unpaid social insurance premium and housing provident fund contributions or being subject to

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Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
			administrative penalties by relevant authorities due to our failure to provide full social insurance premium and housing provident fund contributions for our employees is remote, and that the risks that this non-compliance incident will cause actual material losses to us is remote; (ii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay any shortfalls or the penalties with respect to social insurance premiums and housing provident funds; (iii) we had not been subject to any administrative penalties during the Track Record Period and up to the Latest Practicable Date; and (iv) we were not aware of any employee complaints nor were involved in any labor disputes with our employees with respect to social insurance premiums and housing provident funds during the Track Record Period and up to the Latest Practicable Date. Further, in relation to the Interpretation (II) issued by the Supreme People's Court of the PRC Concerning the Application of Law in the Trial of Labour Dispute Cases (the “Interpretation”), which was effective on September 1, 2025, our Directors are of the view that the Interpretation would not have a material adverse impact on our business, financial performance or compliance with the relevant laws and regulations on the basis that: (i) as further advised by our PRC Legal Adviser, the Interpretation does not expand our Company's exposure to potential penalties in relation to our historical shortfall in social insurance premium and housing provident fund contribution, or repeal the social insurance premium and housing provident fund related PRC laws and regulations currently in force; and (ii) none of our employees has brought a lawsuit or arbitration in respect of our contribution to social insurance premiums and housing provident funds, neither is there any pending litigation or arbitration involving our Company shall be subject to the Interpretation.

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Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
			We have reviewed and implemented the following enhanced internal control and remedial measures to prevent future occurrence of such non-compliances: • we have enhanced our internal compliance policy with respect to social insurance premium and housing provident fund contributions in accordance with the PRC laws and regulations; • we have assigned designated personnel to monitor the status of payments of social insurance premiums and housing provident funds on a regular basis in order to ensure that we have made these payments for our employees on time in compliance with the applicable laws and regulations or in a manner as required by the relevant government authorities. The designated team includes our human resources staff, who shall prepare the written records of the relevant payments on a monthly basis and submit the same to the heads of our human resources and finance departments for review; and • we also engaged an external legal counsel to provide compliance trainings to the responsible staff and update us the relevant laws and regulations on an on-going basis. Our Directors believe that our enhanced internal control measures are sufficient and effective for our current operations. Our Directors believe that our enhanced internal control measures are sufficient and effective for our current business operations.

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Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
During the Track Record Period and up to the Latest Practicable Date, we were not allowed and unable to obtain the land use rights for ancillary facilities of approximately 518 sq.m. and 176 sq.m., respectively, that we constructed at the Jingxiang Garden Wharf (靜香園碼頭) in the Slender West Lake Scenic Area as local regulations prohibit the issuance of property ownership certificates for structures such as wharves and ancillary facilities within the Slender West Lake Scenic Area. As a result, we have not been able to obtain property ownership certificates for such properties. Such properties were built in December 2014 and were initially intended to be used as box offices or warehouses in relation to our business operation; and such properties were subsequently leased to independent third parties for commercial use. Our rental income generated from the lease of the aforementioned properties in 2024 was approximately RMB888,000.	In accordance with relevant laws and regulations, we are not allowed and are unable to obtain land use rights within the Slender West Lake Scenic Area. Furthermore, as confirmed by the Shugang-Slender West Lake Administrative Committee, the competent authority in relation to this matter, since the relevant facilities are located within the Slender West Lake Scenic Area, they cannot be issued a separate property certificate by the department for real estate registration.	As advised by our PRC Legal Adviser that, in relation to the lack of land use rights and property certificate for the ancillary facilities we constructed, we may be ordered to demolish the relevant facilities, which could in turn result in the lease agreements we entered into with independent third parties being unenforceable. As advised by our PRC Legal Adviser, (i) pursuant to the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Disputes over Urban House Lease Contracts (2020 Revision)* (最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020年修訂)), lease contracts entered into by a lessor regarding houses that have not obtained a construction project planning permit or have not been constructed in accordance with the provisions of such permit shall be invalid. However, if a construction project planning permit is obtained or construction is approved by the competent authority before the conclusion of court debate at the first instance, the people's court shall deem the contract valid. In view of the fact that the Company had obtained approval from the Planning and Construction Administration Bureau of the Shugang-Slender West Lake Administrative Committee at the time of investing in and constructing the relevant ancillary facilities, the lease contracts entered into by the Company with relevant lessees regarding such ancillary facilities are valid; (ii) pursuant to the Notice of the State Council on Strengthening the Supervision and Administration of Urban and Rural Planning, the Company is unable to obtain the relevant land use rights within the Slender West Lake Scenic Area, and the relevant ancillary facilities cannot apply for property ownership certificates, and there is a risk that they may be ordered to be demolished by government departments. If the relevant ancillary facilities are demolished due to the aforementioned reasons, although the relevant lease contracts do not expressly specify the Company's liability for breach of contract in such circumstances, pursuant to Articles 577 and 583 of the Civil Code of the PRC (中華人民共和國民法典), there is a risk that	We have sought and the Shugang-Slender West Lake Administrative Committee confirmed on January 19, 2026 that (i) our Company was granted consent to build the ancillary facilities at the Jingxiang Garden Wharf, (ii) it agreed our Company may lease out the ancillary facilities and exclusively retain the income derived therefrom, (iii) as property ownership certificates are not issued for wharves and ancillary buildings located within the Slender West Lake Scenic Area, it is therefore not possible to obtain a property ownership certificate for such ancillary facilities; (iv) the construction of the ancillary facilities is not subject to any ownership dispute; and (v) it will not impose any penalties on our Company nor mandatorily require us to demolish such ancillary facilities. As confirmed by the PRC Legal Adviser, pursuant to the Regulations on the Administration of Scenic Areas* (風景名勝區條例) and the institutional setup and functions published on the official website of the Shugang-Slender West Lake Administrative Committee, the Shugang-Slender West Lake Administrative Committee is the dispatched agency of the Yangzhou Government and the administrative institution of the Shugang-Slender West Lake Scenic Area, responsible for the protection, utilization and unified management of the scenic area, and has functional departments such as the Housing and Urban-Rural Development Bureau* (住房和城鄉建設局) under it. Given that the Company's two self-owned properties are both located within the Shugang-Slender West Lake Scenic Area, the Shugang-Slender West Lake Administrative Committee is the competent authority to issue the relevant confirmation letter, and its confirmation has overriding effect over competent authorities such as the Housing and Urban-Rural Development Bureau of the Shugang-Slender West Lake Administrative Committee.

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Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
		the Company may need to bear relevant liability for breach of contract to the lessees (such as refunding rent already collected but not yet incurred, compensating the lessees for part of their business operation losses, relocation expenses, etc.). However, given that the Company had obtained approval from the Planning and Construction Administration Bureau and the Shugang-Slender West Lake Administrative Committee at the time of investing in and constructing the relevant ancillary facilities, and the Shugang-Slender West Lake Administrative Committee has expressly confirmed that it will not require the Company to demolish the aforementioned ancillary facilities, the risk of the Company bearing liability for breach of contract to relevant lessees is low.	Our PRC Legal Adviser is of the view that the risk of the Company being demanded to demolish the relevant ancillary facilities or being deemed to breach the relevant lease agreement due to demolition of the ancillary facilities (if any) is remote, on the basis that: (i) the Company obtained prior consent from the Shugang-Slender West Lake Administrative Committee and the Planning and Construction Administration Bureau of the Shugang-Slender West Lake Administrative Committee to make investment in and construct such ancillary facilities; (ii) a written opinion from the Shugang-Slender West Lake Administrative Committee stating that such ancillary facilities shall not be demolished; (iii) the Company has not received any order to demolish the relevant ancillary facilities or been subject to any administrative fines or penalties during the Track Record Period and up to the Latest Practicable Date; and (iv) the fact that failure to obtain property certificates for such ancillary facilities does not constitute a breach of the lease agreements. Our Directors believe that such non-compliance incident would not have a material and adverse effect on our business and results of operations, considering that: (i) we obtained the consent of the Shugang-Slender West Lake Administrative Committee before constructing the facilities, (ii) the advice of our PRC Legal Adviser as set out above; (iii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities alleging that we had not obtained the requisite property certificate; and we were not aware of any plan of relevant authorities to order us to demolish the said facilities or would render the lease agreements invalid or impose any fines or penalties on us; (iv) we had received the certificate from relevant authorities that they will not impose any administrative penalties on us, nor require us to demolish the said facilities; (v) as of the Latest Practicable Date, we had not received any notification from relevant authorities requiring us to terminate the lease agreements given that they are invalid; and (vi) we had not been subject to any administrative fines or penalties during the Track Record Period and up to the Latest Practicable Date. In addition, the relevant ancillary facilities are primarily used for leasing to third parties and do not constitute principal places of business and the fees derived therefrom account for a relatively small portion of our other income.

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Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
During the Track Record Period, we did not register the three lease agreements with respect to (i) our lease of property of approximately 518 sq.m. at the relevant portion of Jingxiangyuan, Dahongqiao Road, Yangzhou to independent third party, (ii) our lease of property of approximately 176 sq.m. at the relevant portion of Jingxiangyuan, Dahongqiao Road, Yangzhou to independent third party and (iii) our leased property of approximately 1,510 sq.m. at Bianyi Gate Square, No. 20 Gaoqiao South Road from Quanyu Tourism Company, our Controlling Shareholder, with the relevant competent authorities in accordance with applicable PRC regulations.	<i>Lease agreements with respect to (i) and (ii)</i> The reason that we had not registered the two lease agreements with respect to the self-owned properties at Jingxiangyuan, Dahongqiao Road, Yangzhou is due to lack of property certificates. <i>Lease agreement with respect to (iii)</i> The reason that we did not register the lease agreement with respect to the leased property at Bianyi Gate Square, No. 20 Gaoqiao South Road is primarily due to oversight of our employees responsible for the relevant matter.	As advised by our PRC Legal Adviser, failure to register the lease agreements would not affect the validity and enforceability of such lease agreement. However, if we and the landlord fail to register such lease agreements as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each of the unregistered lease agreements.	We have been actively reviewing and improving relevant practices. Specifically, we have established the following enhanced internal control measures: • we have designated personnel and department to be responsible for property, facility and construction related matters; and • we also engaged external legal counsel and consulted on related laws and regulations on regular basis. Our Directors believe that our enhanced internal control measures are sufficient and effective for our current business operations. On November 4, 2025, we completed the registration of the lease agreement with respect to the leased property at Bianyi Gate Square, No. 20 Gaoqiao South Road with the relevant competent authorities in accordance with applicable PRC regulations. As of the Latest Practicable Date, we had not registered the two lease agreements with respect to the self-owned properties at Jingxiangyuan, Dahongqiao Road, Yangzhou due to lack of property certificates. See above for further details on our inability to obtain the relevant property certificates. As of the Latest Practicable Date, we had not been ordered by any PRC governmental authorities to register any lease agreements, nor had we been subject to any penalties or fines by any PRC government authorities, and we do not expect the failure to register the lease agreements of these properties to be material to our business and results of operations. Our PRC Legal Adviser is of the view that having considered (i) the confirmation letter issued by the Shugang-Slender West Lake Administrative Committee on January 19, 2026, which confirmed, among others, that (a) they agreed us to build and lease out the properties built at Jingxiangyuan, Dahongqiao Road, Yangzhou, (b) there is no ownership dispute over such properties, (c) it is not possible to obtain property ownership certificates for such properties, and (d) it will not impose any penalties or fines against the Company or demand the Company to demolish the properties; and (ii) the facts that the Company has not been ordered by any PRC governmental authorities to register such lease agreements and the Company has not been subject to any penalties or fines or demanded to demolish relevant properties, the risk of our Company being subject to material administrative penalties for failure to complete registration for our lease agreements is relatively remote.

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Non-compliance incidents	Reasons for the non-compliance	Legal implications	Remedies, potential impacts and internal control measures
During the Track Record Period, we engaged dispatched employees by entering into procurement agreement for service (採購合同/服務) with third-party human resources service company and the maximum number of dispatched employees we engaged was 69, 85 and 68 for 2023, 2024 and 2025, and the maximum number of dispatched employees that exceed the 10% regulatory limit (as elaborated below) was 50, 63 and 47, respectively. These dispatched employees entered into employment contracts with the service company and not with us. During the Track Record Period, we did not fully comply with the PRC Labor Contract Laws and the Interim Provision on Labor Dispatch, and the number of dispatched employees engaged by us exceeded 10% of the total number of our employees and certain dispatched employees are not only used for temporary, ancillary or substitutable positions.	Such non-compliance incident was primarily due to the inadequate legal knowledge and inadvertent oversight of the relevant legal requirements.	According to the PRC Labor Contract Laws (勞動合同法) Interim Provision on Labor Dispatch (勞務派遣暫行規定) promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, the number of dispatched employees engaged by any company may not exceed 10% of the total number of its employees, including both directly hired employees and dispatched employees, and dispatched employees can be used only for temporary, ancillary or substitutable positions. As advised by our PRC Legal Adviser, if we are ordered to make corrections and fail to do so within the prescribed time, it shall be fined not less than RMB5,000 but not more than RMB10,000 per dispatched employee and the maximum penalty amount shall be based on the number of dispatched employee which is in excess of the 10% regulatory threshold and at the discretion of the competent authorities. Based on the maximum number of dispatched employees that exceeds the 10% regulatory limit, the maximum penalty that could be imposed on our Group is RMB630 thousand.	As of the Latest Practicable Date, we had rectified the above non-compliance by transferring some good standing dispatched employees to our full-time employees and terminating the engagement with relevant dispatched employees. Our PRC Legal Adviser is of the opinion that the risk of us being penalized in respect of labor dispatch is remote, given that (i) we have already rectified such non-compliance by September 10, 2025; (ii) as of the Latest Practicable Date, we had not received any notice of rectification or administrative penalties in respect of labor dispatch from the relevant labor administrative departments; (iii) we obtained certificates issued by the relevant departments in charge of labor affairs, confirming that no penalty of any kind will be imposed on us for the above historical non-compliance of engaging with dispatched workers in excess of the statutory 10% limit; and (iv) the relevant departments in charge of labor affairs and the relevant labor administrative departments are the competent authorities to make such confirmation. We have established the following enhanced internal control measures to prevent future occurrence of similar non-compliance: - we have designated specific personnel and departments to verify the proportion of dispatched employees on a monthly basis; and in the case that the ratio of dispatched employees approaches 10% of our total number of employees at any given time, we will immediately suspend all new dispatch hiring to ensure regulatory compliance; and - we have also engaged an external legal counsel and consult them on the relevant laws and regulations on a regular basis to ensure our ongoing regulatory compliance. See “Risk Factors — Risks Relating to Our Business and Industry — We face risks relating to our employee dispatch arrangements.”

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RISK MANAGEMENT AND INTERNAL CONTROL

We have designated responsible personnel in our Company to monitor the risk management and internal control performance of our Company. In addition, we have adopted a set of internal rules, policies and procedures governing the conduct of our employees to ensure effective risk management and internal control. We are dedicated to continually improving these rules, policies and procedures. Such rules, policies and procedures cover various aspects of our business operations, such as human resources, information technology and financial reporting.

Human Resource Risk Management

We provide training tailored to our human resource management policies, and the needs of our employees in different departments. We from time to time organize training session for our employees covering various aspects of our business operations and compliance issues, such as anti-bribery and anti-corruption. Through these training sessions, we strive to ensure that our employee’s knowledge level of our internal policies remain up-to-date, and to enable them to better comply with applicable laws and regulations in the course of exploring business. We have in place an employee handbook and a code of conduct which is distributed to all our employees, covering topics such as work ethics, fraud prevention, negligence prevention and anti-corruption policies, among others. We emphasize the importance of integrity in business conduct through various training mechanisms, and require our employees to observe our anti-corruption and anti-bribery policies throughout our business operations.

Information Technology Risk Management

Sufficient maintenance and protection of our information technology infrastructure, as well as the personal data and other information we collect in the course of our business, is critical to our operations. We have implemented a number of IT risk management measures throughout our system, such as data back-up, recovery and emergency response mechanisms. We have put in place a series of back-up management procedures. We perform data recovery tests on a regular basis and we retain relevant records. We have an emergency response mechanism to evaluate critical risks, formulate disaster response plans and perform emergency drills regularly. We take extra precaution regarding the usage, storage and protection of personal data we collect. See “— Data Privacy and Personal Information Protection.” In addition, we have formed partnerships with key information technology and internet players to jointly enhance business performance in workplace collaboration and cybersecurity.

Financial Reporting Risk Management

We have in place various accounting policies in connection with our financial reporting risk management. We have also installed our financial reporting management system, which can monitor the our financial reporting and recording procedures, to safeguard the implementation of our accounting policies. We also provide regular trainings to our finance department employees to ensure that they understand our financial management and accounting policies and implement them in our operations.

Internal Control

We have designed and adopted strict internal control procedures to safeguard the compliance of our business operations with relevant laws and regulations. Our internal control team work closely with our legal, compliance and finance team to perform risk assessment, improve business efficiency, monitor the effective of internal control and promote the awareness of internal control and risk management across the Company. We have established channels to report misconducts or wrongdoings, and we take disciplinary actions against employee who committed misconducts.

We have also engaged an independent internal control consultant to review our internal control measures and assess the effectiveness of our internal control system. The scope of such review covers the following aspects of our business: sales, receivables and collections, procurement, payables and payments, inventory management, production cost management, human resources and compensation management, asset and construction-in-progress management, cash and cash equivalents management,

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financial reporting and disclosure controls, tax management, investment and financing management, insurance management as well as IT general controls management. Based on the abovementioned internal control review, the internal control consultant is of the view that, within the scope of the above-mentioned internal control evaluation, the internal control consultant did not find any material defects in our internal control system and measures.

AWARDS AND RECOGNITION

During the Track Record Period, we have received numerous awards and recognitions with respect to our services and our social contributions and etc., including:

Awards/Recognitions	Date	Awarding Institution/Authority
Excellent Cases of Immersive Experience Spaces for Smart Tourism in Jiangsu Province (2025) (2025年江蘇省智慧旅遊沉浸式體驗新空間優秀案例)	2025	Culture and Tourism Department of Jiangsu Province (江蘇省文化和旅遊廳)
Excellent Cases of Cultural and Tourism Equipment & Technology Advancement in Jiangsu Province (2025) (2025年全省文化和旅遊裝備技術提升優秀案例)	2025	Culture and Tourism Department of Jiangsu Province (江蘇省文化和旅遊廳)
The Ancient Canal Tour Route between Yangzhou Ship Lock to Guazhou Ancient Ferry (揚州船閘—瓜洲古渡古運河遊覽航線) was selected as National Model Cases of Domestic Waterway Tourism Passenger Routes (揚州船閘—瓜洲古渡古運河遊覽航線獲選為國內水路旅遊客運精品航線典型案例)	2024	Ministry of Transport of the PRC (中華人民共和國交通運輸部)
Model Case of Integrated Development of Transportation and Tourism in Jiangsu (江蘇省交通運輸與旅遊融合發展典型案例)	2023	Culture and Tourism Department of Jiangsu Province (江蘇省文化和旅遊廳)