OVERVIEW

Our history can be traced back to March 1996, when the predecessor of our Company, Shantou CHJ, was established in the PRC by Chaoyang CHJ Industrial, which was owned as to 51.9% by Mr. Liao Muzhi at the time of establishment, and Mr. Liao Jianhong (廖堅洪). After several rounds of shareholding changes as detailed below, the predecessor of our Company was converted into a joint stock limited company under the laws of the PRC on 15 September 2006, and thereby became our Company. To this day, Mr. Liao Muzhi remains as a member of our Single Largest Group of Shareholders and a non-executive Director.

Over the years, we have become an established jewellery brand in China. Since 28 January 2010, our A Shares have been listed on the Shenzhen Stock Exchange (stock code: 002345.SZ). As at 31 December 2025, we have established market presence with over 1,600 jewellery stores in over 200 cities across China and in Southeast Asia.

BUSINESS MILESTONES

The following is a summary of our key business development milestones since the commencement of our business:

Year	Events
1996–1997	We started our business in Shantou with the establishment of our brand "潮宏基 CHJ Jewellery"
1998	We exclusively sponsored the First China Jewellery Design Grand Prix (第一屆中國珠寶首飾設計大獎賽) to promote the development of jewellery design in China
1999	We opened our first brand counter under "潮宏基 CHJ Jewellery"
2001	Our factory commenced operation, laying the foundation for our integrated operation from design, production to sales
2005	"潮宏基 CHJ Jewellery" was named among "China's 500 Most Valuable Brands" (中國500最具價值品牌) for the first time
2006	We became the first Asian jewellery brands to showcase at Baselworld, the world's premier jewellery fair and the first jewellery company in China that implemented ERP developed by SAP, a global leader in ERP software
2010	We were licenced our first animation IP — the exclusive jewellery brand licencing rights for Doraemon (哆啦A夢) in China
28 January 2010	Our Company was the first fashion jewellery company in China to achieve a listing on the A-share market through an Initial Public Offering (IPO) on the Shenzhen Stock Exchange
2014	We acquired "FION", a well-known fashion handbags brand in the Asia Pacific
2017	We were awarded the Gold Prize at the 2017 Tiangong Excellence International Jewellery Design Competition
2019	We debuted the "Sweet Candy•Filigree Collection" (非遺花絲•糖果) in collaboration with designer Oki Sato (佐藤大), marking CHJ's artist partnership series for intangible cultural heritage (非遺) filigree art
2020	CHJ Jewellery was awarded "Industry Innovation of the Year" at JNA Awards 2020
	We fully accelerated the digital transformation of our physical retail business by launching WeChat Smart Cloud Stores (微信智慧雲店)

Year	Events
2021	We founded 臻 ZHEN, a high-end gold and silverware and jewellery customisation brand
2022	CHJ Jewellery won the Tencent Smart Retail "Industry Benchmark of the Year 2021" award (騰訊智慧零售"2021年度飛躍標桿"獎)
	We founded the lab-grown diamond brand "Cëvol" to explore the emerging trend of lab-grown diamond
2023	We launched our younger, gifting-themed jewellery brand — CHJ|Soufflé
	We were awarded the "Guochao Innovative Brand" (國潮創新品牌) by Forbes China (福布斯中國)
2024	CHJ Jewellery opened new stores in Kuala Lumpur, Malaysia and Bangkok, Thailand, opening a new page of our overseas strategy
2025	Another nine CHJ Jewellery stores in total are opened in Cambodia, Singapore, Thailand and Malaysia expanding our presence in overseas

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

(1) Early Development of our Company

Establishment in March 1996

The predecessor of our Company, Shantou CHJ, was established in the PRC as a limited liability company on 7 March 1996. The initial registered capital of Shantou CHJ was RMB2,680,000, and was paid in full as to RMB1,340,000 by Chaoyang CHJ Industrial and RMB1,340,000 by Mr. Liao Jianhong.

Equity Transfer and Capital Increase in June 2001

In June 2001, Chaoyang CHJ Industrial transferred its entire equity interest in Shantou CHJ to Mr. Liao Muzhi and the registered capital of Shantou CHJ increased to RMB26,800,000 which subscribed by Mr. Liao Muzhi and 13 other individuals (including Mr. Liao Jianhong, collectively, the "**Initial Shareholders**"), and Chaoyang CHJ Industrial ceased to be a shareholder of Shantou CHJ.

Equity Transfer in September 2005

In September 2005, Mr. Liao Muzhi and 12 other Initial Shareholders (excluding Mr. Li Yu) transferred the equity interests in Shantou CHJ to Shantou CHJ Investment, and Mr. Li Yu transferred his approximately 6.73%, 2.10% and 0.86% equity interest in Shantou CHJ to Hebei Hua'an Biological Pharmacy Co., Ltd.* (河北華安生物藥業有限公司) ("**Hebei Hua'an**"), Shenzhen Xina Jewellery Co., Ltd.* (深圳市西那飾品有限公司) ("**Shenzhen Xina**"), and Shantou CHJ Investment.

Capital Increase in December 2005

The registered capital of Shantou CHJ reached RMB44,000,000 on 30 December 2005, with the equity held directly by the following shareholders: (i) Shantou CHJ Investment held approximately 60.39%; (ii) Eastern Crown Holdings Limited (東冠集團有限公司) ("**Eastern Crown**") held approximately 20.00%; (iii) Win Crown International Limited (匯光國際有限公司) ("**Win Crown**") held approximately 14.23%; (iv) Hebei Hua'an held 4.10%; and (v) Shenzhen Xina held 1.28%.

(2) Conversion into a Joint Stock Company in September 2006

On 15 September 2006, Shantou CHJ was converted from a limited liability company into a joint stock company with limited liability and became our Company. RMB70,000,000 of the audited net assets of our Company as at 31 December 2005 was converted into 70,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then shareholders in proportion to their respective equity interest in our Company before the conversion.

Immediately following the completion of the conversion, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares	Approximate percentage of shareholding
		(%)
Shantou CHJ Investment	42,273,840	60.39
Eastern Crown	14,000,000	20.00
Win Crown	9,962,820	14.23
Hebei Hua'an	2,869,860	4.10
Shenzhen Xina	893,480	1.28
Total	**70,000,000**	**100.00**

(3) Capital Increase and Equity Transfers prior to the A Share Offering and Listing

Eastern Crown subscribed for an additional 6,500,000 shares at a total consideration of RMB25.35 million and Win Crown subscribed for an additional 13,500,000 shares, with registration changes completed by 23 August 2007, thereby increasing the Company's registered capital to RMB90,000,000. Subsequently, on 5 February 2008, Win Crown transferred 6,000,000 shares to Shanghai Yongjin Huiquan Investment Center, 3,900,000 shares to Kwok Tai East International Group Limited, and 600,000 shares to Eastime International Limited. Shanghai Yongjin Huiquan then transferred its 6,000,000 shares to Shanghai Huichao Gongjin Investment Co., Ltd. on 27 October 2008. The resulting shareholding structure was: Shantou CHJ Investment (42,273,840 shares; 46.97%), Eastern Crown (20,500,000 shares; 22.78%), Win Crown (12,962,820 shares; 14.40%), Shanghai Huichao Gongjin (6,000,000 shares; 6.67%), Kwok Tai East (3,900,000 shares; 4.33%), Hebei Hua'an (2,869,860 shares; 3.19%), Shenzhen Xina (893,480 shares; 0.99%), and Eastime International (600,000 shares; 0.67%).

(4) A Share Offering and Listing on the Shenzhen Stock Exchange in January 2010

As approved by the CSRC, our Company completed the initial public offering and listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002345.SZ) on 28 January 2010. Immediately following this A Shares offering, our share capital was increased to 120,000,000 A Shares with a nominal value of RMB1.00 each, and the shareholding structure of our Company was as follows:

Shareholders	Number of A Shares held	Approximate percentage of shareholding
		(%)
Shantou CHJ Investment	42,273,840	35.23
Eastern Crown	20,500,000	17.08
Win Crown	12,962,820	10.80
Shanghai Huichao Gongjin Investment Co., Ltd.	6,000,000	5.00
Kwok Tai East International Group Limited	3,900,000	3.25
Hebei Hua'an	2,869,860	2.39
Shenzhen Xina	893,480	0.74
Eastime International Limited	600,000	0.50
Other A Shareholders	30,000,000	25.00
Total	**120,000,000**	**100.00**

Notes: The shareholding percentage figures above does not add up to 100.00% due to rounding of decimal places.

Since 2010, our Company has been listed on the Shenzhen Stock Exchange. During the Track Record Period and up to the Latest Practicable Date, our Company had not received any notice from the Shenzhen Stock Exchange alleging any material non-compliance incidents on the part of our Company. To the best knowledge of our Directors after having made all reasonable inquiries, during the Track Record Period and up to the Latest Practicable Date, there is no material matter that should be brought to the attention of the investors and the Hong Kong Stock Exchange in relation to our compliance record on the Shenzhen Stock Exchange. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, our Group (i) had no instances of non-compliance with the applicable listing rules of the Shenzhen Stock Exchange; and (ii) had complied with all applicable securities laws and regulations in all material respects. Based on the public searches on the websites of Shenzhen Stock Exchange, CSRC and its Guangdong Regulatory Bureau, there are no records of material non-compliance of the Company and its Major Subsidiaries in the PRC with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations. Therefore, nothing has come to our PRC Legal Advisers' attention that, during the Track Record Period and up to the Latest Practicable Date, the Company and its Major Subsidiaries in the PRC had any instance of material non-compliance with the rules of Shenzhen Stock Exchange and other applicable securities laws and regulations in any material respect. Based on the confirmation of the Directors and the view of the PRC Legal Advisers as disclosed above and the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that, during the Track Record Period and up to the Latest Practicable Date, the Company and its Major Subsidiaries in the PRC had any instance of material non-compliance with the rules of Shenzhen Stock Exchange and other applicable securities laws and regulations in any material respect.

(5) Share Capital Change in May 2010

Pursuant to the 2009 Profit Distribution Plan approved at our Company's 2009 annual general meeting held on 10 May 2010, (i) our Shareholders received a distribution of 2 bonus shares and an RMB5 cash dividend (tax inclusive) per every 10 A Shares, based on the total share capital of 120 million A Shares; and (ii) a capitalisation issue was implemented, under which three new shares were issued for every 10 A Shares through the capitalisation of our Company's capital reserves. Immediately following the implementation of the 2009 Profit Distribution Plan on 21 May 2010, our Company's total registered share capital increased to RMB180 million, divided into 180 million A Shares. On 11 August 2010, our Company completed the business registration for its capital increase from RMB120 million to RMB180 million.

(6) Share Capital Change in May 2013

Pursuant to the 2012 Profit Distribution Plan approved at our Company's 2012 annual general meeting held on 3 May 2013, (i) our Shareholders received a cash dividend distribution of RMB3 (tax inclusive) per 10 A Shares based on the total share capital of 180 million A Shares; and (ii) a capitalisation issue was implemented, under which 10 new shares were issued for every 10 A Shares through the capitalisation of our Company's capital reserves. Immediately following the implementation of the 2012 Profit Distribution Plan on 22 May 2013, our Company's total registered share capital increased to RMB360 million, divided into 360 million A Shares.

(7) Share Capital Change in August 2013

In August 2013, our Company completed a private placing of 62,555,600 A Shares at RMB10.75 per A Share, which had been approved by the CSRC. Such A Shares were subscribed by Mr. Liao Chuangbin and five other investors, namely China Asset Management Co., Ltd.* (華夏基金管理有限公司) ("**China Asset Management**"), GE Fund Management Co., Ltd.* (金鷹基金管理有限公司) ("**GE Fund**"), Rongtong Fund Management Co., Ltd.* (融通基金管理有限公司) ("**Rongtong Fund**"), Xingzheng Global Fund Management Co., Ltd.* (興證全球基金管理有限公司) (formerly known as Xingye Global Fund Management Co., Ltd.* (興業全球基金管理有限公司)) ("**Xingzheng Global Fund**") and Mr. Yang Tao (楊濤), generating net proceeds of approximately RMB672 million to finance our sales network expansion project. The subscription price was determined with reference to the 20-day average trading price preceding the pricing date, while taking into account market demand from potential investors. To the best knowledge of our Directors after having made all reasonable enquiries, China Asset Management, GE Fund, Rongtong Fund, Xingzheng Global Fund, and Mr. Yang Tao were all Independent Third Parties as at the Latest Practicable Date. Upon the listing of these new A Shares on the Shenzhen Stock Exchange on 12 September 2013, our Company's registered share capital increased to 422,555,600 A Shares.

(8) Share Capital Change in September 2014

Pursuant to the 2014 Half-Year Profit Distribution Plan approved at our Company's third extraordinary general meeting of 2014 held on 16 September 2014, a capitalisation issue was implemented, under which 10 new shares were issued for every 10 existing A Shares through our capitalisation of the Company's capital reserves, based on the total share capital of 422,555,600 A Shares. Immediately following the implementation of the 2014 Half-Year Profit Distribution Plan on 26 September 2014, our Company's total registered share capital increased to 845,111,200 A Shares.

(9) Share Capital Change in July 2017

In July 2017, our Company completed a private placing of 60,301,507 A Shares at RMB9.95 per A Share, which had been approved by the CSRC. Such A Shares were subscribed by Mr. Liao Chuangbin, our 2016 Employee Stock Ownership Scheme, and five other investors, namely Huian Fund Management Co., Ltd.*(匯安基金管理有限責任公司) ("**Huian Fund**"), Generali China Asset Management Co., Ltd. (中意資產管理有限責任公司) ("**Generali China**"), Ping An Asset Management Co., Ltd. (平安資產管理有限公司) ("**Ping An Asset Management**"), Mr. Liu Jigui (劉吉貴), Ms. Tan Shuyi (譚淑誼), generating net proceeds of approximately RMB600 million to support our business development initiatives. Among the 60,301,507 A Shares, 6,030,150 A Shares were subscribed by our 2016 Employee Stock Ownership Scheme, which was adopted on 25 May 2016, amended by our Board on 21 November 2016, and the term was further extended to 17 July 2024 by our Board on 9 July 2021. All 6,030,150 A Shares held by it were fully disposed of through centralised bidding on the secondary market between 28 June 2023 and 16 July 2024. The 2016 Employee Stock Ownership Scheme reached the end of its term and was automatically terminated on 17 July 2024, and the Company subsequently completed the liquidation of related assets and the distribution of proceeds in accordance with applicable laws, regulations, and the provisions of the 2016 Employee Stock Ownership Scheme. The issuance price was determined with reference to the 20-day average trading price preceding the pricing date, while taking into account market demand from potential investors. To the best knowledge of our Directors after having made all reasonable enquiries, Huian Fund, Generali China, Ping An Asset Management, Mr. Liu Jigui and Ms. Tan Shuyi were all Independent Third Parties as at the Latest Practicable Date. Upon the listing of these new A Shares on the Shenzhen Stock Exchange on 20 July 2017, our Company's registered share capital increased to approximately 905,412,707 A Shares.

(10) Share Capital Change A Shares in March 2022

During the period from 9 August 2018 to 26 January 2019, our Company repurchased an aggregate of 16,900,000 A Shares (the "**Repurchased Shares**") on the open market, representing approximately 1.87% of our Company's total issued share capital as at 7 March 2022. The Repurchased Shares were acquired at prices ranging from RMB4.42 to RMB6.95 per share, with a total consideration of RMB100,553,617 (excluding transaction costs and other related expenses). Pursuant to the verification and confirmation by China Securities Depository and Clearing Corporation Limited, Shenzhen Branch, the Repurchased Shares were duly cancelled on 7 March 2022 in accordance with applicable laws and regulations ("**Cancellation**"). Upon completion of the Cancellation, our Company's registered share capital decreased to 888,512,707 A Shares. On 2 April 2022, our Company completed the business registration for its capital increase from RMB905,412,707 to RMB888,512,707.

MAJOR SUBSIDIARIES

We had 19 Major Subsidiaries during the Track Record Period and 18 Major Subsidiaries as at the Latest Practicable Date with Beijing CHJ deregistered on 18 March 2026. The following table sets forth the detailed information of these Major Subsidiaries as at the Latest Practicable Date:

Name of subsidiary	Place of incorporation/ establishment	Date of incorporation/ establishment	Equity interest attributable to our Group	Authorised share capital/registered capital	Principal activities
Venti Jewellery	PRC	16 July 2003	100%	RMB50,000,000	Jewellery Sales
Wuxi CHJ	PRC	21 August 2007	100%	RMB1,100,000	Jewellery Sales
CHJ International Jewelry	Hong Kong	26 November 2007	100%	HK$1,000,000	Trading of precious metals and jewellery
Hangzhou CHJ	PRC	25 January 2008	100%	RMB2,000,000	Jewellery Sales
Guangdong Chaohui	PRC	30 November 2010	90%	RMB14,285,700	Jewellery Sales
Jinan CHJ	PRC	4 August 2011	100%	RMB5,000,000	Jewellery Sales
CHJ Jewellery	PRC	25 September 2014	100%	RMB450,000,000	Wholesale & Retail of Jewellery
Ningbo CHJ	PRC	4 November 2014	100%	RMB1,000,000	Jewellery Sales
Qingdao CHJ	PRC	29 January 2015	100%	RMB1,000,000	Jewellery Sales
Hefei CHJ	PRC	13 July 2015	100%	RMB1,000,000	Jewellery Sales
Shenzhen CHJ	PRC	25 April 2017	100%	RMB1,000,000	Jewellery Sales
Fion (HK)	Hong Kong	1 February 1996	100%	HK$231,013,031	Investment & Asset Management
Zeppelin Tech	Hong Kong	14 June 2000	100%	HK$2,000	Investment & Asset Management
CHJ International	Hong Kong	26 November 2007	100%	HK$78,545,440	Investment & Asset Management
Guangdong Fion	PRC	24 February 1992	94.62%	RMB79,261,364	Wholesale & Manufacturing of handbags
Fion (Asia Pacific)	Hong Kong	10 November 2008	94.62%	HK$23,390,439	Retail of Luggage & Bags
Shenzhen Feiang Leather	PRC	26 April 2019	94.62%	RMB500,000	Leather Goods Sales
Shantou CHJ Real Estate	PRC	21 December 2017	100%	RMB120,000,000	Management services for the Company's self-owned office buildings

Notes:

(1) A subsidiary of our Company is considered a Major Subsidiary if it contributed 1% or more to any of the following consolidated financial metrics of our Group for any fiscal year within the three years ended 31 December 2025, (i) total assets; (ii) net assets; (iii) total revenue; or (iv) net profit.

(2) During the Track Record Period, Beijing CHJ was one of our Major Subsidiaries. Pursuant to PRC's national policies, establishing retail stores across different cities requires the incorporation of a separate legal entity, and Beijing CHJ was set up for the purpose of opening self-operated stores in Beijing. Following the Group's decision in 2025 to transition its operational structure in Beijing from self-operated stores to franchise stores, Beijing CHJ was no longer necessary and was therefore deregistered on March 18, 2026. The management of franchise stores is directly handled by CHJ Jewellery.

(3) Such equity interest may be held indirectly by our Company through its subsidiaries as at the Latest Practicable Date. For further details, please see "Corporate Structure — Corporate Structure as at the Latest Practicable Date" below.

The Company held majority equity interests in the above Major Subsidiaries throughout the Track Record Period. For further details on share capital changes of the principal Subsidiaries, please see "Appendix VI — Statutory and General Information — C. Further Information about Our Major Subsidiaries".

MAJOR ACQUISITION, MERGER AND DISPOSAL

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

GUANGDONG FION EMPLOYEE INCENTIVE PLATFORM (TERMINATED)

Following the approval by the Board on 1 February 2023, Guangdong Fion, Fion (HK), Zeppelin Tech, Shenzhen Chaoshang, Mr. Xu Junxiong, Mr. Lin Binsheng, Mr. Lin Haosheng, and Gongqingcheng Gaobang Investment Partnership (LLP) ("**GQC LLP**") entered into a capital increase agreement on the same date ("**Capital Increase Agreement**"), pursuant to which (1) Mr. Xu Junxiong to subscribe for 2,556,818 shares of Guangdong Fion at a subscription price of RMB15.75 million; (2) Mr. Lin Binsheng, a director of Guangdong Fion, to subscribe for 4,261,364 shares of Guangdong Fion at a subscription price of RMB26.25 million; (3) Mr. Lin Haosheng, a director of Guangdong Fion, to subscribe for 1,704,545 shares of Guangdong Fion at a subscription price of RMB10.50 million; and (4) GQC LLP to subscribe for 1,704,545 shares of Guangdong Fion at a subscription price of RMB10.50 million. The subscription price was set at RMB6.16 per share. Following the completion of this capital increase, the total investment amounted to RMB63 million for 10,227,272 newly issued shares of Guangdong Fion, increasing Guangdong Fion's total share capital from 75,000,000 shares to 85,227,272 shares.

On 18 January 2023, Mr. Lin Haosheng, as the then general partner of GQC LLP, along with 12 other then management team and key employees of Guangdong Fion (acting as its limited partners), entered into the GQC LLP Partnership Agreement (the "**GQC LLP Agreement**"). Pursuant to the Capital Increase Agreement and the GQC LLP Agreement, Mr. Lin Binsheng, Mr. Lin Haosheng, Mr. Xu Junxiong, and the limited partners of GQC LLP (collectively, the "**Awarded Shareholders**") shall serve at Guangdong Fion or its subsidiaries for a minimum period of 60 months, commencing from the execution date of the Capital Increase Agreement by the Awarded Shareholders, Fion (HK), Zeppelin Tech, and Shenzhen Chaoshang. If any Awarded Shareholder voluntarily resigns or the employment of whom is terminated due to violations of laws, regulations, or Guangdong Fion's internal policies before the employment term expires, Guangdong Fion shall have the right to: (a) repurchase and cancel the shares acquired by the Awarded Shareholder through the capital increase (including any additional shares resulting from capital reserve conversion, stock dividends, stock splits, rights issues, or similar events, hereinafter the same); or (b) require the Awarded Shareholder to transfer such shares to a designated third party. The repurchase/transfer price shall be determined based on the lower of: (i) the grant price; or (ii) the net asset value per share as per Guangdong Fion's latest annual audited financial statements. As such, GQC LLP meant to serve as an employee incentive platform for Guangdong Fion, which aligned with the Company's and Guangdong Fion's then strategic development objectives to enhance the motivation and engagement of Guangdong Fion's management team and core employees.

However, since the implementation of the Guangdong Fion employee inventive platform in 2023, the internal and external macroeconomic conditions and market operating environment in which Guangdong Fion operates have undergone significant changes. Internal organizational structures of Guangdong Fion have also been substantially adjusted, making it difficult to achieve the intended incentive goals and effects by continuing with the incentive plan. Taking into account the view of the Awarded Shareholders, the market environment, and future development plans, and to better safeguard the interests of the Company, its shareholders, and employees, it has been decided through mutual consultation with all Awarded Shareholders to terminate the Guangdong Fion Employee Incentive Platform. On 1 December 2025, our Board resolved to terminate the Guangdong Fion employee incentive platform. It was determined that Guangdong Fion would repurchase 7% of its shares held by the Awarded Shareholders, excluding Mr. Lin Binsheng. The repurchase price for shares held by Mr. Xu Junxiong and Mr. Lin Haosheng shall be equivalent to the original subscription amount paid for such shares. The repurchase price for shares held by GQC LLP shall be the original subscription amount plus an annualized interest of 4%. On 19 January, 2026, the share repurchase had completed, Guangdong Fion's registered capital reduced to 79,261,364 shares. As at the Latest Practicable Date, GQC LLP has submitted the application for deregistration on Jiangxi Enterprise Registration Online Service System on 12 March 2026. After this adjustment, our Company indirectly holds approximately 94.62% of Guangdong Fion's shares, and Guangdong Fion remains as a subsidiary controlled by our Group.

REASONS FOR THE [REDACTED] ON THE HONG KONG [REDACTED]

Our Company is seeking for a **[REDACTED]** on the Hong Kong **[REDACTED]** in order to raise further capital for the development and expansion of our Company's business, and to further raise our profile as a business with a global presence and thus, enhance our ability to attract new customers, business partners, strategic investors and key management personnel. For further details, please see "Future Plans and **[REDACTED]**".

[REDACTED]

Rule 19A.13A(2) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of **[REDACTED]**, this will normally mean that the portion of H shares for which **[REDACTED]** is sought that are held by the public, at the time of **[REDACTED]**, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected **[REDACTED]** of not less than HK$3,000,000,000.

Our A Shares are listed on the Shenzhen Stock Exchange. The total number of the H Shares to be issued pursuant to the **[REDACTED]** represents approximately **[REDACTED]**% of the total issued share capital of our Company (before any exercise of the **[REDACTED]**). Immediately following the completion of the **[REDACTED]** (before any exercise of the **[REDACTED]**), the total number of the H Shares expected to be held by the public represents approximately **[REDACTED]**% of the total issued share capital of our Company, which is higher than the prescribed percentage of H Shares required to be held in **[REDACTED]** of **[REDACTED]**% under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 19A.13A of the Listing Rules.

FREE FLOAT

Rule 19A.13C(2) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of **[REDACTED]**, this will normally mean that the portion of H shares for which **[REDACTED]** is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of **[REDACTED]**, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of **[REDACTED]** (excluding treasury shares), with an expected market value at the time of **[REDACTED]** of not less than HK$50,000,000; or (b) have an expected market value at the time of **[REDACTED]** of not less than HK$600,000,000.

Based on an **[REDACTED]** of HK$**[REDACTED]** per H Share, our Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

PARTIES ACTING IN CONCERT

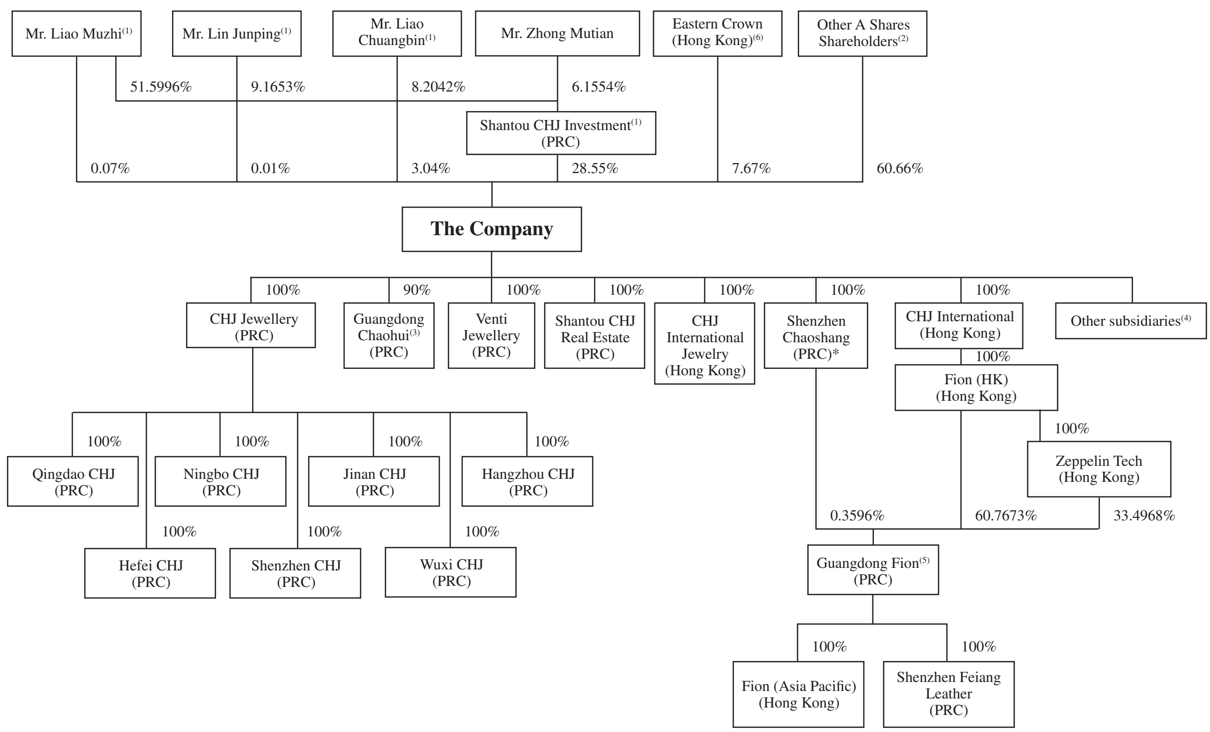
As at the Latest Practicable Date, our Company was owned as to approximately 28.55% by Shantou CHJ Investment. Shantou CHJ Investment was ultimately owned as to approximately 51.5996% by Mr. Liao Muzhi, 9.1653% by Mr. Lin Junping, 8.2042% by Mr. Liao Chuangbin, 6.1554% by Mr. Zhong Mutian, and approximately 24.8752% by other ten independent third parties. In addition, each of Mr. Liao Muzhi, Mr. Liao Chuangbin and Mr. Lin Junping directly held approximately 0.07%, 3.04% and 0.01% shareholding of our Company, respectively. Mr. Liao Muzhi is the father of Mr. Liao Chuangbin, and the father-in-law of Mr. Lin Junping. Mr. Liao Muzhi, Mr. Lin Junping and Mr. Liao Chuangbin have acknowledged and confirmed their acting-in concert relationship in the management and operation of our Group. Mr. Zhong Mutian has not entered into any acting-in-concert arrangements with the Concert Parties, nor does he have any family relationships with them. Shantou CHJ Investment, being an investment holding company, is not a special purpose vehicle set up by Mr. Liao Muzhi and his family members for the sole purpose of controlling and holding their interests in the Company, and Mr. Zhong Mutian, same as the other ten Independent Third Party investors, is merely an early-stage investor of Shantou CHJ Investment. Over the years, Shantou CHJ Investment has also invested in other entities. As at the Latest Practicable Date, Shantou CHJ Investment has also invested in two private funds in the PRC, as one of their limited partners holding 8% and 12.6582%, respectively, of their partnership interests. The Concert Parties (being Mr. Liao Muzhi, Mr. Lin Junping and Mr. Liao Chuangbin) confirm that they have been acting in concert in the management and operation of our Group in the past and they have agreed to continue to act in concert and reach consensus on any proposal related to the daily management and operation of our Group presented to the general meeting of the Shareholders of our Company for voting.

As at the Latest Practicable Date, the Concert Parties together controlled, through themselves and through Shantou CHJ Investment, approximately 31.67% of the voting power at the general meetings of our Company. Upon **[REDACTED]**, the Concert Parties will, together, control approximately **[REDACTED]**% of the voting power at the general meetings of our Company. Therefore, Mr. Liao Muzhi, Mr. Liao Chuangbin, Mr. Lin Junping and Shantou CHJ Investment were a group of our Single Largest Group of Shareholders as at the Latest Practicable Date and will be our Single Largest Group of Shareholders upon **[REDACTED]**.

CORPORATE STRUCTURE

Corporate Structure as at the Latest Practicable Date

The following chart illustrates the simplified corporate and shareholding structure of our Company as at the Latest Practicable Date:



Notes:

(1) Shantou CHJ Investment is owned as to approximately 51.5996% by Mr. Liao Muzhi, 9.1653% by Mr. Lin Junping, 8.2042% by Mr. Liao Chuangbin, 6.1554% by Mr. Zhong Mutian and approximately 24.8752% by ten Independent Third Parties. Each of Mr. Liao Muzhi, Mr. Liao Chuangbin and Mr. Lin Junping is a Concert Party. Mr. Zhong Mutian and the other ten Independent Third Parties are merely early-stage investors of Shantou CHJ Investment. As at the Latest Practicable Date, Mr. Liao Muzhi, Mr. Liao Chuangbin and Mr. Lin Junping, who are acting in concert, together controlled approximately 31.67% of the voting power at the general meetings of our Company. Upon **[REDACTED]**, Mr. Liao Muzhi, Mr. Liao Chuangbin and Mr. Lin Junping will, together, control approximately **[REDACTED]**% of the voting power at the general meetings of our Company, assuming the **[REDACTED]** is not exercised. Therefore, Mr. Liao Muzhi, Mr. Liao Chuangbin, Mr. Lin Junping and Shantou CHJ Investment were a group of our Single Largest Group of Shareholders as at the Latest Practicable Date and will be our Single Largest Group of Shareholders upon **[REDACTED]**. For further details, please see "History and Corporate Structure — Parties Acting In Concert" and "Relationship with our Single Largest Group of Shareholders".

(2) As at the Latest Practicable Date, other A Share Shareholders include (i) Mr. Xu Junxiong, our executive Director, holding 450,000 A Shares; and (ii) Mr. Choi Chung Wa Raymond, our executive Director, holding 101,500 A Shares, accounting for an aggregate of 551,500 A Shares.

(3) The remaining 10% of the equity interest in Guangdong Chaohui was held by Mr. Zhang Tianbing (張天兵), a director of Guangdong Chaohui.

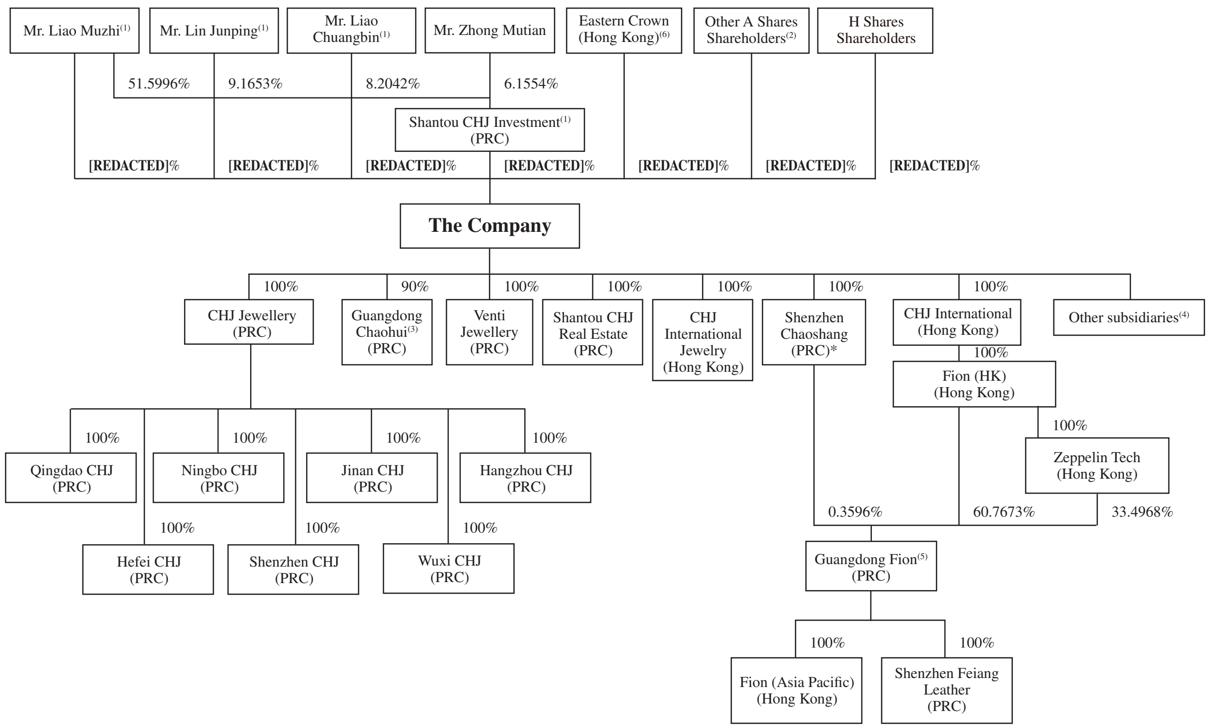
(4) As at the Latest Practicable Date, there were 53 other subsidiaries of our Company, which are not considered as our Major Subsidiaries.

(5) The remaining approximately 5.3763% of equity interest in Guangdong Fion was held by Mr. Lin Binsheng (a director of Guangdong Fion, brother of Mr. Lin Haosheng and the cousin of Mr. Lin Yuhao).

(6) As at the Latest Practicable Date, Eastern Crown is ultimately owned as to 60% by Lam Chor Chiu and 40% by Wu Wanjun, each an Independent Third Party.

Corporate Structure Immediately Following the [REDACTED]

The following chart sets forth a simplified corporate structure of our Group immediately after the **[REDACTED]** (assuming the **[REDACTED]** are not exercised).



Notes:

(1)–(6): Please refer to the corresponding notes to the chart in "— Corporate Structure as at the Latest Practicable Date" in this section.