FURTHER INFORMATION ABOUT OUR COMPANY

Incorporation of our Company

Our Company, formerly known as Shanghai HongYan Reusable Transit Packagings Co., Ltd. (上海鴻研物流技術有限公司), was established as a limited liability company in the PRC on September 2, 2013 and was converted into a joint stock limited company on December 26, 2025 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB10,256,410.

Our registered place of business in Hong Kong is at Room 1917, 19/F, Lee Garden One, 33 Hysan Road, Causeway Bay, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 13, 2026. Mr. Yau Tsz Lun, one of our joint company secretaries, has been appointed as our authorized representatives and our agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in "Regulatory Overview" and Appendix III, respectively.

Changes in the Share Capital of our Company

Save as disclosed in the section headed "History, Development and Corporate Structure — Major Shareholding Changes of our Company", there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

Changes in the Share Capital of our Subsidiaries

There had been no alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

Resolutions of our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on January 27, 2026, it was resolved, among others, and the following was approved:

(a) the [**REDACTED**] of H Shares with a nominal value of RMB[**REDACTED**] each and the [**REDACTED**] of such H Shares on the Stock Exchange;

(b) the number of H Shares to be [**REDACTED**] pursuant to the [**REDACTED**], and the grant to the [**REDACTED**] (or their representatives) of the [**REDACTED**] of not more than 15% of the number of H Shares [**REDACTED**] pursuant to the [**REDACTED**];

(c) conditional upon the completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares held by certain existing Shareholders will be [**REDACTED**] into H Shares;

(d) subject to the completion of the [**REDACTED**], the Articles of Association have been approved and adopted, which shall become effective on the [**REDACTED**], and our Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulatory authorities; and

(e) our Board has been authorized to handle all relevant matters relating to, among other things, the implementation of [**REDACTED**] of H Shares and the [**REDACTED**].

Pursuant to the resolutions passed at the extraordinary general meeting of our Shareholders on [●], it was resolved, among others:

(a) the granting of a general mandate to the Board to (i) allot and [**REDACTED**] Shares, and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares, at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes as the Board in their absolute discretion deem fit, provided that, the number of Shares to be [**REDACTED**], or to be sold and/or transferred out of treasury that are held as treasury shares shall not exceed 20% of the number of Shares in issue as of the [**REDACTED**]; and

(b) the granting of a general mandate to the Board to repurchase Shares [**REDACTED**] on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total [**REDACTED**] H Shares as of the [**REDACTED**].

Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Document concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the [**REDACTED**]' confidence in the Company and promote a positive effect on maintaining the Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholder as a whole.

(b) Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

(i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions;

(ii) the revocation or variation of the mandate under the resolution by a special resolution at the next general meeting of the Company; or

(iii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the H Shares in [**REDACTED**] as of the [**REDACTED**] being repurchased by the Company during the relevant period.

(c) Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

The Company is empowered by its Articles of Association to repurchase its Shares. Any shares to be repurchased will be cancelled or kept as treasury shares if allowed by the Articles of Association and applicable laws and regulations. Any repurchases by the Company may only be made out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the [**REDACTED**] of a new [**REDACTED**] of shares made for such purpose. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(f) Status of repurchased Shares

In accordance with the Articles of Association, the Listing Rules and any other applicable laws and regulations, following a repurchase of the H Shares, the Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances.

(g) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

(h) General

To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position.

Our Directors will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Group within the two years preceding the date of this Document and are or may be material:

(a) [●]

(b) [**REDACTED**].

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark Registered	Owner	Application No.	Place of Registration	Expiry Date
1. .	鴻潤	Our Company	4523221	PRC	May 27, 2028
2. .	HOREN	Our Company	62817563	PRC	September 20, 2033
3. .	HOREN	Our Company	61761417	PRC	May 13, 2033
4. .	箱箱共用	Our Company	61109912	PRC	April 20, 2033

Patents

As of the Latest Practicable Date, we are the owner of the following material patents, details of which are as follows:

No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
1. . . .	Extruder lifting device, equipment and system* (擠推器提拉裝置、設備及系統)	Our Company	CN202421869423.2	May 6, 2025	PRC
2. . . .	Fluid discharge system and its extruder* (流體排放系統及其擠推器)	Our Company	CN202421815822.0	July 29, 2025	PRC
3. . . .	Part mounting pads, part mounting units, and part packaging assemblies* (零件安裝墊、零件安裝單元以及零件包裝組件)	Our Company	CN202420592896.6	November 1, 2024	PRC
4. . . .	An antistatic liner bag and a bulk container* (一種防靜電內襯袋以及散裝容器)	Our Company	CN202322979398.5	November 1, 2024	PRC

No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
5. . . .	Auxiliary filling equipment and liquid filling systems* (輔助灌裝設備和液體填充系統)	Our Company	CN202322859692.2	July 2, 2024	PRC
6. . . .	Flange, valve, liquid liner and container* (一種法蘭件、閥門、液袋及容器)	Our Company	CN202321709770.4	December 5, 2023	PRC
7. . . .	Medium-sized bulk containers and packaging systems* (中型散裝容器和包裝系統)	Our Company	CN202223203749.5	May 2, 2023	PRC
8. . . .	Liquid delivery system and liner bag and manufacturing method thereof* (液體輸送系統和內襯袋及其製造方法)	Our Company	CN202010209030.9	August 29, 2025	PRC
9. . . .	Terminals and their wake-up methods, and data reporting methods and systems of logistics systems* (終端及其喚醒方法和物流系統的資料上報方法及其系統)	Our Company	CN201910055256.5	November 30, 2021	PRC
10. . .	Data reporting methods and systems for logistics equipment* (物流器具的數據上報方法及其系統)	Our Company	CN201910054444.6	December 11, 2020	PRC

No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
11. . .	Liquid filling systems and methods and auxiliary filling equipment* (液體填充系統及方法及輔助灌裝設備)	Our Company	CN201910008762.9	April 2, 2024	PRC
12. . .	Monitoring methods and systems for shared recyclable logistics equipment* (共享的可循環物流器具的監控方法及其系統)	Our Company	CN201710908308.X	April 5, 2022	PRC
13. . .	Methods and systems for detecting the effective display time of recyclable logistics equipment on the side* (可循環物流器具的側面有效展示時長檢測的方法及系統)	Our Company	CN201710843022.8	December 29, 2023	PRC
14. . .	Methods and systems for evaluating, billing, selecting, and publishing advertising effectiveness* (廣告效果評估、計費、選擇及發佈方式及系統)	Our Company	CN201710842326.2	January 2, 2024	PRC
15. . .	Methods and Systems for Analyzing the Inclination of Recyclable Logistics Boxes* (可循環物流箱的箱體傾斜程度分析方法及其系統)	Our Company	CN201710726290.1	October 13, 2023	PRC

No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
16. . .	Logistics equipment and methods for identifying the empty/full status of logistics equipment* (物流器具及物流器具空滿狀態辨識方法)	Our Company	CN201911240800.X	September 3, 2021	PRC
17. . .	Packaging bag certification methods and packaging bag extrusion devices* (包裝袋認證方法及包裝袋擠壓裝置)	Our Company	CN201710404489.2	November 8, 2022	PRC
18. . .	Information Acquisition System for Logistics Equipment* (物流器具信息取得的系統)	Our Company	CN201720426422.4	December 19, 2017	PRC
19. . .	Information Acquisition System and Methods for Logistics Equipment* (物流器具信息取得的系統及其方法)	Our Company	CN201710267104.2	March 31, 2020	PRC
20. . .	Signal transmission methods for logistics equipment and logistics systems* (物流器具及物流系統的訊號傳輸方法)	Our Company	CN201710214668.X	December 7, 2018	PRC

No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
21. . .	Assembly, disassembly, and data acquisition methods for recyclable logistics equipment and its sensors* (可循環物流器具及其感測器的組裝方法、拆卸方法與信息採集方法)	Our Company	CN201610084264.9	September 17, 2019	PRC
22. . .	Low-power circuit data broadcasting method and low-power circuit* (低功耗電路的資料廣播方法及低功耗電路)	Our Company	CN201610084287.X	November 19, 2019	PRC
23. . .	Distribution Management Methods and Systems for Recyclable Logistics Equipment* (可循環物流器具的分佈管理方法及其系統)	Our Company	CN201510300211.1	July 10, 2020	PRC
24. . .	Delivery methods and systems for recyclable logistics equipment* (可循環物流器具的交割方法與系統)	Our Company	CN201510268234.9	July 13, 2021	PRC
25. . .	Power management method and device for recyclable logistics equipment* (可循環物流器具的電源管理方法及裝置)	Our Company	CN201510096566.3	December 7, 2018	PRC

No.	Patent description	Registered Owner	Registration No.	Grant Date	Place of Registration
26. . .	Methods and systems for sharing recyclable logistics equipment* (可循環物流器具的共用方法及其系統)	Our Company	CN201510097247.4	August 21, 2020	PRC
27. . .	Maintenance methods and systems for recyclable logistics equipment* (可循環物流器具的維護方法及其系統)	Our Company	CN201510096569.7	April 30, 2019	PRC
28. . .	Valves and their core assemblies* (閥門及其閥芯組件)	Our Company	CN201410850792.1	February 8, 2017	PRC
29. . .	Information Interaction Methods and Systems Based on Computer Systems* (基於計算機系統的信息交互方法及其系統)	Our Company	CN201310193775.0	February 8, 2017	PRC

Copyright

As of the Latest Practicable Date, we are the owner of the following material copyright, details of which are as follows:

No	Work Name	Class	Registered Owner	Registration No.	Date of registration	Place of Registration
1.	Shared boxes-Shinkansen (bullet train) introduction brochure* (箱箱共用-新幹線介紹畫冊)	Art	Our Company	Guo Zuo Deng Zi-2024-L-00254307	August 27, 2024	PRC
2.	Shared boxes-Green Recycling Introduction Brochure* (箱箱共用-綠循環介紹畫冊)	Art	Our Company	Guo Zuo Deng Zi-2024-L-00254306	August 27, 2024	PRC

No	Work Name	Class	Registered Owner	Registration No.	Date of registration	Place of Registration
3.	Shared boxes-Blue Cycle Introduction Brochure* (箱箱共用-藍循環介紹畫冊)	Art	Our Company	Guo Zuo Deng Zi-2024-L-00254308	August 27, 2024	PRC
4.	SupercubeOF330-Web Design* (超立方OF330-網頁設計)	Art	Our Company	Guo Zuo Deng Zi-2021-L-00021861	January 29, 2021	PRC
5.	Official website homepage-Web Design* (官網首頁-網頁設計)	Art	Our Company	Guo Zuo Deng Zi-2021-L-00007290	January 12, 2021	PRC

Software Copyright

As of the Latest Practicable Date, we had registered the following software copyright which we considered to be material to our business in the PRC:

No.	Software Name	Owner	Registration No.	Date of Registration
1. . .	Smart Circular Service Platform V1.0.0	Our Company	Ruan Zhu Deng Zi No. 5197321	April 9, 2020

Domain Names

As of the Latest Practicable Date, we had registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	xiangxiang.com	Our Company	April 15, 2030
2.	horengroup.com	Our Company	May 31, 2027
3.	cortp.com	Our Company	August 19, 2027

Save as disclosed above, as of the Latest Practicable Date, there were no other intellectual property rights which are or may be material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS OF OUR COMPANY

Interests of our Directors and chief executive in the Company and our associated corporations

Save as disclosed in the section headed "Substantial Shareholders" and below, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

(a) Interests in our Company

Name	Position	Capacity/Nature of interest	Number of Shares (taking into account the [REDACTED])(1)	Approximate percentage of shareholding in the total Share capital immediately after completion of the [REDACTED](2)
				(%)
Mr. Liao(3)	Executive Director	Beneficial Owner	[**REDACTED**]	[**REDACTED**]
		Interest in controlled corporation	[**REDACTED**]	[**REDACTED**]
Mr. Huang Yan (黃岩) ("**Mr. Huang**")(4)	Non-executive Director	Interest in controlled corporation	[**REDACTED**]	[**REDACTED**]

Notes:

1. The letter "L" denotes the person's long position in the Shares.

2. The calculation is based on the total number of [**REDACTED**] H Shares in [**REDACTED**] immediately after completion of the [**REDACTED**] since Unlisted Shares will be [**REDACTED**] into H Shares and [**REDACTED**] H Shares will be [**REDACTED**] pursuant to the [**REDACTED**], taking into account the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised.

3. See "Relationship with Our Controlling Shareholders — Our Controlling Shareholders" and "Substantial Shareholders" for more details.

4. As of the Latest Practicable Date, Shanghai Lingzhong Assets Co., Ltd.* (上海領中資產管理有限公司) ("**Lingzhong Assets**") is the sole general partner of Shanghai Lingzhong Longzhi Venture Capital Center (Limited Partnership)* (上海領中龍智創業投資中心(有限合夥)) ("**Lingzhong Longzhi**"), Zhuhai Lingzhong Xingchen Phase II Equity Investment Fund (Limited Partnership)* (珠海領中星辰二期股權投資基金(有限合夥) ("**Lingzhong Xingchen**"), Zhuhai Lingzhong Qingyan Equity Investment Fund (Limited Partnership)* (珠海領中清研股權投資基金(有限合夥)) ("**Lingzhong Qingyan**") and Zhuhai Gongyi Equity Investment Fund (Limited Partnership)* (珠海公億股權投資基金(有限合夥)) ("**Zhuhai Gongyi**"), which were interested in 562,783 Unlisted Shares, 548,379 Unlisted Shares, 69,876 Unlisted Shares, and 20,213 Unlisted Shares, respectively, without taking into account the [**REDACTED**]. Lingzhong Assets is owned as to 97.50% by Mr. Huang. Accordingly, Lingzhong Assets and Mr. Huang are deemed to be interested in all the Shares held by Lingzhong Longzhi, Lingzhong Xingchen, Lingzhong Qingyan and Zhuhai Gongyi, respectively, under the SFO.

Interests of the substantial shareholders in the Shares

Save as disclosed in "Substantial Shareholders", immediately following the completion of the [**REDACTED**] and without taking into account any Shares which may be [**REDACTED**] pursuant to the exercise of the [**REDACTED**], our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

Interests of the substantial shareholders in other members of our Group

Our Directors are not aware of any persons (other than our Directors, Supervisors or chief executive) who will, immediately following the completion of the [**REDACTED**], directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

Particulars of Directors' Service Contracts and Letters of Appointment

Each of the Directors [has] entered into a service contract or a letter of appointment with our Company.

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 9 to the Accountants' Report set out in Appendix I, none of our Directors received other remunerations of benefits in kind from us.

Disclaimers

(a) save as disclosed in the section headed "Substantial Shareholders" and this section, none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [**REDACTED**] on the Stock Exchange;

(b) save as disclosed in the section headed "Substantial Shareholders", none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [**REDACTED**] and the [**REDACTED**] of Unlisted Shares into H Shares (without taking into account any H Shares which may be allotted and [**REDACTED**] pursuant to the exercise of the [**REDACTED**]), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group for each year/period during the Track Record Period; and

(d) none of our Directors or any of the parties listed in "Qualifications of Experts" of this Appendix is:

i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

ii. materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business.

EMPLOYEE INCENTIVE SCHEME

Restricted Share Incentive Plan

We have adopted the Restricted Share Incentive Plan on October 30, 2020. The following is a summary of the principal terms of our Restricted Share Incentive Plan. The terms of Restricted Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of restricted Shares by our Company after our [**REDACTED**]. Save as otherwise disclosed, the terms of the Restricted Share Incentive Plan are substantially similar and are summarized below.

Purpose

The purpose of the Restricted Share Incentive Plan is to establish and improve a long-term incentive mechanism for the company, attract and retain key employees, enhance the cohesion of the team, and align the interests of the shareholders, the company, and the key personnel, thereby ensuring the successful implementation of the Company's development strategy and business objectives.

Administration

Mr. Liao, the sole general partner of Shanghai Huixiang, one of our employee shareholding platforms, acted as the administrator to manage the Restricted Share Incentive Plan.

Participants

The participants of the Restricted Share Incentive Plan include the management and core personnel of the Company (the "**Participants**").

Form of the Restricted Share Incentive Plan

The Participants, as partners of Shanghai Huixiang, which are in the form of limited partnerships, shall subscribe for the limited partnership interest according to the amount approved by the Board, and make the corresponding payment in accordance with the arrangement of the Board, thereby indirectly holding the Shares of our Company by virtue of their capacity as limited partners of Shanghai Huixiang.

Total Number of the Underlying Shares of the Incentive Awards

Participants shall be interested in a total of 470,189 Shares through holding the limited partnership interests (the "**Incentive Awards**") in the Restricted Share Incentive Plan, and such 470,189 Shares represent approximately 4.58% of the share capital of our Company in issue at the Latest Practicable Date. As of the Latest Practicable Date, all Incentive Awards under the Restricted Share Incentive Plan has been granted.

Lock-up Period

According to the provisions of the Restricted Share Incentive Plan, the Participants shall be subject to a lock-up period of three years commencing from the date of the [**REDACTED**]. During the lock-up period, subject to relevant laws and regulations,

(i) the Participants shall not sell or transfer their interests acquired, nor shall they transfer such interests to any third-party (including other participants), without the approval by the controlling shareholder;

(ii) the Participants shall not establish mortgages, pledges, or other third-party rights over the interests acquired; and

(iii) should a Participant leave the company during the lock-up period, the Controlling Shareholder or a third-party designated by the Controlling Shareholder shall have the right to repurchase the interests acquired by the Participants in accordance with the repurchase arrangements stipulated under the Employee Incentive Scheme.

Conditions to the Grant of Restricted Shares

The restricted Shares under the Restricted Share Incentive Plan shall be granted to selected participants if the revenue targets set by the Board have been met and the management system of the company department has been in place.

Adjustment to the Restricted Share Incentive Plan

During the term of the Restricted Share Incentive Plan, if our Company has capital reserve or undistributed profit that are converted into the share capital, distribution of bonus shares, the number of Shares in our Company indirectly held by the Participants through the Restricted Share Incentive Plan shall change accordingly by the administrator.

Exercise Price

The exercise price of each restricted Shares shall be RMB10.00.

Employee Incentive Scheme

We have adopted the Employee Incentive Scheme on January 30, 2026. The following is a summary of the principal terms of the Employee Incentive Scheme. The Employee Incentive Scheme does not involve any grant of options by the Company after [**REDACTED**]. Accordingly, the terms of the Employee Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules. Save as otherwise disclosed, the terms of the Employee Incentive Scheme is substantially similar and is summarized below.

Purpose

The purpose of the Employee Incentive Scheme is to further enhance our Company's cohesion and core competitiveness, to attract and retain outstanding key personnel, to stimulate employees' motivation and creativity, and to deeply align the interests of Shareholders, the Company and its employees, thereby supporting the Company in achieving its long-term strategic development objectives.

Administration

Mr. Liao, the sole general partner of Shanghai Honghe which is our employee shareholding platform, acted as the administrator to manage the Employee Incentive Scheme.

Participants

The participants of the Employee Incentive Scheme include the management and core personnel of the Company (the "**Participants**").

Source and Maximum Number of Options

Each option granted represents the right to purchase one Share within the exercise period at the exercise price. The options are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated. The underlying Shares of the Employee Incentive Scheme are the issued shares held by Shanghai Honghe, our employee shareholding platform, controlled and managed by Mr. Liao, our founder, executive Director and Controlling Shareholder.

The maximum number of options that can be granted under the Employee Incentive Scheme is 54,000 (without taking into account the [**REDACTED**]). As of the Latest Practicable Date, no option has been granted under the Employee Incentive Scheme.

Term of the Employee Incentive Scheme

The Employee Incentive Scheme shall be effective from the date of its implementation until the day before the Company completes its [**REDACTED**].

Lock-up for Participants

The interests acquired by the Participants upon exercising their options shall be subject to a lock-up period of three years commencing from the date of the [**REDACTED**]. During the lock-up period, subject to relevant laws and regulations,

(i) the Participants shall not sell or transfer their interests acquired, nor shall they transfer such interests to any third-party (including other participants), without the approval by the controlling shareholder;

(ii) the Participants shall not establish mortgages, pledges, or other third-party rights over the interests acquired; and

(iii) should a Participant leave the company during the lock-up period, the Controlling Shareholder or a third-party designated by the Controlling Shareholder shall have the right to repurchase the interests acquired by the Participants in accordance with the repurchase arrangements stipulated under the Employee Incentive Scheme.

Adjustment to the Employee Incentive Scheme during Lock-up Period

During the lock-up period, if our Company has capital reserve or undistributed profit that are converted into the share capital, the number of Shares in our Company indirectly held by the Participants through the Employee Incentive Scheme shall increase proportionally.

Conditions to the Grant and Vesting of Options

The options under the Employee Incentive Scheme will only be granted and/or vested to the selected Participants if the Participants fulfil the individual performance requirements and pass the performance evaluation conducted by the Company based on the recipients' job responsibilities and achievement.

Exercise of Options

The option will be exercisable within one month of each milestone being achieved (the "**Window Period**"), when Participants may submit a written exercise application form (the "**Exercise Application Form**") and pay the exercise price. Upon the receipt of the Exercise Application Form submitted by a Participant and full payment of the exercise price, the Controlling Shareholder shall complete the registration of the interests acquired by the Participant within 30 working days. Options granted during the Window Period that remain unexercised shall automatically lapse if not exercised within the Window Period.

Exercise Price

The exercise price of each Share Incentives shall be RMB4.00, determined by comprehensively considering factors including the Participants' position level, historical contribution to the Company, future value to the Company's development, and the total consideration payable for acquiring shares in the employee shareholding platform.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoter

The promoters of the Company are all 14 then Shareholders of our Company as of December 9, 2025 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the [**REDACTED**] and the related transactions described in this Document.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial, operational, or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2025, being the end of the period reported on the Accountants' Report included in Appendix I; and there has been no event since December 31, 2025 and up to the date of this Document which would materially affect the information shown in the Accountants' Report set out in Appendix I.

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Document are as follows:

Name	Qualification
SPDB International Capital Limited	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Allbright Law Offices	Legal advisor to our Company as to PRC law
Ernst & Young	Certified Public Accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Consents of Experts

Each of the experts as referred to "Qualifications of Experts" of this Appendix has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respective included.

Sole Sponsor's Independence

The Sole Sponsor satisfies the independence criteria applicable to the sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and the Sole Sponsor, the Sole Sponsor's fees payable by us to the Sole Sponsor in respect of its service as the sponsor in connection with the [**REDACTED**] on the Stock Exchange is US$512,820.

Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

(a) within the two years preceding the date of this Document: (i) we have not [**REDACTED**] nor agreed to [**REDACTED**] any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the [**REDACTED**] or sale of any shares of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not [**REDACTED**] nor agreed to [**REDACTED**] any founder shares, management shares or deferred shares;

(d) there are no arrangements under which future dividends are waived or agreed to be waived;

(e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

(g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) no part of the equity or debt securities of our Company, if any, is currently [**REDACTED**] on or dealt in on any stock exchange or trading system, and no such [**REDACTED**] or permission to [**REDACTED**] on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;

(j) our Company has no outstanding convertible debt securities or debentures;

(k) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(l) our Company has adopted a code of conduct regarding Directors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.