OVERVIEW

Our history can be traced back to 2011 when our Company was founded. Shortly after the establishment of our Company, Mr. Kang, our executive Director, the chairman of our Board, our general manager and Controlling Shareholder, became one of our Shareholders on 11 June 2012. Following a series of equity transfers between June 2012 and December 2018 and a series of capital change between December 2018 and July 2024, our Company became under the control of Mr. Kang, who controlled approximately 72.2976% equity interest of our Company as of the Latest Practicable Date. Over the years, leveraging the expertise and critical insights into customer preferences gained through designing and manufacturing kitchen appliances products, we have strategically ventured into the online retail sector with our own flagship brand "Ciarra" since 2017 under the leadership of Mr. Kang. For the details of Mr. Kang's background and industry experience, please refer to the section headed "Directors and Senior Management" in this document.

In preparation for the quotation on the NEEQ, our Company was (i) converted from a limited liability company into a joint stock company with limited liability and (ii) renamed from Foshan Shunde Arcair Appliance Industry Co., Ltd.* (佛山市順德區合捷電器實業有限公司) to Guangdong Arcair Appliance Co., Ltd. (廣東合捷電器股份有限公司) in May 2019, and was quoted on the NEEQ in January 2020. Our Company then voluntarily withdrew its quotation from the NEEQ in February 2022. For further details, please refer to the paragraphs headed "Corporate Development – NEEQ quotation and subsequent withdrawal" in this section below. Our Company was converted from a joint stock company with limited liability into a limited liability company in February 2025 and was renamed as Guangdong Arcair Appliance Co., Ltd. (廣東合捷電器有限責任公司). Subsequently, our Company was further converted from a limited liability company into a joint stock company with limited liability in November 2025 in preparation for the Listing and was renamed as Guangdong Arcair Appliance Co., Ltd. (廣東合捷電器股份有限公司).

KEY MILESTONES

The following events set forth the key corporate and business development milestones of our Group:

Year	**Milestones**
2011	Our Company was established
2012	Our first production line for cooker hoods officially put into operation
2015	We were awarded as "High and New Technology Enterprise (高新技術企業)" for the first time
2017	We launched our own brand "Ciarra" and started to operate our own online store on e-commerce marketplace, Amazon, marking the beginning of our branded business
2019	Our annual production volume of cooker hoods exceeded 500,000 units
2020	We became quoted on the NEEQ (stock code: 873405.NQ)
	We launched our own online store at _www.ciarraappliances.com_ as our direct sales channel

Year	Milestones
2022	We obtained investment from the **[REDACTED]** Investor through subscription for registered capital of our Company
	Our first production line for hobs officially put into operation
2024	Our "Ciarra" portable cooker hood was awarded as winner in the kitchen category of iF Product Design Award
	Our second production line for hobs officially put into operation

CORPORATE DEVELOPMENT

Our business operations are conducted through our Company and our principal subsidiaries. The following sets forth the corporate history and shareholding changes of our Company.

Establishment of our Company

On 30 September 2011, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB1.0 million. Upon the establishment, our Company was owned as to 38% by Ms. Chen Huizhi (陳惠枝) who is the sister-in-law of Mr. Kang and sister of Ms. Chen, 37% by Mr. Chen Bocang (陳博倉) who is an Independent Third Party, and 25% by Ms. Xu Di (徐迪) who is the spouse of Mr. Liu.

2012 equity transfers

On 4 June 2012, Ms. Chen Huizhi entered into two equity transfer agreements to transfer 24% and 14% equity interest in our Company to Mr. Kang and Mr. Zhang Xuan (張炫), an Independent Third Party, at consideration of RMB240,000 and RMB140,000, respectively.

On the same day, Mr. Chen Bocang entered into an equity transfer agreement to transfer 13% equity interest in our Company to Mr. Zhang Xuan at a consideration of RMB130,000.

On the same day, Ms. Xu Di entered into two equity transfer agreements to transfer 24% and 1% equity interest in our Company to Mr. Liu, and Mr. Zhang Xuan at the consideration of RMB240,000 and RMB10,000, respectively.

The abovementioned considerations were determined based on the paid-up registered capital of our Company at the time of such equity transfers. Upon completion of the above equity transfers on 11 June 2012, our Company was owned as to 24%, 24%, 28% and 24% by Mr. Chen Bocang, Mr. Liu, Mr. Zhang Xuan and Mr. Kang, respectively. The considerations were paid in full.

2017 equity transfers

On 10 May 2017, Mr. Zhang Xuan entered into three equity transfer agreements to transfer 10%, 9% and 9% of equity interests in our Company to Mr. Kang, Mr. Liu and Mr. Chen Bocang at the consideration of RMB325,000, RMB292,500 and RMB292,500, respectively.

The abovementioned considerations were determined based on our financial performance in 2016. Upon completion of the above equity transfers on 16 May 2017, our Company became owned as to 34%, 33% and 33% by Mr. Kang, Mr. Chen Bocang and Mr. Liu Haitao, respectively. The considerations were paid in full on 10 May 2017.

2018 equity transfers

On 7 December 2018, Mr. Chen Bocang entered into an equity transfer agreement to transfer 0.62% equity interest in our Company to Mr. Xiao, at the consideration of RMB79,360. On the same day, Mr. Liu entered into an equity transfer agreement to transfer 4.17% equity interest in our Company to Mr. Xiao at the consideration of RMB533,760.

The abovementioned considerations were determined based on our financial performance in 2018. Upon completion of the above equity transfers on 12 December 2018, our Company was owned as to 34.00%, 32.38%, 28.83% and 4.79% by Mr. Kang, Mr. Chen Bocang, Mr. Liu and Mr. Xiao, respectively. The considerations were paid in full on 26 August 2019.

Capital increase in December 2018

On 26 December 2018, our Company passed a shareholders' resolution approving our Company to increase our registered capital from RMB1.0 million to RMB1.5 million of which Mr. Kang and Foshan Haodaying subscribed RMB169,200 and RMB330,800, respectively. Foshan Haodaying is owned by Mr. Kang and Mr. Xiao as to 29.93% and 70.07%, respectively as of the Latest Practicable Date.

Upon the completion of the registered capital subscription on 28 December 2018, our Company was owned as to 33.95%, 21.59%, 19.22%, 3.19% and 22.05% by Mr. Kang, Mr. Chen Bocang, Mr. Liu, Mr. Xiao and Foshan Haodaying, respectively, with registered capital of RMB1.5 million. The considerations were paid in full on 28 December 2018.

Conversion to a joint stock company and change of company name

On 13 May 2019, our Company passed a shareholders' resolution approving (i) the conversion of our Company from a limited liability company into joint stock company; (ii) the increase in registered shares capital of our Company from RMB1.5 million to RMB5.0 million; and (iii) the change of name of our Company from Foshan Shunde Arcair Appliance Industry Co., Ltd.* (佛山市順德區合捷電器實業有限公司) to Guangdong Arcair Appliance Co., Ltd. (廣東合捷電器股份有限公司).

Our Company was converted into a joint stock company with a registered share capital of RMB5,000,000, whereby the audited net assets of approximately RMB23,971,601.11 as of 28 February 2019, of which (i) RMB5.0 million has been converted into 5,000,000 shares of RMB1.0 par value each, which were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company; and (ii) the remaining amount of RMB18,971,601.11 was converted to capital reserve of our Company. The conversion was completed on 24 May 2019.

NEEQ quotation and subsequent withdrawal

On 22 January 2020, the shares of our Company became quoted on the NEEQ under the stock code 873405.NQ. During our quotation on the NEEQ, our Company underwent a series of shareholding changes and capital increases, our Company had a registered share capital of RMB25.0 million immediately prior to the subsequent withdrawal of quotation from NEEQ and was then owned as to 55.536%, 22.050%, 19.220%, 3.190% and 0.004% by Mr. Kang, Foshan Haodaying, Mr. Liu, Mr. Xiao and Ms. Lu Peiyun, an Independent Third Party.

On 17 December 2021, in connection with the introduction of our **[REDACTED]** Investor, Skyline Ventures, the board of our Company resolved to voluntarily withdraw its quotation from the NEEQ, which was duly approved by the then shareholders of the Company. On 7 February 2022, our Company withdrew its quotation from the NEEQ by way of a voluntary application for withdrawal. Our Directors are of the view that the decision to withdraw quotation from NEEQ was a commercial strategic decision and in line with our development needs and the long term strategic planning in the equity market.

Capital change in 2022

From February to June 2022, the then shareholders of our Company adopted several resolutions to change the registered capital of our Company from RMB25.0 million to RMB26,471,800.

On 17 May 2022, our Company entered into an investment agreement with Skyline Ventures, pursuant to which Skyline Ventures agreed to subscribe for registered share capital of RMB**[REDACTED]** at the consideration of US$3,000,000. For details, please refer to the paragraphs headed "**[REDACTED]** Investment" in this section below.

Upon the abovementioned completion of capital change, our Company was converted into a sino-foreign equity joint venture with joint stock limited liability and our Company was owned as to 52.4483%, 18.1514%, 3.0126%, 20.8240%, 0.0038% and 5.5599% by Mr. Kang, Mr. Liu, Mr. Xiao, Foshan Haodaying, Ms. Lu Peiyun and Skyline Ventures, respectively.

2023 equity transfer

After a series of equity transfers, on 27 June 2023, Mr. Liu entered into an equity transfer agreement to transfer 10.15% equity interest in our Company to Ms. Chen, at the consideration of RMB6.0 million.

The abovementioned consideration were determined based on our financial performance in 2023. Upon completion of the above equity transfers, our Company was owned as to 52.4483%, 8.0000%, 3.0126%, 20.8240%, 0.0038%, 5.5599% and 10.1514% by Mr. Kang, Mr. Liu, Mr. Xiao, Foshan Haodaying, Ms. Lu Peiyun, Skyline Ventures and Ms. Chen, respectively. The considerations were paid in full on 15 December 2023.

Capital increase in July 2024 and subscription by the employee shareholding platform

On 9 July 2024, our Company passed a shareholders' resolution and resolved to increase the registered capital of our Company from RMB26,471,800 to RMB26,830,100. Bixiao Intelligent, an Employee Shareholding Platform of the Company, subscribed the increased registered capital for employee incentive purpose. For further details on Bixiao Intelligent, please refer to the paragraph headed "**[REDACTED]** Share Incentive Plan" in this section.

Upon the completion of capital increase and subscription, our Company was owned as to 51.7479%, 7.8932%, 2.9724%, 20.5460%, 0.0037%, 5.4856%, 10.0158% and 1.3354% by Mr. Kang, Mr. Liu, Mr. Xiao, Foshan Haodaying, Ms. Lu Peiyun, Skyline Ventures, Ms. Chen and Bixiao Intelligent, respectively, with registered capital of RMB26,830,100. The considerations were paid in full on 31 December 2024.

2024 equity transfer

On 19 July 2024, Ms. Lu Peiyun entered into an equity transfer agreement to transfer 0.0038% equity interest in our Company to Mr. Kang at the consideration of RMB2,232.80, which was determined with reference to our financial performance in 2024.

Upon completion of the above equity transfer on 19 July 2024, our Company was owned as to 51.7516%, 7.8932%, 2.9724%, 20.5460%, 5.4856%, 10.0158% and 1.3354% by Mr. Kang, Mr. Liu, Mr. Xiao, Foshan Haodaying, Skyline Ventures, Ms. Chen and Bixiao Intelligent, respectively, with registered capital of RMB26,830,100. The considerations were paid in full on 5 October 2024.

Conversion to a limited liability company

In contemplation of the then proposed red chip corporate restructuring for **[REDACTED]**, on 17 February 2025, our Company passed a shareholders' resolution and resolved to convert from a joint stock company with limited liability to a limited liability company.

The conversion was completed on 18 February 2025 and our Company was renamed as Guangdong Arcair Appliance Co., Ltd. (廣東合捷電器有限責任公司). Upon completion of the conversion, the registered capital of our Company was RMB26,830,100.

Conversion to a joint stock company in 2025

For the purpose of the **[REDACTED]**, on 27 November 2025, our Company was converted into a joint stock company with limited liability in the PRC, with a registered share capital of RMB26,830,100, whereby the audited net assets of RMB88,378,148.89 as of 31 August 2025, of which (i) RMB26,830,100 has been converted into 26,830,100 shares of RMB1.0 par value each, which were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company; and (ii) the remaining amount of RMB61,548,048.89 was converted to capital reserve of our Company. The conversion was completed on 27 November 2025 and our Company was renamed as Guangdong Arcair Appliance Co., Ltd. (廣東合捷電器股份有限公司).

As advised by our PRC Legal Adviser, we have obtained the requisite approvals and completed requisite governmental registrations with relevant administration department for market regulation in the PRC in all material aspects with respect to our aforesaid establishment, equity or share transfer and conversion, and the changes of our shareholdings.

OUR PRINCIPAL SUBSIDIARIES

As of the Latest Practicable Date, we had nine subsidiaries. The following sets forth information about our subsidiaries that have made a material contribution to our operating results during the Track Record Period:

Name of subsidiaries	Place of incorporation/ establishment	Date of incorporation/ establishment	Effective (direct/ indirect) equity interest attributable to our Company	Issued share capital/ registered capital	Principal activities
AirWin HK	Hong Kong	23 August 2018	100%	HK$1,000,000	E-commerce and sales of kitchen appliances
Foshan Aisheng	PRC	18 April 2016	100%	RMB1,000,000	Network technology service and e-commerce marketing and promotion
Zhaochuang Intelligent	PRC	2 November 2020	100%	RMB500,000	Software development and, network technology service and sales of kitchen and home appliances
Veyma	Germany	22 May 2019	100%	€25,000	Sales of household appliances
Ecochi	Germany	23 February 2023	51%	€100,000	Manufacturing and sales of energy products

AirWin HK

AirWin HK was incorporated in Hong Kong as a private limited liability company by shares on 23 August 2018 with 1,000,000 shares in issue.

Since its incorporation and up to the Latest Practicable Date, AirWin HK has been wholly-owned by our Company and is engaged in e-commerce and sales of kitchen appliances.

Foshan Aisheng

Foshan Aisheng was established in PRC with limited liability on 18 April 2016. As of the Latest Practicable Date, Foshan Aisheng had a registered and paid-up capital of RMB1.0 million. At the time of establishment, Foshan Aisheng was owned as to 80% and 20% by Foshan Shunde Zhanke Trading Ltd* (佛山市順德區湛科貿易有限公司) ("**Foshan Shunde Zhanke**") which was owned as to 52% by Mr. Kang and 48% by Mr. Liu, and Mr. Lai Zhiping (賴治平), an Independent Third Party.

Upon resolutions at the general meeting of Foshan Aisheng on 30 November 2017, Foshan Shunde Zhanke and Mr. Lai Zhiping entered into equity transfer agreements to transfer 80% and 20% equity interest of Foshan Aisheng to our Company at the consideration of RMB800,000 and RMB200,000, respectively. The abovementioned considerations made with reference to its registered capital. The considerations were paid in full on 31 May 2018.

Upon the completion of the aforesaid equity transfers and up to the Latest Practicable Date, Foshan Aisheng has been a direct wholly-owned subsidiary of our Company and is primarily responsible for network technology services, e-commerce, marketing and promotion.

Zhaochuang Intelligent

Zhaochuang Intelligent was established in PRC with limited liability on 2 November 2020. As of the Latest Practicable Date, Zhaochuang Intelligent had an initial registered capital of RMB500,000.

Since its establishment and up to the Latest Practicable Date, Zhaochuang Intelligent has been indirect wholly-owned by our Company and is primarily responsible for the software development and network technology service.

Veyma

Veyma was founded as a German limited liability company (GmbH) on 22 May 2019 with registered share capital of €25,000, consisting of one share with a nominal value of €25,000. Its sole founder shareholder was Mr. Xu Bin, an Independent Third Party. On 9 August 2021, Mr. Xu Bin transferred his entire share to AirWin HK at a consideration of €25,000. Such consideration was determined based on arm's length negotiation between the parties with reference to the registered share capital of Veyma.

Following the completion of this transfer, AirWin HK is the sole shareholder of Veyma and Veyma became an indirect wholly-owned subsidiary of our Company. Veyma was established for sales of household appliances.

As advised by our German Legal Adviser, the above share transfers of Veyma are in compliance with the applicable laws and regulations of Germany.

Ecochi

Ecochi was founded as a German limited liability company (GmbH) on 23 February 2023 with registered share capital of €100,000 dividing into 100,000 shares of nominal value €1 each with its founder shareholders of AirWin HK and Chongyi Group HK Limited ("**Chongyi Group**") subscribing 51,000 shares and 49,000 shares, respectively. Chongyi Group HK is a limited company incorporated in Hong Kong and its ultimate beneficial owner is Ms. Li Na (李娜), who is also the sole director of Ecochi.

Since its establishment and up to the Latest Practicable Date, Ecochi is an indirect non-wholly-owned subsidiary of our Company. Ecochi was primarily established for manufacturing and sales of products in the energy sector, particularly heat pumps.

DEREGISTRATION OF OUR INDIAN SUBSIDIARY

Masterific Kitchen was incorporated under the laws of India with limited liability on 23 May 2019 and was principally engaged in the sales of kitchen appliances. Immediately before its deregistration on 1 April 2026, Masterific Kitchen was owned as to 99.9% by our Company and 0.1% by Zhang Liquan, one of the directors of Masterific Kitchen. To optimize our management and other resources and to focus on our core business, on 19 December 2025, our Company formally initiated its voluntary deregistration process of Masterific Kitchen. As of the date of deregistration, Masterific Kitchen was not engaged in active business operations and had effectively ceased commercial activities. As advised by the India Legal Adviser, (i) Masterific Kitchen was solvent and free from any undisclosed or undischarged liabilities as of the date of the deregistration and (ii) the deregistration was lawfully and validly commenced and duly completed in compliance with the applicable laws and regulations of India.

As confirmed by our Indian Legal Adviser, Masterific Kitchen had not been involved in any material claims, litigations or non-compliant incidents since its establishment and as of the Latest Practicable Date. In addition, in light of the relatively insignificant business operations of Masterific Kitchen, our Directors consider that the deregistration of Masterific Kitchen had no material impact on our Group's business and financial performance.

Our Company had not conducted any acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

[REDACTED] SHARE INCENTIVE PLAN

Bixiao Intelligent was established in PRC as a limited partnership on 13 June 2024 as our employee shareholding platform. Mr. Xiao is the general partner of Bixiao Intelligent and is responsible for its management and operation. Pursuant to the **[REDACTED]** Share Incentive Plan, eligible participants under the **[REDACTED]** Share Incentive Plan subscribe for partnership interests in Bixiao Intelligent as limited partners. As of the Latest Practicable Date, Bixiao Intelligent had eight limited partners including, Ms. Kang, Ms. Fang Jiao (financial controller of our Company) and six other employees of our Company (including three supervisors of our Company, namely, Mr. Mao Bangri, Ms. Li Jianfeng and Ms. Cai Lixuan). None of the partners held partnership interest in Bixiao Intelligent exceeding 30%.

As of the Latest Practicable Date, all Incentive Shares underlying the **[REDACTED]** Share Incentive Plan had been issued to Bixiao Intelligent and the relevant subscription price had been fully settled. The **[REDACTED]** Share Incentive Plan was implemented on a one-off basis, and no further Shares will be issued pursuant to the **[REDACTED]** Share Incentive Plan after **[REDACTED]**. For further details and the structure of the **[REDACTED]** Share Incentive Plan, please refer to the section headed "Statutory and General Information – D. **[REDACTED]** Share Incentive Plan" in Appendix IV to this document.

[REDACTED] INVESTMENT

Our Company obtained investment from a **[REDACTED]** Investor through subscription for registered capital of our Company. For further details, please refer to the paragraphs headed "– Corporate Development – Capital Change in 2022" in this section.

Principle terms of the [REDACTED] Investment

Name of [REDACTED] Investor	Skyline Ventures
Subscription method	Subscription of registered share capital by cash
Date of investment agreement	17 May 2022
Date on which the investment was fully and irrevocably settled by the [REDACTED] Investor	28 March 2023
Number of shares subscribed for	**[REDACTED]**
Amount of consideration	US$3,000,000 (equivalent to approximately HK$23,473,800)
Shareholding in our Company immediately upon [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account the exercise of any option which may be granted under the Share Option Scheme)	**[REDACTED]**
Cost per Share(1)	US$2.038 (equivalent to approximately HK$16.0)
Discount to the [REDACTED](2)(3)	**[REDACTED]**%
Strategic benefits from the [REDACTED] Investment	Our Directors are in a view that our Group can benefit from the **[REDACTED]** Investment as it provided financial resources for our business development and it serves as an endorsement of our Group's performance, strength and prospects.

Notes:

(1) Cost per Share paid by the **[REDACTED]** Investor was calculated based on the amount of investment made by the **[REDACTED]** Investor and number of Shares held by him/her/it immediately upon completion of the **[REDACTED]**.

(2) The discount to the **[REDACTED]** is calculated based that the **[REDACTED]** is HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per **[REDACTED]**.

(3) U.S. dollars into Hong Kong dollars at the rate of US$1.00 to HK$7.8246.

Basis of determination of the consideration

The determination of the valuation and consideration is based on arm's-length negotiations between the relevant parties with reference to, among others, (i) the price-to-sales ratio of our industry peers at that time; (ii) the timing and market conditions of the investments/equity transfers; and (iii) the prospects of our business.

Lock-up period

The **[REDACTED]** Investor is not subject to any contractual lock-up arrangement pursuant to the terms of the **[REDACTED]** Investment. Pursuant to the applicable PRC laws, within 12 months following the **[REDACTED]**, all existing Shareholders (including the **[REDACTED]** Investor) cannot dispose of any of the Shares held by them.

Rights of the [REDACTED] Investor

Pursuant to a shareholders' agreement entered into among the Shareholders of our Company on 17 May 2022 and the relevant supplemental shareholders' agreements dated 18 May 2022 and 1 June 2022, the **[REDACTED]** Investor had been granted certain special rights, including, among others, preemptive right, right of first refusal, co-sale rights, anti-dilution rights, redemption rights, liquidation preferences, director nomination rights, as well as information and inspection rights. Pursuant to a shareholders' rights termination agreement entered into between our Company and the then Shareholders of our Company dated 28 August 2025, it was agreed that (a) pursuant to the supplemental shareholders' agreements, all provisions regarding our Company's monetary payment obligations in respect of the **[REDACTED]** Investor's anti dilution rights, redemption rights and liquidation preference were unconditionally and irrevocably terminated with effect from 1 June 2022; (b) the **[REDACTED]** Investor's anti dilution rights, redemption rights and liquidation preference (to the extent not involving any obligations or liabilities of our Company) shall automatically terminate and become void and non-legally binding one day prior to our submission of its **[REDACTED]**, provided however that such rights shall be automatically restored upon the earliest occurrence of: (i) our Company fails to submit a **[REDACTED]** within six years from 20 April 2023; (ii) the **[REDACTED]** is rejected, denied or the review thereof is terminated; (iii) our Company decides to terminate its **[REDACTED]** or withdraw the **[REDACTED]**; (iv) the **[REDACTED]** submitted by us lapses and is not renewed in a timely manner; or (v) our Company fails to complete its **[REDACTED]** within 24 months after the submission of its first **[REDACTED]** application; and (c) all other special rights of the **[REDACTED]** Investor shall unconditionally and irrevocably terminate and cease to have any force or effect with effect from one day before the **[REDACTED]**.

Use of proceeds from the [REDACTED] Investment

We utilized the proceeds from the **[REDACTED]** Investment for the principal business of our Group, including but not limited to growth and expansion of our Group's business and the general working capital purposes.

As of the Latest Practicable Date, all of the funds raised by the **[REDACTED]** Investment had been fully utilized.

Information about the [REDACTED] Investor

Skyline Ventures is a limited partnership fund with seven limited partners, registered in Cayman Islands on 2 June 2021 and is principally engaged in investment holding and equity investments which is managed by its general partner, Skyline Ventures Management Limited ("**Skyline Ventures Management**"), an exempted company incorporated under the laws of Cayman Islands on 28 May 2021 with the primary purpose of investment management, to which Mr. Liang Jie is a director of Skyline Ventures Management since its establishment. Skyline Ventures Management is ultimately beneficially owned by an Independent Third Party. Save as disclosed herein, the **[REDACTED]** Investor and its ultimate beneficial owner do not have any other relationship with our Group, our Shareholders, our Directors, our senior management, any connected persons of our Company and any of their respective associates. Other than having a role as investor and a Shareholder, the **[REDACTED]** Investor and its ultimate beneficial owner, being Independent Third Parties, as of the Latest Practicable Date, (i) had no role and involvement in our Group and (ii) had not received or would not receive any remuneration and/or benefit in kind from our Company, our Controlling Shareholders and/or any of their associates in connection with the **[REDACTED]**.

Mr. Liang is a non-executive Director of our Company and a director of Skyline Ventures Management. Skyline Ventures expressed its interest to invest in the cross-border e-commerce sector through Mr. Liang, and therefore invested in our Group in 2021, after learning about our Company from NEEQ, on which the shares of our Company was quoted at the relevant time.

Sole Sponsor's confirmation

On the basis that (i) the **[REDACTED]** Investment were completed and irrevocably settled more than 28 clear days before the date of our first submission of the **[REDACTED]**; and (ii) all special rights of the **[REDACTED]** Investor will be terminated as disclosed in "– Rights of the **[REDACTED]** Investor" above, the Sole Sponsor confirms that the **[REDACTED]** Investments are in compliance with the **[REDACTED]** Investment Guidance (as defined in Chapter 4.2 of the Guide).

PUBLIC FLOAT

Immediately following the completion of the **[REDACTED]** and the conversion of certain Unlisted Shares into H Shares, assuming that the **[REDACTED]** is not exercised, the Shares held by Mr. Kang, Mr. Liu, Ms. Chen, Mr. Xiao, Foshan Haodaying and Bixiao Intelligent, or directly or indirectly controlled by our core connected persons, will not be counted towards of the public float.

To the best knowledge of our Directors, save as disclosed above, upon the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), **[REDACTED]** H Shares, approximately **[REDACTED]**% of the total number of issued Shares will be counted towards the public float. Therefore, our Company will be able to meet the minimum public float requirements under Rule 19A.13A of the Listing Rules.

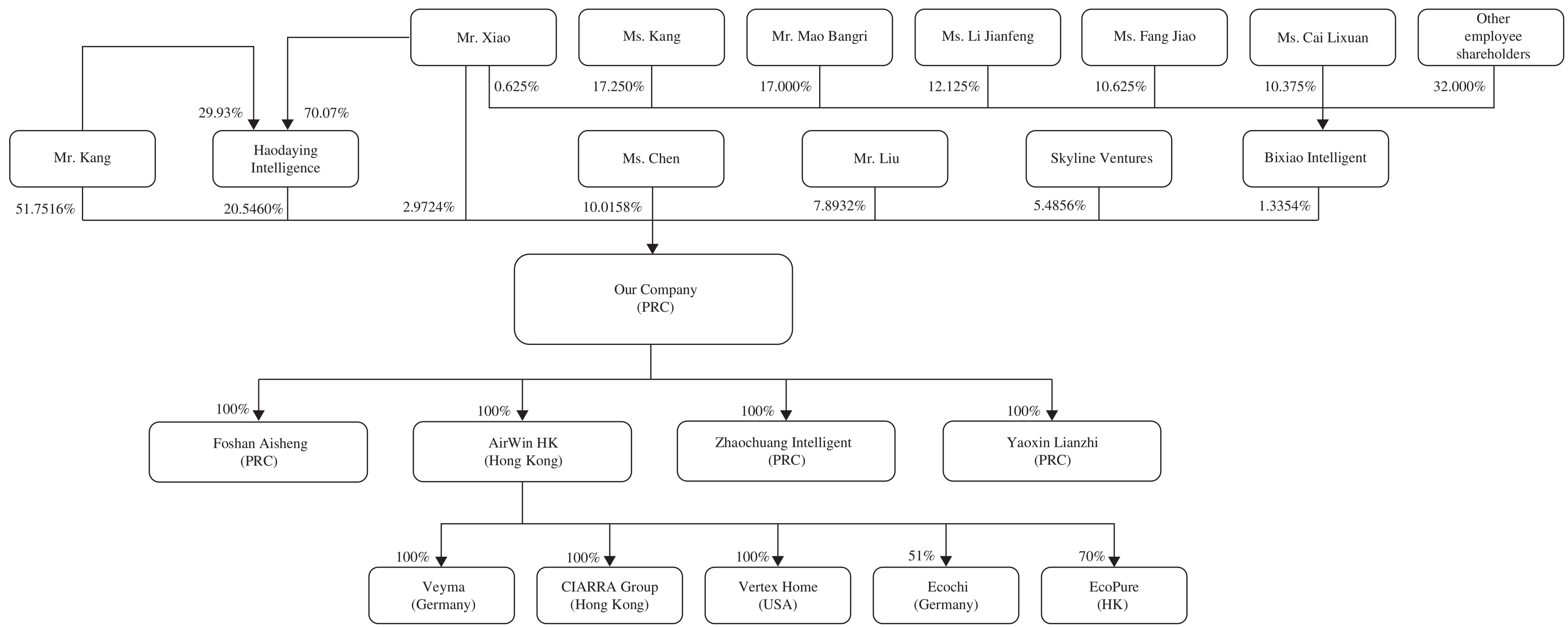
FREE FLOAT

Pursuant to Rule 19A.13C of the Listing Rules, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing 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 listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50 million; or (b) have an expected market value at the time of listing of not less than HK$600 million.

Taken into consideration the total number of issued share capital of our Company, **[REDACTED]** to be issued under the **[REDACTED]**, Shares held by the existing Shareholders subject to lock-up requirement under the PRC laws and regulations, the expected market value of the H Shares being held by the public and not subject to any disposal restrictions at the time of **[REDACTED]** under Rule 19A.13C of the Listing Rules is expected to be at least 10% of the total number of issued Shares of our Company at the time of **[REDACTED]** with an expected market value at the time of **[REDACTED]** of not less than HK$50 million.

Our Company is expected to satisfy the free float requirement under Rule 19A.13C of the Listing Rules at the time of **[REDACTED]**.

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]



Notes:

(1) Mr. Kang is the general partner of Haodaying Intelligence. Mr. Kang and Mr. Xiao are interested in 29.93% and 70.07% partnership interest in Haodaying Intelligence, respectively.

(2) Mr. Xiao is the general partner of Bixiao Intelligent, an Employee Shareholding Platform of our Company. Mr. Xiao is interested in 0.625% partnership interest in Bixiao Intelligent. The remaining 99.375% partnership interest is held by eight limited partners, including (i) our Director, Ms. Kang, as to 17.250%; (ii) three supervisors of our Company, namely, Mr. Mao Bangri, Ms. Li Jianfeng and Ms. Cai Lixuan as to 17.000%, 12.125% and 10.375%, respectively; (iii) our financial controller, Ms. Fang Jiao, as to 10.625%; and (iv) other three employees of our Group who were Independent Third Parties, as to 32.000%. For further details on Bixiao Intelligent, please refer to the paragraphs headed "**[REDACTED]** Share Incentive Plan" in this section.

(3) The remaining 49% shareholding of Ecochi is owned by Chongyi Group HK Limited, which is wholly-owned by the sole director of Ecochi, Ms. Li Na.

(4) The remaining 30% shareholding of EcoPure is owned by Luminex Lab Ltd, which is ultimately beneficially owned by an Independent Third Party.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]