A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our Company was established as a limited liability company in the PRC on 30 September 2011. Our Company was then converted, under the laws of the PRC, into a joint stock company with limited liability on 24 May 2019 and then into a limited liability company on 18 February 2025. On 27 November 2025, our Company was converted into a joint stock company with limited liability under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company is RMB26,830,100.

Our Company has established a place of business in Hong Kong at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and has duly registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 24 April 2026. Ms. Ho Sze Wah Cecilia, one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in Appendix III to this document. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in the section headed "Regulatory Overview" in this document.

2. Changes in share capital of our Company

Save as disclosed in the section headed "History, Development and Corporate Structure" and the paragraphs headed "– 4. Resolutions of Our Shareholders" in this section below, there has been no alteration in our share capital within the two years immediately preceding the date of this document.

3. Change in share capital of our subsidiaries

Please refer to the Accountants' Report as set out in Appendix I to this document for the list of our subsidiaries.

There has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this document.

4. Resolutions of Our Shareholders

Pursuant to the duly convened general meeting of our Shareholders held on **[REDACTED]**, it was resolved, among others:

(a) the issue of H Shares with a nominal value of RMB1.00 each and the listing 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) subject to our obtaining the formal written authorization from the relevant Shareholders and the completion of filing procedure with the CSRC, conditional upon the completion of the **[REDACTED]**, **[REDACTED]** Unlisted Shares in aggregate held by Skyline Ventures will be converted into H Shares;

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

(e) subject to the completion of the **[REDACTED]**, the granting of a general mandate to our Board to repurchase **[REDACTED]** with an aggregate number of not exceeding 10% of the number of the total issued H Shares (excluding any treasury shares) as at the date of the resolution granting the general mandate;

(f) subject to the completion of the **[REDACTED]**, the granting of a general mandate to our Board to allot, issue Shares, or 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 our Shareholders or the date on which our Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue (excluding any treasury shares) as at the date of the resolution granting the general mandate; and

(g) 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.

5. Explanatory Statement on Repurchase of our own securities

This paragraph contains information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders' approval

The Listing Rules provide that all proposed repurchases of Shares (which must be fully paid) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction.

Note: Pursuant to the written resolutions of our Shareholders passed on **[REDACTED]**, a repurchase mandate (the "**Repurchase Mandate**") was given to our Directors authorising our Directors to exercise all powers of our Company to purchase Shares as described above in the paragraph headed "A. Further information about our Company and our subsidiaries – 4. Resolutions of Our Shareholders" of this Appendix.

(ii) Source of funds

In repurchasing Shares, our Company intends to apply funds from our 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.

Our Company is empowered by its Articles of Association to repurchase 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. Our 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.

(iii) Connected parties

The Listing Rules prohibit our Company from knowingly repurchasing our Shares on the Stock Exchange from a "core connected person", which includes a Director, chief executive or substantial shareholder of our Company or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) Reasons for repurchase

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have a general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of our net asset value and/or earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and Shareholders.

(c) Exercise of the Repurchase Mandate

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 our 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 our Company; or

(iii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of our 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 issue as of the **[REDACTED]** being repurchased by our Company during the relevant period.

(d) Funding of repurchase

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws and regulations of the PRC.

Our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(e) General

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention if the Repurchase Mandate is exercised to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the PRC.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, 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, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

No core connected person (as defined in the Listing Rules) of our Company has notified us that he/she has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

(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, our 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.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of material contracts

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

(a) the shareholders' rights termination agreement dated 28 August 2025 entered into between our Company and our Shareholders; and

(b) [the **[REDACTED]**.]

2. Intellectual property rights

(a) Trademarks

As at the Latest Practicable Date, our Company and/or subsidiaries had registered the following trademarks in Hong Kong which we consider to be material to our business:

No.	Trademark	Trademark Number	Name of Licensee	Class(es)	Registration Date	Expiry Date
1.		307007210	AirWin HK	8, 9, 11, 21, 35	25 August 2025	24 August 2035
2.	ciarra	307007229	AirWin HK	8, 9, 11, 21, 35	25 August 2025	24 August 2035
3.	ciarra	307007238	AirWin HK	7, 8, 9, 11, 21, 35	25 August 2025	24 August 2035

No.	Trademark	Trademark Number	Name of Licensee	Class(es)	Registration Date	Expiry Date
4.	ciarra make life easier	305771089	AirWin HK	1, 7, 11	13 October 2021	12 October 2031
5.	ciarra is care	305771098	AirWin HK	1, 7, 11	13 October 2021	12 October 2031
6.	ciarra	305781718	AirWin HK	1, 7, 11	25 October 2021	24 October 2031
7.		305781727	AirWin HK	1, 7, 11	25 October 2021	24 October 2031
8.	Hood To Go	306192559	AirWin HK	11	14 March 2023	13 March 2033
9.	SusGreenable	306192568	AirWin HK	11	14 March 2023	13 March 2033

As at the Latest Practicable Date, our Company and/or subsidiaries had registered the following trademarks in PRC which we consider to be material to our business:

No.	Trademark	Trademark Number	Name of Licensee	Class(es)	Registration Date	Expiry Date
1.	合捷	42043221	Our Company	11	14 November 2020	13 November 2030
2.	ArcAir	34608702	Our Company	11	21 August 2019	20 August 2029
3.	ArcAir	34611738	Our Company	35	7 August 2019	6 August 2029
4.	ArcAir	34608673	Our Company	7	28 November 2019	27 November 2029
5.	ArcAir	18470519	Our Company	35	7 January 2017	6 January 2027

As at the Latest Practicable Date, our Company and/or subsidiaries had applied for registration of the following trademarks in Hong Kong which we consider to be material to our business:

No.	Trademark	Trademark Number	Name of Licensee	Class(es)	Application Date
1.	ArcAir	307007193	Our Company	8, 11, 21, 35	25 August 2025
2.	ARCAIR	307007201	Our Company	8, 11, 21	25 August 2025

(b) Patents

As at the Latest Practicable Date, our Company and/or subsidiaries had registered the following patents in the PRC which we consider to be material to our business:

No.	Patent Title	Patent Number	Name of Owner	Registration Date	Expiry Date
1.	Oil fume machine with a control system* (一種具有控制系統的油煙機)	2013101150590	Our Company	5 April 2013	4 April 2033
2.	Air intake device for extending air intake range* (一種可擴大進風範圍的進風裝置)	2016105984862	Our Company	27 July 2016	26 July 2036
3.	Fully-filtered oil fume purifier* (一種全過濾油煙淨化器)	2016105984913	Our Company	27 July 2016	26 July 2036
4.	Range hood with cleaning function* (一種帶有清潔功能的抽油煙機)	2017106272446	Our Company	27 July 2017	26 July 2037
5.	Movable range hood* (一種可移動抽油煙機)	2017106273133	Our Company	27 July 2017	26 July 2037
6.	Cabinet-integrated system with oil fume purification function* (一種具有油煙淨化功能的集成式櫥櫃系統)	2017109557527	Our Company	14 October 2017	13 October 2037
7.	Noise reduction component and range hood* (降噪部件和抽油煙機)	2018107525579	Our Company	10 July 2018	9 July 2038
8.	Purifier and range hood* (淨化器及抽油煙機)	2019105064479	Our Company	12 June 2019	11 June 2039

No.	Patent Title	Patent Number	Name of Owner	Registration Date	Expiry Date
9.	Control method and air purifier (控制方法和空氣淨化器)	2020101525093	Our Company	6 March 2020	5 March 2040
10.	Fan control method and induction hob* (一種風機控制方法及電磁爐)	2022112014508	Our Company	29 September 2022	28 September 2042

(c) Domain names

As at the Latest Practicable Date, our Company has registered the following domain names which we consider to be material to our business:

No.	Domain Name	Name of Registered Proprietor	Registration Date	Expiry Date
1.	arcair.com.cn	Our Company	14 April 2011	14 April 2031
2.	ciarraappliances.com	Our Company	24 June 2021	24 June 2031
3.	ecochi.de	Our Company	12 June 2023	12 June 2027
4.	susgreenable.com	Our Company	16 June 2021	16 June 2031
5.	ciarra.store	Our Company	23 July 2020	24 July 2028

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

1. Interests and short positions of Directors and the chief executive of our Company in the Shares, underlying Shares or debentures of our Company and its associated corporations

Immediately following completion of the **[REDACTED]** and the conversion of certain Unlisted Shares to H Shares, without taking into account of Shares that may be allotted and issued pursuant to the exercise the **[REDACTED]**, the interests and short positions of our Directors or chief executive of our Company in the shares, underlying shares and debentures of our Company or any of the associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or will be required, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, in each case once the H Shares are listed on the Stock Exchange, will be as follows:

(a) Interests in our Company

			As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
Name of Shareholder	**Nature of interest**	**Description of Shares**	**Number of Shares**	**Approximate percentage of shareholding in our Company**	**Number of Shares** *(Note 1)*	**Approximate percentage of shareholding in our Company**
Mr. Kang *(Notes 2 & 3)*	Beneficial owner	Unlisted Shares	13,885,000	51.7516%	**[REDACTED]**	**[REDACTED]**
	Interest of controlled Corporation	Unlisted Shares	5,512,500	20.5460%	**[REDACTED]**	**[REDACTED]**
	Interest of spouse	Unlisted Shares	2,687,256	10.0158%	**[REDACTED]**	**[REDACTED]**
Mr. Xiao *(Notes 4 & 5)*	Beneficial owner	Unlisted Shares	797,500	2.9724%	**[REDACTED]**	**[REDACTED]**
	Interest of controlled Corporation	Unlisted Shares	5,870,800	21.8814%	**[REDACTED]**	**[REDACTED]**
Ms. Chen *(Note 3)*	Beneficial owner	Unlisted Shares	2,687,256	10.0158%	**[REDACTED]**	**[REDACTED]**
	Interest of spouse	Unlisted Shares	19,397,500	72.2976%	**[REDACTED]**	**[REDACTED]**
Mr. Liu	Beneficial Owner	Unlisted Shares	2,117,744	7.8932%	**[REDACTED]**	**[REDACTED]**

Notes:

1. All interests stated are long positions in the Shares.

2. Mr. Kang is the general partner of Foshan Haodaying and is deemed to be interested in all the Shares held by Foshan Haodaying for the purpose of the SFO. Foshan Haodaying is directly interested in 20.5460% of the Shares of our Company as at the Latest Practicable Date.

3. Mr. Kang and Ms. Chen are spouses of each other and each of them is deemed to be interested in the shareholding interests in our Company owned by the other.

4. Mr. Xiao is interested in 70.07% of the equity interests of Foshan Haodaying is deemed to be interested in all the Shares held by Foshan Haodaying for the purpose of the SFO.

5. Mr. Xiao is also the general partner of Bixiao Intelligent, an Employee Shareholding Platform and is deemed to be interest in all the Shares held by Bixiao Intelligent for the purpose of the SFO. Bixiao Intelligent is directly interested in 1.3354% of the Shares of our Company as at the Latest Practicable Date. For details, please refer to the section headed "Statutory and General Information – D. **[REDACTED]** Share Incentive Plan" in this Appendix.

(b) Interests in our associated corporation

So far as our Directors are aware, immediately following the completion of the **[REDACTED]**, no Directors or the chief executive will, directly or indirectly, be interested in the shares or underlying shares of the associated corporations of our Company.

2. Interests and/or short positions of Substantial Shareholders in the Shares or underlying Shares of our Company and its associated corporations

Save as disclosed in the section headed "Substantial Shareholders" in this document, so far as our Directors are aware, immediately following completion of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]**), our Directors are not aware of any person who will have any interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are directly or indirectly 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.

3. Particulars of Director's service agreements

Each of our executive Directors [has entered into] a service agreement with our Company for an initial term of three years commencing from the **[REDACTED]**, which will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other.

Each of our non-executive Director and independent non-executive Directors [has entered into] a letter of appointment with our Company. The terms and conditions of each of such letters of appointment are similar in all material respects. Each of our non-executive Director and independent non-executive Directors is appointed with an initial term of three years commencing from the **[REDACTED]** subject to termination under certain circumstances as stipulated in the relevant letters of appointment.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with our Company or any of our subsidiaries other than contracts expiring or determinable by our Company within one year without the payment of compensation (other than statutory compensation).

The appointments of our executive Directors, non-executive Director and independent non-executive Directors are subject to the provisions of retirement by rotation of directors under the Articles of Association.

4. Directors' emoluments

For details of the remuneration or benefits in kind paid to our Directors during the Track Record Period, please refer to the section headed "Directors and Senior Management" and Note 12 to the Accountants' Report as set out in Appendix I to this document.

None of our Directors or any past directors and supervisors of any member of our Group has been paid any sum of money during the Track Record Period, (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

There has been no arrangement under which a Director has waived or agreed to waive any emoluments during the Track Record Period.

Each of our executive Directors, non-executive Director and independent non-executive Directors is entitled to reimbursement of all necessary and reasonable out-of-pocket expenses properly incurred in relation to all business and affairs carried out by our Group from time to time or in the discharge of his/her duties to our Group under his/her service agreement or letter of appointment.

5. Related party transactions

Save for the transactions as disclosed in note 38 to the Accountants' Report set out in Appendix I to this document, our Group has not engaged in any other material related party transactions during the Track Record Period.

6. Disclaimers

Save as disclosed in this document:

(a) so far as our Directors are aware, none of our Directors or chief executive has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) immediately following the completion of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]**), which will have to be notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she will be taken or deemed to have under the SFO) once our Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein once our Shares are listed, or which will be required, pursuant to the Listing Rules relating to securities transactions by our Directors to be notified to our Company and the Stock Exchange, once our Shares are listed;

(b) so far as our Directors are aware, none of the experts referred to under the paragraph headed "E. Other information – 9. Qualifications of experts" of this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of the experts referred to under the paragraph headed "E. Other information – 9. Qualifications of experts" of this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

(d) none of our Directors has any existing or proposed service agreements with any member of our Group, excluding agreements which are determinable by the employer within one year without payment of compensation other than statutory compensation;

(e) without taking into account any Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]**, our Directors are not aware of any person, not being a Director of our Company, who will, immediately following completion of the **[REDACTED]**, be interested in or has short positions in the Shares or underlying Shares of our Company which have to be notified to our Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO once our Shares are listed, or who is, directly or indirectly, 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;

(f) none of the experts referred to under the paragraph headed "E. Other information – 9. Qualifications of experts" of this Appendix has any shareholding in any member of our Group 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; and

(g) none of our Directors, their associates or any Shareholder (which to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers for each year during the Track Record Period and five largest customers for each year during the Track Record Period.

D. [REDACTED] SHARE INCENTIVE PLAN

Key terms of the [REDACTED] Share Incentive Plan

The following is a summary of the principal terms of the **[REDACTED]** Share Incentive Plan adopted and approved by our then Shareholders on 29 March 2024 (as amended and supplemented on 25 July 2024). The terms of the **[REDACTED]** Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as the **[REDACTED]** Share Incentive Plan does not involve the grant of new options or awards by our Company after **[REDACTED]**. The **[REDACTED]** Share Incentive Plan will not result in any dilution of the shareholding interests of our Shareholders after the **[REDACTED]** as all underlying Shares in respect of the awards granted under the **[REDACTED]** Share Incentive Plan have been issued on a one-off basis to, and held by Bixiao Intelligent, our employee shareholding platform, prior to the **[REDACTED]**. For details, please refer to the section headed "History, Development and Corporate Structure – **[REDACTED]** Share Incentive Plan" in this document.

(a) Purpose

The main purpose of the **[REDACTED]** Share Incentive Plan is to implement an employee equity incentive arrangement by enabling eligible participants to indirectly hold equity interests in the Company through an employee incentive platform, thereby strengthening employee engagement and retention, aligning the long-term interests of the participants with the development of our Group, and allowing participants to share in the growth of our Company's performance and the appreciation of its equity value over time, subject to their continued provision of services to our Group.

(b) Eligible participants

Persons eligible to receive awards under the **[REDACTED]** Share Incentive Plan are employees of our Company selected by our Board, including executive Directors, senior management members and other core employees of the Group (the "**Participants**") as specified under the **[REDACTED]** Share Incentive Plan.

The Participants subscribe for partnership interests in Bixiao Intelligent pursuant to the terms of the **[REDACTED]** Share Incentive Plan and the relevant participation and undertaking arrangements.

(c) Administration

The **[REDACTED]** Share Incentive Plan shall be administered by our Board, which is responsible for interpreting and implementing the **[REDACTED]** Share Incentive Plan, determining the eligibility of, and the list of, making decisions in connection with grants and adjustments under the **[REDACTED]** Share Incentive Plan and exercising such other powers and discretions as are expressly provided under the **[REDACTED]** Share Incentive Plan. Any determination or decision made by our Board pursuant to the **[REDACTED]** Share Incentive Plan shall be final and binding in accordance with its terms.

(d) Rights attached to the Incentive Shares

The Participants hold partnership interests in Bixiao Intelligent and, through which, are entitled to the economic interests attributable to the Incentive Shares held directly by Bixiao Intelligent, including the rights to receive dividends and other economic benefits. Voting rights attached to the Incentive Shares held by Bixiao Intelligent are exercised exclusively by the general partner of Bixiao Intelligent.

(e) Terms and conditions of the Incentive Shares

The Incentive Shares are subject to the following terms and conditions:

(a) ***Subscription Price:*** Incentive Shares granted to the Participants were issued to Bixiao Intelligent at a subscription price of RMB2.2328 per Share on 19 July 2024 (the "**Grant Date**"), which was funded through the application of the year-end bonuses of the relevant Participants towards their capital contributions to Bixiao Intelligent in accordance with the terms of the **[REDACTED]** Share Incentive Plan. No financial assistance shall be provided to any Participant for the purpose of acquiring Incentive Shares under the **[REDACTED]** Share Incentive Plan, including any loans or guarantees.

(b) ***Lock-up period:*** The Incentive Shares are subject to a time-based lock-up period (the "**Lock-up Period**"), during which the Incentive Shares are subject to transfer restrictions, which shall expire in the following tranches:

   (i) 30% upon expiry of the 36th month and on or before expiry of the 48th month after the Grant Date;

   (ii) an additional 20% upon expiry of the 48th month and on or before expiry of the 60th month after the Grant Date; and

   (iii) the remaining 50% upon expiry of the 60th month after the Grant Date.

(c) ***Transferability:*** During the Lock-up Period, the Participants shall not transfer, assign, gift, divide or otherwise dispose of, or create any mortgage, pledge or other security interest over, their partnership interests in Bixiao Intelligent or any interest therein, nor use such interests to secure or repay any debts.

(d) ***Repurchase rights***: If any of the following circumstances is triggered during the Lock-up Period, the general partner of Bixiao Intelligent is entitled, in accordance with the **[REDACTED]** Share Incentive Plan and the relevant participation and undertaking arrangements, to repurchase all or part of the partnership interests held by the relevant Participant at such price determined in accordance with the **[REDACTED]** Share Incentive Plan, having regard to the nature of the triggering event:

(i) **Fault-based events:** (1) termination of the employment relationship with our Company or refusal to renew the employment contract upon expiry; (2) during the period of providing services to our Company, concurrently establishing an employment relationship with, or providing services to, another employer; (3) serious dereliction of duty, malpractice for personal gain, or serious violation of our Company's policies; (4) taking advantage of one's position to seek business opportunities belonging to our Company for oneself or others; (5) engaging in, or operating for oneself or others, businesses of the same type as those of our Company; (6) being subject to criminally liability for corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses that disrupt the market economic order; (7) dismissal by our Company for reasons attributable to the Participant; or (8) other acts or circumstances that cause serious damage to the interests of our Company.

(ii) **Non-fault-based events:** (1) termination or cessation of employment not attributable to the Participant; (2) equity dispute arising out of the Participant's divorce in which the Participant's spouse seeks to become a Shareholder/partner of Bixiao Intelligent; or (3) loss of work capacity, death, or declaration of death of the Participant.

Where any circumstance falls within both categories, it shall be treated as a "fault-based event".

Where repurchase is triggered, whether by "fault-based" or "non-fault-based" events, the repurchase price shall be determined by mutual agreement between the general partner of Bixiao Intelligent and the relevant Participant. Where no agreement can be reached, the repurchase price shall be determined by reference to the subscription price actually paid by the Participant, having regard to the source of funding, such that (i) any portion of the subscription price funded by conditional year-end bonuses shall not be refunded; and (ii) any portion of the subscription price funded by base year-end bonuses shall be refunded in an amount equal to the portion actually applied for such subscription, provided that, in the case of repurchase triggered by a "non-fault-based" event, such amount shall be increased by simple interest thereon at a rate of 6% per annum.

(e) ***Subscription of the Incentive Shares:*** As at the Latest Practicable Date, an aggregate of 358,300 Incentive Shares, representing approximately 1.3354% of the total issued share capital of our Company, were issued to Bixiao Intelligent.

Immediately following completion of the **[REDACTED]** (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the **[REDACTED]**), the 358,300 Incentive Shares issued to Bixiao Intelligent pursuant to the **[REDACTED]** Share Incentive Plan represent approximately **[REDACTED]**% of the total issued share capital of our Company. Particulars of the Incentive Shares attributable to our Director and senior management members are set forth below:

	Position held within our Group	Number of Incentive Shares(1)	Approximate shareholding percentage(2)
Directors of our Company			
Mr. Xiao	Executive Director	2,239	**[REDACTED]**
Ms. Kang	Executive Director	61,807	**[REDACTED]**
Senior Management of our Company			
Ms. Fang Jiao	Financial controller	38,069	**[REDACTED]**
Other Participants		256,185	**[REDACTED]**
Total		358,300	**[REDACTED]**

Notes:

(1) The Incentive Shares issued to the participants were held by Bixiao Intelligent, the partners of which are the participants of our **[REDACTED]** Share Incentive Plan.

(2) The percentage is for illustrative purpose only and is calculated based on the number of Shares in issue immediately following the completion of the **[REDACTED]** (without taking into account any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**).

E. OTHER INFORMATION

1. 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.

2. Litigation

As at the Latest Practicable Date, no member of our Company is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company, that would have a material adverse effect on our results of operations or financial condition of our Company.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the H Shares to be converted from Unlisted Shares and the H Shares to be issued pursuant to the **[REDACTED]**. All necessary arrangements have been made to enable our H Shares to be admitted into CCASS.

The Sole Sponsor has confirmed that they satisfy the independence criteria applicable to a sponsor set out in Rule 3A.07 of the Listing Rules.

The total amount of sponsor's fee in connection with the **[REDACTED]** is HK$**[REDACTED]** million.

4. Compliance Adviser

Our Company has appointed First Shanghai Capital Limited as our compliance adviser effective upon the **[REDACTED]** in compliance with Rules 3A.19 of the Listing Rules.

5. Preliminary expenses

As at the Latest Practicable Date, we have not incurred any material preliminary expenses.

6. Promoter

The promoters of our Company are the then Shareholders of our Company, including, Mr. Kang, Mr. Liu, Mr. Xiao, Ms. Chen, Skyline Ventures, Foshan Haodaying and Bixiao Intelligent, immediately before our conversion into a joint stock company with limited liability in the PRC.

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.

7. Agency fees or commissions paid or payable

Save for in connection with the **[REDACTED]**, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company within the three years immediately preceding the date of this document.

8. Taxation of Holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is a 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

Potential investors in the **[REDACTED]** are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, or any other person or party involved in the **[REDACTED]** accept responsibility for any tax effects on, or lawful liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

9. Qualifications of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

Name	Qualification
First Shanghai Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Avocado Rechtsanwalte	Legal adviser to our Company as to German laws
Beijing Dacheng Law Offices, LLP	Legal adviser to our Company as to PRC data compliance matters
CMS Francis Lefebvre Avocats	Legal adviser to our Company as to EU data compliance matters
Inlanding Associates LLP	Legal adviser to our Company as to Indian laws
Tian Yuan Law Firm	Legal adviser to our Company as to PRC laws
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

10. Consents of experts

Each of the experts named in the section headed "E. Other Information – 9. Qualification of experts" in this Appendix above has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their report and/or letter and/or legal opinion and/or opinion (as the case may be) and the references to their names, addresses, qualifications or summaries of opinions included herein in the form and context in which they respectively appear.

None of the experts named above has any shareholding interests 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 our Company or any of our subsidiaries.

11. 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 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.

12. Miscellaneous

(a) Save as disclosed in the sections headed "History, Development and Corporate Structure", "Share Capital" and "Structure and Conditions of the **[REDACTED]**" in this document:

(i) within two years preceding the date of this document:

- no share or loan capital of our Company or of any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
- no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
- no commission (except commission to the **[REDACTED]**) has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company or any of our subsidiaries;

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

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

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

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

(vi) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

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

(c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Company since 31 December 2025 (being the date to which the latest audited combined financial statements of our Company were made up);

(d) our Directors confirm that there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this document; and

(e) no part of the equity and debt securities of our Company, if any, is currently listed on or dealt in on any other stock exchange or trading system nor is any listing or permission to list on any stock exchange other than the Stock Exchange currently being or agreed to be sought.

13. Bilingual document

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