1. OUR HISTORY AND CORPORATE DEVELOPMENT

Since our establishment in 2016, we have been providing consumer electronic trade-in services, offering an integrated solution from initiating recycling by way of trade-in while facilitating sale of new mobile phones, to standardizing the procured pre-owned mobile phones for resale through inspecting, grading and pricing, leveraging our proprietary technologies and recycle and sales platforms and our strategic cooperation with our upstream sourcing partners. During the Track Record Period, we had cooperated with more than 77,000 offline stores of our upstream sourcing partners spanning over 31 provinces in the PRC on a cumulative basis. We believe that our strategic cooperation with these upstream sourcing partners in the upstream industrial chain has provided us with unmatched and reliable access to pre-owned mobile phones and other consumer electronics while at the same time enabling us to provide stable transaction services with relatively lower costs.

During the Track Record Period, our revenue was primarily derived from the sale of pre-owned consumer electronics, especially mobile phones sourced from our various supply channels.

In August 2021, we commenced the Reorganization in preparation for the [**REDACTED**], as more particularly described in "– 4. Reorganization" in this section.

2. OUR MILESTONES

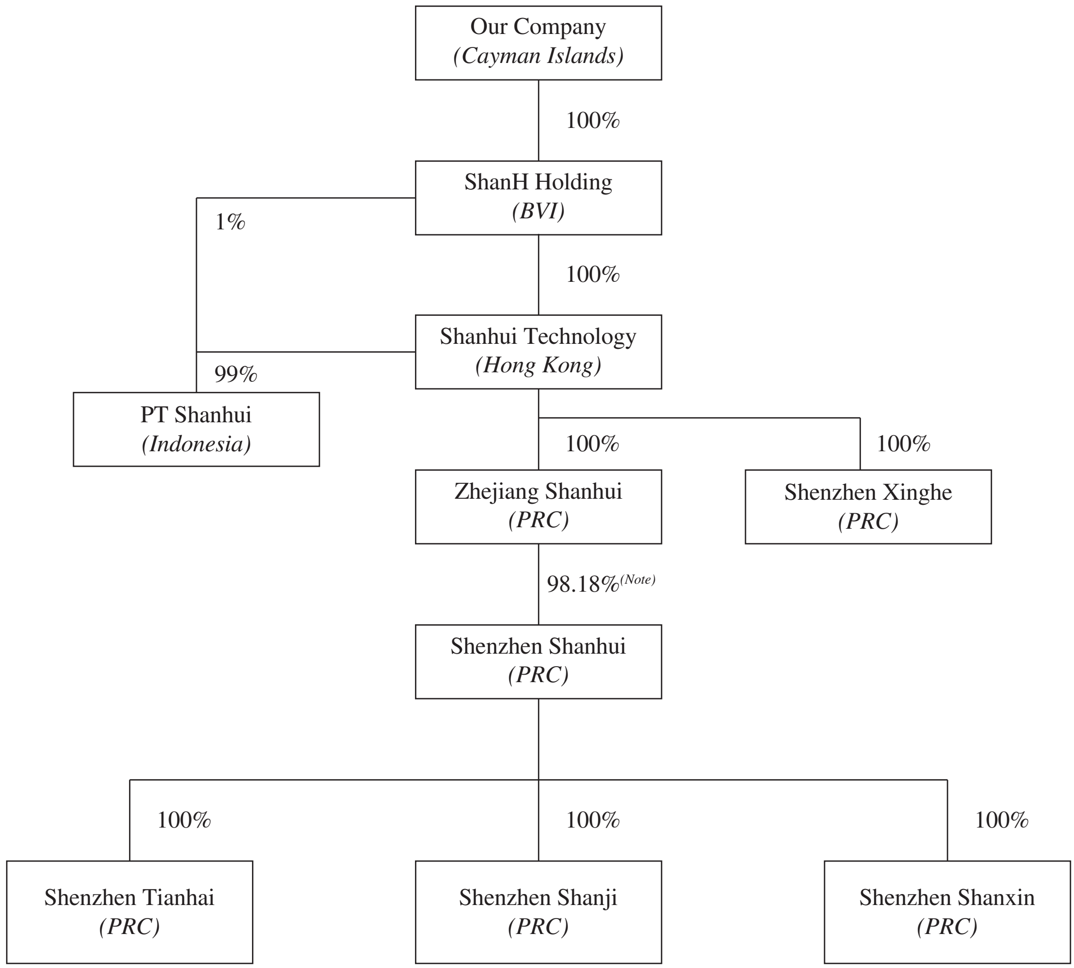
We set forth below our key business development and milestones:

Year	**Events**
2016	Shenzhen Shanhui, our principal operating subsidiary, was established in Shenzhen, the PRC
2017	Our brand "Shanhuishou (閃回收)" was launched
	We cooperated with one of the major mobile network operators in the PRC
	Our business network coverage reached 31 provinces in the PRC
2018	We introduced Hangzhou Shunying, Shunwei Technology and Jinmi Investment as our Series A [**REDACTED**] Investors
	We commenced our strategic cooperation and established online cooperation with a Chinese consumer electronics and smart manufacturing company listed on the Stock Exchange with smartphones and smart hardware connected by an IoT platform at its core
2019	We launched new businesses with one of the world's largest producers of consumer electronics and a recognizable brand in technology that originated in Korea in relation to the trade-in of old products for newly-launched products
2020	We commenced cooperation with a PRC originated global provider of smart devices
2021	We established a collaborative relationship with Xian Yu (閒魚), a brand under the Alibaba Group
	We joined China Resource Recycling Association (中國再生資源回收利用協會)

Year	Events
2021	We received the award of "National Consumer Satisfaction Brand (全國消費者放心滿意品牌)" jointly issued by China's Product Quality Certification Supervision and Management Center and China Brand Enterprise Evaluation Management Committee
2022	We received the award of "The Most Socially Impactful Start-Up in China (中國最具社會影響力的創業公司)" issued by Fortune (財富)
2023	We extended recycling transaction services to Hong Kong to facilitate the local business development of certain mainstream consumer electronic brand whom we partner with
	We were recognized as WISE2023 King of Future Business Potential-Annual New Economy High Growth Enterprise (WISE2023未來商業潛力之王年度新經濟高成長企業) by 36Kr Holdings Inc.
2024	We received the Contribution to Green and Low Carbon Development Co-operation Award (踐行綠色低碳發展合作貢獻獎) issued by China Mobile Limited
2025	We were granted the Outstanding Contribution Award at the China Unicom Partner Conference

3. OUR GROUP STRUCTURE AND CORPORATE HISTORY

In preparation for the [**REDACTED**], we have implemented the Reorganization, with the incorporation of our Company as the [**REDACTED**] vehicle and the ultimate holding company of our Group. The following chart sets forth the corporate structure of our Group immediately following completion of the [**REDACTED**] and the [**REDACTED**]:



Note: The remaining 1.82% equity interest of Shenzhen Shanhui is owned by Mr. Zhang Fulong (張福龍), an Independent Third Party. For background information of Mr. Zhang, please refer to "– 5.1 Information regarding the [**REDACTED**] Investors" in this section.

We set below the corporate history of our subsidiaries in the PRC.

3.1 Shenzhen Shanhui

Shenzhen Shanhui was established in the PRC as a limited liability company on May 18, 2016 with an initial registered capital of RMB3,000,000, which had been fully paid up by December 6, 2017, and was owned as to 45% by Mr. Liu and 55% by Mr. Gao Zibin (高自斌) ("**Mr. Gao**"), an Independent Third Party. Mr. Gao became acquainted with Mr. Liu through participation in a business event in 2008. As they share similar values in terms of business philosophy, they decided to establish Shenzhen Shanhui leveraging on Mr. Liu's experience in the telecommunication-related industries and Mr. Gao's financial resources. Since the establishment of Shenzhen Shanhui, Mr. Gao has only been a passive investor and has not participated in the management and operation of our Group.

Shenzhen Shanhui is principally engaged in the provision of consumer electronics trade-in-and-resale services and is one of our principal operating subsidiaries.

After its establishment and prior to the Reorganization, Shenzhen Shanhui had undergone a series of share transfers and equity fundraisings, details of which are summarized as follows:

3.1.1 Equity Transfers in 2017

Pursuant to the equity transfer agreements dated January 12, 2017, Mr. Liu and Haimin Xinshun acquired 27.86% (9.07% of which was paid up) and 12.86% (8.57% of which was paid up) of the equity interest in Shenzhen Shanhui from Mr. Gao at considerations of RMB272,143 and RMB257,143, respectively. The considerations for the equity transfers were determined with reference to the amount of registered capital in Shenzhen Shanhui that was paid up by Mr. Gao for the relevant equity interest.

Haimin Xinshun is a limited partnership established in the PRC on January 10, 2017 for the purpose of holding equity interest in Shenzhen Shanhui for Mr. Liu, Ms. Yu, Mr. He, Mr. Lin and Mr. Luo Yuanshun (羅源順) ("**Mr. Luo**"), who are employees of our Group (the "**Employee Members**"), and it is owned as to approximately 17.80% by Mr. Liu as the general partner and approximately 30.52%, 25.53%, 18.68% and 7.47% by Ms. Yu, Mr. He, Mr. Lin and Mr. Luo, respectively, as the limited partners.

Upon completion of the above equity transfers on May 25, 2017, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	Registered capital (RMB)	Approximate equity interest (%)
Mr. Liu	2,185,800	72.86
Mr. Gao	428,400	14.28
Haimin Xinshun	385,800	12.86
Total	3,000,000	100.00

3.1.2 Seed Round Investments

Pursuant to the capital injection agreements dated January 16, 2017, January 16, 2017, February 6, 2017 and March 16, 2017, the registered capital of Shenzhen Shanhui increased from RMB3,000,000 to RMB4,285,900, where three Independent Third Parties, Mr. Chen Jiangao (陳建高), Mr. Zhang Fulong (張福龍) and Mr. Wang Shujia (王述嘉) and Juntong Investment subscribed for approximately 4%, 10%, 2% and 14% of the enlarged equity interest in Shenzhen Shanhui at a consideration of RMB1,200,000, RMB1,600,000, RMB600,000 and RMB600,000, respectively. The amount of the capital injection was determined based on arm's length negotiation between the parties having considered the background of each shareholder, that our business was still in early stage at the time of investment and also taking into account that no special rights and benefits were granted to the shareholders. In particular, a higher discount was offered to Juntong Investment as we believed that our business can benefit from the experience and business network of its limited partners. The consideration was fully settled by (i) Mr. Chen on January 20, 2017, (ii) Mr. Zhang on December 6, 2017, (iii) Mr. Wang on February 8, 2017 and (iv) Juntong Investment on June 9, 2017. Juntong Investment is a limited partnership established in the PRC, which was then owned as to approximately 10.92% by Mr. Liu as the general partner and as to approximately 51.12%, 22.80% and 15.16% by three Independent Third Parties, Mr. Xie Siyin (謝思引), Mr. Yin Xuejun (尹學軍) and Mr. Ge Dong (葛東), respectively, as the limited partners. Each of Mr. Chen Jiangao (陳建高), Mr. Zhang Fulong (張福龍), Mr. Wang Shujia (王述嘉) and the limited partners of Juntong Investment, namely Mr. Xie, Mr. Yin and Mr. Ge, was a friend of Mr. Liu. At the time of their respective investment, we believed that our Group can benefit from the additional capital contributed by each of them individually as well as their knowledge and/or experience. For their background information, please refer to "– 5.1 Information regarding the [**REDACTED**] Investors" in this section.

Upon completion of the above capital increases on June 14, 2017, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	Registered capital (RMB)	Approximate equity interest (%)
Mr. Liu	2,185,800	51.00
Mr. Gao	428,400	10.00
Haimin Xinshun	385,800	9.00
Juntong Investment	600,000	14.00
Mr. Chen Jiangao (陳建高)	171,500	4.00
Mr. Zhang Fulong (張福龍)	428,600	10.00
Mr. Wang Shujia (王述嘉)	85,800	2.00
Total	4,285,900	100.00

3.1.3 Employee Equity Incentive Plan

With a view to incentivizing our management and core employees to further promote our development and in recognition of their contributions, an employee equity incentive platform, Menggongyuan, was established in the PRC on November 22, 2017. Menggongyuan is owned as to 80% by Mr. Liu as the general partner and 20% by Ms. Yu as the limited partner. Pursuant to the equity transfer agreement dated February 11, 2018, Menggongyuan acquired 4.25%, 2.5%, 0.75%, 3.5%, 2.5%, 1% and 0.5% equity interest in Shenzhen Shanhui from Mr. Liu, Mr. Gao, Haimin Xinshun, Juntong Investment, Mr. Zhang Fulong (張福龍), Mr. Chen Jiangao (陳建高) and Mr. Wang Shujia (王述嘉) at a consideration of RMB1 each for the purpose of implementing the employee equity incentive plan of Shenzhen Shanhui as described below (the "**Scheme**").

Upon completion of the above equity transfers on February 12, 2018, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	Registered capital (RMB)	Approximate equity interest (%)
Mr. Liu	2,003,658	46.75
Mr. Gao	321,442	7.50
Haimin Xinshun	353,587	8.25
Juntong Investment	450,020	10.50
Mr. Chen Jiangao (陳建高)	128,577	3.00
Mr. Zhang Fulong (張福龍)	321,442	7.50
Mr. Wang Shujia (王述嘉)	64,289	1.50
Menggongyuan	642,885	15.00
Total	4,285,900	100.00

The Scheme was approved and adopted by the board of Shenzhen Shanhui on September 28, 2018. On May 18, 2023, the Scheme and all share incentives granted thereunder were terminated. For details of the Scheme, please refer to note 24 to our financial statements included in the Accountants' Report in Appendix I to this document.

3.1.4 Series A [REDACTED] Investments

(a) Pursuant to the equity transfer and capital increase agreement of Shenzhen Shanhui dated February 7, 2018 and equity transfer agreements dated July 4, 2018, (i) Jinmi Investment acquired approximately 1.43% and 0.95% equity interest in Shenzhen Shanhui from Mr. Gao and Mr. Chen Jiangao (陳建高) at considerations of RMB1,800,000 and RMB1,200,000, respectively; (ii) Hangzhou Shunying acquired approximately 1.68% equity interest in Shenzhen Shanhui from Mr. Zhang Fulong (張福龍) at a consideration of RMB2,121,500; and (iii) Shunwei Technology acquired approximately 0.70% equity interest in Shenzhen Shanhui from Mr. Zhang Fulong (張福龍) at a consideration of RMB878,500. The considerations were mainly determined by the parties based on arm's length negotiation with reference to the then agreed post-money valuation of Shenzhen Shanhui in the amount of RMB150 million after considering the revenue of Shenzhen Shanhui for the year ended December 31, 2017, the business prospect of Shenzhen Shanhui and the positive outlook for the PRC mobile phone recycling service market. The consideration was fully settled by (i) Jinmi Investment by May 15, 2018, (ii) Hangzhou Shunying by May 18, 2018, and (iii) Shunwei Technology by May 18, 2018.

Pursuant to the same equity transfer and capital increase agreement of Shenzhen Shanhui dated February 7, 2018 and shareholders' resolutions of Shenzhen Shanhui dated July 4, 2018, the registered capital of Shenzhen Shanhui was increased from RMB4,285,900 to RMB5,102,262, where Jinmi Investment, Hangzhou Shunying and Shunwei Technology subscribed for approximately 8%, 5.66% and 2.34% of the enlarged equity interest in Shenzhen Shanhui at consideration of RMB12,000,000, RMB8,486,001 and RMB3,513,999, respectively. The considerations were mainly determined among the respective [**REDACTED**] investors, the then shareholders and Shenzhen Shanhui based on arm's length negotiations with reference to the then agreed post-money valuation of Shenzhen Shanhui in the same round of investment and potential business cooperation opportunities and benefits that the [**REDACTED**] Investors could bring to our Group. For their background information, please refer to "– 5.1 Information regarding the [**REDACTED**] Investors" in this section. The consideration was fully settled by (i) Jinmi Investment on February 13, 2018, (ii) Hangzhou Shunying on February 9, 2018, and (iii) Shunwei Technology on February 11, 2018.

Upon completion of the above capital increases and equity transfers on July 5, 2018, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	**Registered capital (RMB)**	**Approximate equity interest (%)**
Mr. Liu	2,003,658	39.27
Mr. Gao	260,215	5.10
Haimin Xinshun	353,587	6.93
Juntong Investment	450,020	8.82
Mr. Chen Jiangao (陳建高)	87,759	1.72
Mr. Zhang Fulong (張福龍)	219,397	4.30
Mr. Wang Shujia (王述嘉)	64,289	1.26
Menggongyuan	642,885	12.60
Shunwei Technology	149,411	2.93
Hangzhou Shunying	360,815	7.07
Jinmi Investment	510,226	10.00
Total	5,102,262	100.00

(b) Pursuant to the shareholders' resolutions of Shenzhen Shanhui dated July 1, 2019, the registered capital of Shenzhen Shanhui was increased from RMB5,102,262 to RMB20,000,000, where Mr. Liu, Mr. Gao, Haimin Xinshun, Juntong Investment, Mr. Chen Jiangao (陳建高), Mr. Zhang Fulong (張福龍), Mr. Wang Shujia (王述嘉), Menggongyuan, Shunwei Technology, Hangzhou Shunying and Jinmi Investment subscribed for an additional registered capital of RMB5,850,342, RMB759,785, RMB1,032,413, RMB1,313,980, RMB256,241, RMB640,603, RMB187,711, RMB1,877,115, RMB436,269, RMB1,053,505, RMB1,489,774, respectively, which were in proportion to their respective equity interests in Shenzhen Shanhui at the time.

Upon completion of the above capital increases on July 1, 2019, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	**Registered capital (RMB)**	**Approximate equity interest (%)**
Mr. Liu	7,854,000	39.27
Mr. Gao	1,020,000	5.10
Haimin Xinshun	1,386,000	6.93
Juntong Investment	1,764,000	8.82
Mr. Chen Jiangao (陳建高)	344,000	1.72
Mr. Zhang Fulong (張福龍)	860,000	4.30
Mr. Wang Shujia (王述嘉)	252,000	1.26
Menggongyuan	2,520,000	12.60
Shunwei Technology	585,680	2.93
Hangzhou Shunying	1,414,320	7.07
Jinmi Investment	2,000,000	10.00
Total	20,000,000	100.00

Pursuant to the supplemental shareholders' resolutions passed by the then shareholders of Shenzhen Shanhui dated October 15, 2021, the registered capital of Shenzhen Shanhui was increased by way of capitalization of capital reserve of RMB14,897,738 into registered capital. Upon completion of such capitalization, each of the then shareholders' shareholding percentage in Shenzhen Shanhui remained unchanged.

(c) Pursuant to an equity transfer agreement dated July 23, 2019, Haimin Xinshun acquired approximately 4.31% equity interest in Shenzhen Shanhui from Mr. Liu at a consideration of RMB1 as Mr. Liu intended to allocate some of his equity interest in Shenzhen Shanhui to Haimin Xinshun to incentivize the Employee Members.

Upon completion of the above equity transfer on the same date, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	**Registered capital (RMB)**	**Approximate equity interest (%)**
Mr. Liu	6,992,000	34.96
Mr. Gao	1,020,000	5.10
Haimin Xinshun	2,248,000	11.24
Juntong Investment	1,764,000	8.82
Mr. Chen Jiangao (陳建高)	344,000	1.72
Mr. Zhang Fulong (張福龍)	860,000	4.30
Mr. Wang Shujia (王述嘉)	252,000	1.26

Shareholders	Registered capital (RMB)	Approximate equity interest (%)
Menggongyuan	2,520,000	12.60
Shunwei Technology	585,680	2.93
Hangzhou Shunying	1,414,320	7.07
Jinmi Investment	2,000,000	10.00
Total	20,000,000	100.00

(d) Pursuant to the capital injection agreements of Shenzhen Shanhui dated February 11, 2019 and shareholders' resolutions of Shenzhen Shanhui dated July 24, 2020, the registered capital of Shenzhen Shanhui was increased from RMB20,000,000 to RMB21,088,000, where Ganzhou Kaiyue Talent Venture Capital Fund (Limited Partnership) (贛州市開悦人才創業投資基金(有限合夥)) ("**Ganzhou Kaiyue**") and Jinmi Investment agreed to subscribe for approximately 1.89% and 3.26% of the enlarged equity interest in Shenzhen Shanhui at a consideration of RMB10,000,000 and RMB17,200,000, respectively. The considerations were mainly determined based on arm's length negotiation amongst respective [**REDACTED**] investors, the then shareholders and Shenzhen Shanhui with reference to the then agreed post-money valuation of Shenzhen Shanhui in the amount of RMB547 million after considering the revenue of Shenzhen Shanhui for the year ended December 31, 2018 and the then price-to-sales (P/S) ratio of Shenzhen Shanhui and those of our market comparables. The consideration was fully settled by (i) Jinmi Investment by February 14, 2019 and (ii) Ganzhou Kaiyue by June 21, 2019.

Upon completion of the above capital increases on July 24, 2020, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	Registered capital (RMB)	Approximate equity interest (%)
Mr. Liu	6,992,000	33.16
Mr. Gao	1,020,000	4.84
Haimin Xinshun	2,248,000	10.66
Juntong Investment	1,764,000	8.36
Mr. Chen Jiangao (陳建高)	344,000	1.63
Mr. Zhang Fulong (張福龍)	860,000	4.08
Mr. Wang Shujia (王述嘉)	252,000	1.19
Menggongyuan	2,520,000	11.95
Shunwei Technology	585,680	2.78
Hangzhou Shunying	1,414,320	6.71
Jinmi Investment	2,688,000	12.75
Ganzhou Kaiyue	400,000	1.89
Total	21,088,000	100.00

3.1.5 Series C [REDACTED] Investments

(a) Pursuant to the equity transfer agreements dated July 30, 2021 and August 6, 2021, Mr. Duan Liping (段力平), an Independent Third Party, acquired approximately 1.37% and 1.89% equity interest in Shenzhen Shanhui from Juntong Investment and Ganzhou

Kaiyue at a consideration of RMB10,276,500, and RMB14,226,000, respectively. The considerations were mainly determined based on arm's length negotiation among the parties and with reference to the then agreed valuation of Shenzhen Shanhui in the amount of approximately RMB750 million after considering the revenue of Shenzhen Shanhui for the year ended December 31, 2020 and the then price-to-sales (P/S) ratio of Shenzhen Shanhui and those of our market comparables. The considerations were fully settled by August 11, 2021. Subsequent to the equity transfer, Ganzhou Kaiyue ceased to have any equity interest in the Shenzhen Shanhui.

Upon completion of the above equity transfers on September 8, 2021, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	**Registered capital (RMB)**	**Approximate equity interest (%)**
Mr. Liu	6,992,000	33.16
Mr. Gao	1,020,000	4.84
Haimin Xinshun	2,248,000	10.66
Juntong Investment	1,475,050	6.99
Mr. Chen Jiangao (陳建高)	344,000	1.63
Mr. Zhang Fulong (張福龍)	860,000	4.08
Mr. Wang Shujia (王逑嘉)	252,000	1.19
Menggongyuan	2,520,000	11.95
Shunwei Technology	585,680	2.78
Hangzhou Shunying	1,414,320	6.71
Jinmi Investment	2,688,000	12.75
Mr. Duan Liping (段力平)	688,950	3.26
Total	21,088,000	100.00

(b) Pursuant to an equity transfer agreement dated August 30, 2021, (i) Nanhai Growth acquired approximately 4.21% equity interest in Shenzhen Shanhui from Juntong Investment at a consideration of RMB30,000,000; (ii) Zhitou Huifu acquired approximately 1.83% equity interest in Shenzhen Shanhui from Mr. Zhang Fulong (張福龍) at a consideration of RMB12,500,003; and (iii) Ms. Zhu Yongmei (朱永梅), an Independent Third Party, acquired approximately 0.37% equity interest in Shenzhen Shanhui from Mr. Zhang Fulong (張福龍) at a consideration of RMB2,500,000. The considerations were mainly determined by the parties after arm's length negotiation with reference to the consideration paid by Mr. Duan Liping (段力平) in the previous round of investment and were fully settled by August 31, 2021.

Pursuant to an equity transfer agreement dated August 30, 2021, Fatiao Time acquired approximately 5.14%, 3.63% and 1.50% equity interest in Shenzhen Shanhui from Jinmi Investment, Hangzhou Shunying, Shunwei Technology at consideration of RMB48,022,500, RMB33,959,911 and RMB14,062,589, respectively. The considerations were mainly determined by the parties after arm's length negotiation with reference to the then agreed valuation of Shenzhen Shanhui in the amount of RMB1 billion, the prospect of our business at that time and the business development of Shenzhen Shanhui. In addition, the holding company of Fatiao Time, Beijing Zhuanzhuan Spirit Technology Co., Ltd. (北京轉轉精神科技有限責任公司), and its related parties are engaged in the PRC mobile phone recycling service market and optimistic about the market and believe that we will have promising prospects for development. The considerations were fully settled by September 13, 2021.

Upon completion of the above equity transfers on September 13, 2021, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	**Registered capital (RMB)**	**Approximate equity interest (%)**
Mr. Liu	6,992,000	33.16
Mr. Gao	1,020,000	4.84
Haimin Xinshun	2,248,000	10.66
Juntong Investment	587,134	2.79
Mr. Chen Jiangao (陳建高)	344,000	1.63
Mr. Zhang Fulong (張福龍)	396,362	1.88
Mr. Wang Shujia (王述嘉)	252,000	1.19
Menggongyuan	2,520,000	11.95
Shunwei Technology	268,512	1.27
Hangzhou Shunying	648,388	3.07
Jinmi Investment	1,604,900	7.61
Mr. Duan Liping (段力平)	688,950	3.27
Nanhai Growth	887,916	4.21
Zhitou Huifu	386,373	1.83
Ms. Zhu Yongmei (朱永梅)	77,265	0.37
Fatiao Time	2,166,200	10.27
Total	21,088,000	100.00

(c) Pursuant to an equity transfer agreement dated August 31, 2021, Ms. Zhu Yongmei (朱永梅) acquired approximately 5.35% equity interest in Shenzhen Shanhui from Fatiao Time at consideration of RMB50,000,000. The consideration was mainly determined by the parties after arm's length negation with reference to the consideration paid by Fatiao Time in the previous round of investment and was fully settled by September 7, 2021.

Upon completion of the above equity transfer on September 16, 2021, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	**Registered capital (RMB)**	**Approximate equity interest (%)**
Mr. Liu	6,992,000	33.16
Mr. Gao	1,020,000	4.84
Haimin Xinshun	2,248,000	10.66
Juntong Investment	587,134	2.78
Mr. Chen Jiangao (陳建高)	344,000	1.63
Mr. Zhang Fulong (張福龍)	396,362	1.88
Mr. Wang Shujia (王述嘉)	252,000	1.19
Menggongyuan	2,520,000	11.95
Shunwei Technology	268,512	1.27
Hangzhou Shunying	648,388	3.07
Jinmi Investment	1,604,900	7.61
Mr. Duan Liping (段力平)	688,950	3.27
Nanhai Growth	887,916	4.21
Zhitou Huifu	386,373	1.83
Ms. Zhu Yongmei (朱永梅)	1,204,966	5.72
Fatiao Time	1,038,499	4.93
Total	21,088,000	100.00

As part of the Reorganization, Shenzhen Shanhui became an indirect non-wholly owned subsidiary of our Company. Please refer to "Reorganization" in this section for further details.

3.1.6 Share options

On February 1, 2019, Shenzhen Shanhui issued certain options to SVB Venture Capital Investment Management (Shanghai) Co., Ltd. (盛維創業投資管理(上海)有限公司) ("**SVB Venture Capital**"), a related party of Pufa Silicon Valley Bank Co., Ltd. (浦發矽谷銀行有限公司), which was a lender of Shenzhen Shanhui and an Independent Third Party. Pursuant to the relevant agreement, SVB Venture Capital was entitled to subscribe for certain shares of Shenzhen Shanhui at an agreed price within seven years from the date of the agreement. On December 30, 2023, the options were terminated by the parties and all rights attached thereto with a consideration of RMB1 million, which was determined by the parties on an arm's length basis and was settled on January 10, 2024.

On March 2, 2020, Shenzhen Shanhui issued certain options to Hangzhou Fuzhuo Investment Management Co., Ltd. (杭州複琢投資管理有限公司) ("**Hangzhou Fuzhuo Investment**"). Pursuant to the relevant agreement, Hangzhou Fuzhuo Investment was entitled to subscribe for certain shares of Shenzhen Shanhui. On February 27, 2022, the options expired and no shares had been issued to Hangzhou Fuzhuo Investment.

On April 30, 2020, Shenzhen Shanhui issued certain options to a licensed commercial factoring company, which is an indirect wholly-owned subsidiary of our related parties, pursuant to which such company was entitled to subscribe for certain shares of Shenzhen Shanhui at an agreed price. On April 30, 2023, the options expired and no shares had been issued to such company.

3.2 Shenzhen Tianhai

Shenzhen Tianhai was established in the PRC as a limited liability company on January 13, 2020 with an initial registered capital of RMB10,000,000, and has been wholly owned by Shenzhen Shanhui since its establishment.

Shenzhen Tianhai is principally engaged in the provision of consumer electronics trade-in-and-resale services.

3.3 Shenzhen Shanxin

Shenzhen Shanxin was established in the PRC as a limited liability company on July 20, 2022 with an initial registered capital of RMB20,000,000, and has been wholly owned by Shenzhen Shanhui since its establishment. On June 13, 2024, pursuant to the sole shareholder's resolution and in order to align with the current operational scale of Shenzhen Shanxin, the registered capital of Shenzhen Shanxin was reduced to RMB10,000,000 from RMB20,000,000 and such capital reduction was competed on July 31, 2024.

Shenzhen Shanxin is principally engaged in the provision of technical services.

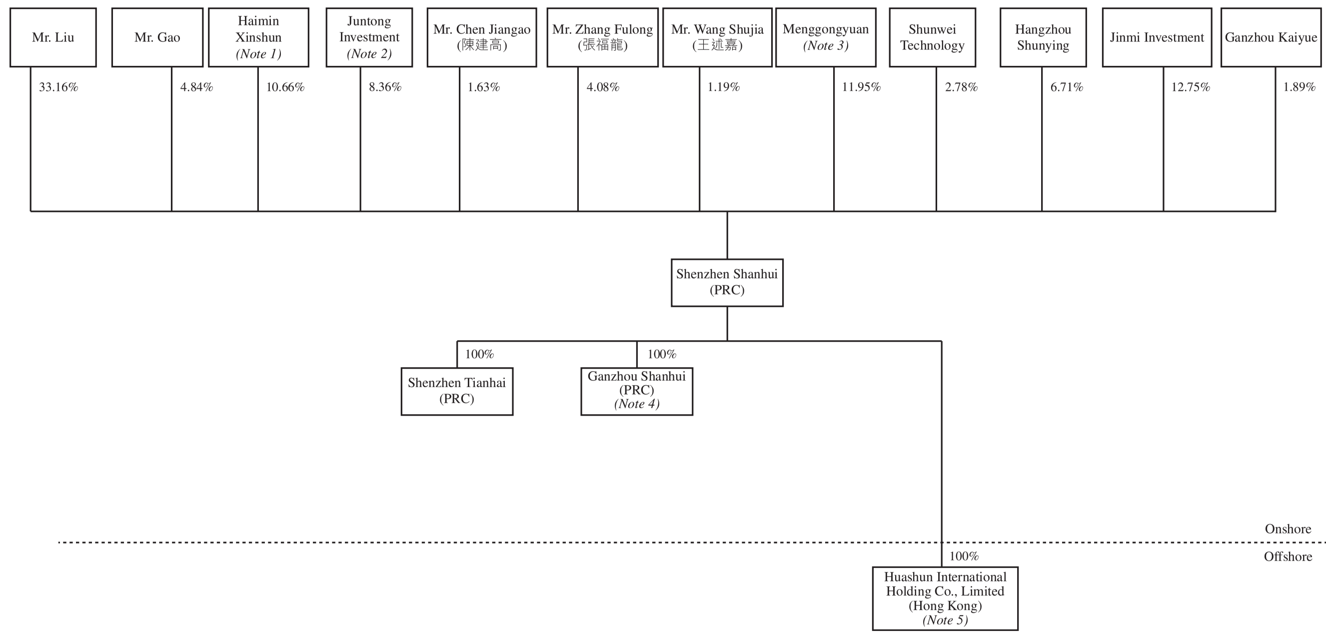
3.4 Shenzhen Shanji

Shenzhen Shanji was established in the PRC as a limited liability company on January 16, 2023 with an initial registered capital of RMB10,000,000, and has been wholly owned by Shenzhen Shanhui since its establishment.

Shenzhen Shanji is principally engaged in the provision of consumer electronics trade-in-and-resale services.

4. REORGANIZATION

Our Group underwent the Reorganization in preparation for the [**REDACTED**]. The following chart sets forth our Group's corporate and shareholding structure immediately before the Reorganization:



Notes:

1. Haimin Xinshun is a limited partnership established in the PRC. Haimin Xinshun was established for the purpose of holding equity interest in Shenzhen Shanhui for the Employee Members. Haimin Xinshun is owned as to approximately 17.80%, 30.52%, 25.53%, 18.68% and 7.47% by Mr. Liu, Ms. Yu, Mr. He, Mr. Lin and Mr. Luo, respectively.

2. Juntong Investment is a limited partnership established in the PRC and then owned as to approximately 10.92% by Mr. Liu as the general partner and as to 51.12%, 22.80% and 15.16% by Mr. Xie Siyin (謝思引), Mr. Yin Xuejun (尹學軍) and Mr. Ge Dong (葛東), respectively as the limited partners.

3. Menggongyuan was established in the PRC on November 22, 2017 as a limited partnership that was set up as an employee equity incentive platform and is owned as to 80% by Mr. Liu as the general partner and 20% by Ms. Yu as the limited partner.

4. Ganzhou Shanhui completed the deregistration on January 22, 2024.

5. Huashun International Holding Co., Limited completed the deregistration on January 28, 2022.

4.1 Incorporation of ShanHuiShou BVI and other BVI Shareholders

On August 5, 2021, ShanHuiShou BVI was incorporated to act as the holding company for Mr. Liu's interest in our Company.

On September 15, 2021, the following BVI holding companies (collectively, the "**12 BVI Shareholders**", and each an "**BVI Shareholder**") were incorporated to act as the holding companies for the relevant ultimate beneficial shareholders (collectively, the "**12 Individual Shareholders**" and each an "**Individual Shareholder**")'s direct or indirect interest in our Company:

Name of BVI Shareholder	Name of Individual Shareholder
SHS Glory BVI	Mr. Gao
SHS Thunder BVI	Mr. Chen Jiangao (陳建高)
SHS Lightning BVI	Mr. Wang Shujia (王述嘉)
MGY Alliance BVI	Ms. Yu
Flash Recycle BVI	Mr. He
Lightning Recycle BVI	Mr. Lin
Recycle Lifestyle BVI	Mr. Luo
SHS Blooming BVI	Mr. Xie Siyin (謝思引)
SHS Flash BVI	Mr. Yin Xuejun (尹學軍)
SHS Prosperity BVI	The estate of Mr. Ge Dong (葛東)
ShanHS Sword BVI	Mr. Duan Liping (段力平)
Yuntouhang BVI	Ms. Zhu Yongmei (朱永梅)

4.2 Incorporation of our Company

On August 11, 2021, our Company was incorporated as an exempted company in the Cayman Islands with limited liability to act as the holding company of our Group. The initial authorized share capital of our Company was HK$380,000 divided into 38,000,000 ordinary shares with a par value of HK$0.01 each. Upon its incorporation, one Share was allotted and issued to an initial subscriber, being an Independent Third Party, and the said Share was transferred to ShanHuiShou BVI on the same day.

4.3 Incorporation of ShanH Holding

On September 17, 2021, ShanH Holding was incorporated as a limited liability company in the BVI as our intermediate holding company. The initial authorized share capital of ShanH Holding was 50,000 ordinary shares without par value. Upon its incorporation, one share of ShanH Holding was allotted and issued to our Company, following which ShanH Holding became wholly-owned by our Company.

4.4 Incorporation of Shanhui Technology

On October 19, 2021, Shanhui Technology was incorporated as a limited liability company in Hong Kong and is principally engaged in the provision of consumer electronics trade-in-and-resale services in Hong Kong. Upon incorporation, one share of Shanhui Technology was allotted and issued to ShanH Holding, following which Shanhui Technology became wholly-owned by ShanH Holding.

4.5 Incorporation of MGY Wisdom BVI

On November 10, 2021, MGY Wisdom BVI was incorporated in the BVI to act as an employee shareholding platform for the purpose of holding the equity interest in our Company for implementation of equity incentive plan(s) for employees of our Group after [**REDACTED**]. To reflect the shareholding structure of Menggongyuan, MGY Wisdom BVI has issued and allotted eight shares to ShanHuiShou BVI and two shares to MGY Alliance BVI.

4.6 [REDACTED] Investment by Flexman (HK) through subscription of equity interest in Shenzhen Shanhui

We introduced Flexman (HK) as a [**REDACTED**] Investor as part of the Reorganization. Pursuant to a shareholders' resolutions of Shenzhen Shanhui dated November 1, 2021, Flexman (HK), which is wholly owned by Ms. Yuen Shuk Ying (袁淑盈), an Independent Third Party, subscribed for approximately 3.29% of the enlarged equity interest in Shenzhen Shanhui (equivalent to the registered capital of Shenzhen Shanhui of approximately RMB716,966) at a consideration of RMB1,867,641, which was determined with reference to the net asset value of Shenzhen Shanhui as of July 31, 2021 having considered the reorganization steps required to be undertaken by our Group for the [**REDACTED**] and that the class of shares subscribed is ordinary Shares, which do not have any special rights as granted to holders of the Preferred Shares. The consideration was fully settled by July 10, 2023.

Upon completion of the above capital increase on November 1, 2021, the shareholding of Shenzhen Shanhui was as follows:

Shareholders	Registered capital (RMB'000)	Approximate equity interest (%)
Mr. Liu	6,992,000	32.07
Mr. Gao Zibin (高自斌)	1,020,000	4.68
Haimin Xinshun	2,248,000	10.31
Juntong Investment	587,134	2.69
Mr. Chen Jiangao (陳建高)	344,000	1.58
Mr. Zhang Fulong (張福龍)	396,362	1.82
Mr. Wang Shujia (王述嘉)	252,000	1.16
Menggongyuan	2,520,000	11.56
Shunwei Technology	268,512	1.23
Hangzhou Shunying	648,388	2.97
Jinmi Investment	1,604,900	7.36
Nanhai Growth	887,916	4.07
Flexman (HK)	716,966	3.29
Mr. Duan Liping (段力平)	688,950	3.15
Zhitou Huifu	386,373	1.77
Ms. Zhu Yongmei (朱永梅)	1,204,966	5.53
Fatiao Time	1,038,499	4.76
Total	21,804,966	100.00

4.7 Subscription of Shares by MGY Wisdom BVI and the 12 BVI Shareholders

On November 15, 2021, our Company allotted and issued one ordinary Share to each of MGY Wisdom BVI and the 12 BVI Shareholders at nominal value of HK$0.01 per Share. Immediately after such allotments, our Company was owned by ShanHuiShou BVI, MGY Wisdom BVI and the 12 BVI Shareholders in equal portion.

4.8 Subscription of Shares by ShanHuiShou BVI, the 12 BVI Shareholders, MGY Wisdom BVI, Shanghai Wenwei, Shanghai Jiaozeng, Shanghai Xiuhui, Zhitou Huifu, World Circulation BVI and Barryspace BVI

To reflect the equity interest in Shenzhen Shanhui held by the then shareholders as set out in step 4.6 above, a share subscription agreement was entered into by the relevant parties on April 18, 2023 (the "**Share Subscription Agreement**"). Pursuant to the Share Subscription Agreement, our Company allotted and issued certain shares (the "**Subscription Shares**") to ShanHuiShou BVI, the 12 BVI Shareholders, MGY Wisdom BVI, Shanghai Wenwei, Shanghai Jiaozeng, Shanghai Xiuhui, Zhitou Huifu, World Circulation BVI and Barryspace BVI (the "**Subscribers**") on April 28, 2023.

4.9 Subscription of Shares by Long Shining BVI

Pursuant to a share subscription agreement dated December 28, 2021 and an amended and restated subscription agreement dated October 31, 2023, our Company agreed to allot and issue 406,950 Series C-6 Preferred Shares to Long Shining BVI at a consideration of RMB25,497,500 (equivalent to approximately USD4,005,388). The consideration was fully settled and received by our Company on January 31, 2022 and was mainly determined by the parties after arm's length negotiation with reference to the revenue of Shenzhen Shanhui for the year ended December 31, 2020 and the then price-to-sales (P/S) ratio of Shenzhen Shanhui and those of our market comparables at the time of investment in 2021. Due to the delay in the Reorganization, the Series C-6 Preferred Shares were subsequently allotted and issued to Long Shining BVI on December 15, 2023. Long Shining BVI is a company incorporated in the British Virgin Islands and owned as to 50% by Mr. Wu Ching Ho (胡清河) and 50% by his spouse, Ms. Pang Hiu Mui (彭曉梅), both being Independent Third Parties.

Details of the shareholding of our Company after completion of the above subscriptions as set out in steps 4.8 and 4.9 above are summarized as follow:

Name of Shareholders	Class of Shares	Number of Shares	Shareholding Percentage (%)
ShanHuiShou BVI	Ordinary Shares	6,839,040	32.47
MGY Wisdom BVI	Ordinary Shares	2,311,400	10.97
SHS Glory BVI	Ordinary Shares	935,560	4.44
SHS Thunder BVI	Ordinary Shares	315,520	1.50
SHS Lightning BVI	Ordinary Shares	231,140	1.10
MGY Alliance BVI	Ordinary Shares	629,180	2.99
Flash Recycle BVI	Ordinary Shares	526,440	2.50
Lightning Recycle BVI	Ordinary Shares	385,200	1.83
Recycle Lifestyle BVI	Ordinary Shares	154,080	0.73
SHS Blooming BVI	Ordinary Shares	275,300	1.31
SHS Flash BVI	Ordinary Shares	122,800	0.58
SHS Prosperity BVI	Ordinary Shares	81,640	0.39
Barryspace BVI	Ordinary Shares	657,620	3.12
Shanghai Wenwei	Series A-1 Preferred Shares	841,000	3.99
Shanghai Jiaozeng	Series A-2 Preferred Shares	1,472,040	6.99
Shanghai Xiuhui	Series C-1 Preferred Shares	1,833,410 *(Note 1)*	8.70
World Circulation BVI	Series C-2 Preferred Shares	952,540	4.52

Name of Shareholders	Class of Shares	Number of Shares	Shareholding Percentage (%)
ShanHS Sword BVI	Series C-3 Preferred Shares	631,920 *(Note 2)*	3.00
Zhitou Huifu	Series C-4 Preferred Shares	354,380	1.68
Yuntouhang BVI	Series C-5 Preferred Shares	1,105,220 *(Note 2)*	5.25
Long Shining BVI	Series C-6 Preferred Shares	406,950	1.94
Total	/	21,062,380	100.00

Notes:

1. Pursuant to the Share Subscription Agreement, Shanghai Xiuhui, the ODI vehicle of Nanhai Growth, subscribed for a total of 1,833,410 Series C-1 Preferred Shares, 814,420 of which reflect Nanhai Growth's then equity interest in Shenzhen Shanhui as set out in step 4.6 above and 1,018,990 of which represent Nanhai Growth's additional subscription of shares of our Company through Shanghai Xiuhui as described below. On March 22, 2021, Nanhai Growth and Shenzhen Shanhui, among others, entered into a capital increase agreement, pursuant to which Nanhai Growth agreed to subscribe for approximately 5% of the then enlarged equity interest in Shenzhen Shanhui at a consideration of RMB50,000,000. The consideration was fully settled and received by Shenzhen Shanhui on April 7, 2021 and was mainly determined by the parties after arm's length negotiation with reference to the revenue of Shenzhen Shanhui for the year ended December 31, 2020 and the then price-to-sales (P/S) ratio of Shenzhen Shanhui and those of our market comparables at the time of investment in 2021. Due to the delay in the Reorganization, Nanhai Growth decided to subscribe for 1,018,990 additional Series C-1 Preferred Shares through Shanghai Xiuhui pursuant to the Share Subscription Agreement.

2. Pursuant to the shareholders' resolutions dated April 28, 2023, one ordinary share issued to ShanHS Sword BVI was converted into one Series C-3 Preferred Share and one ordinary share issued to Yuntouhang BVI was converted into one Series C-5 Preferred Share on the same date.

3. Each of Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series C-1 Preferred Shares, Series C-2 Preferred Shares, Series C-3 Preferred Shares, Series C-4 Preferred Shares, Series C-5 Preferred Shares and Series C-6 Preferred Shares will be converted into ordinary Shares on a one-to-one basis by way of re-designation to Shares upon the [**REDACTED**].

The table below sets out the relationships between the Subscribers and shareholders of Shenzhen Shanhui:

Shareholder of Shenzhen Shanhui	Subscriber	Relationship
Mr. Liu	ShanHuiShou BVI	Wholly-owned by Mr. Liu
Menggongyuan	MGY Wisdom BVI	Controlled by the same ultimate beneficial owners
Mr. Gao	SHS Glory BVI	Wholly-owned by Mr. Gao
Mr. Chen Jiangao (陳建高)	SHS Thunder BVI	Wholly-owned by Mr. Chen Jiangao (陳建高)
Mr. Wang Shujia (王述嘉)	SHS Lightning BVI	Wholly-owned by Mr. Wang Shujia (王述嘉)
Ms. Yu *(Note 1)*	MGY Alliance BVI	Wholly-owned by Ms. Yu
Mr. He *(Note 1)*	Flash Recycle BVI	Wholly-owned by Mr. He
Mr. Lin *(Note 1)*	Lightning Recycle BVI	Wholly-owned by Mr. Lin
Mr. Luo *(Note 1)*	Recycle Lifestyle BVI	Wholly-owned by Mr. Luo
Mr. Xie Siyin (謝思引) *(Note 2)*	SHS Blooming BVI	Wholly-owned by Mr. Xie

Shareholder of Shenzhen Shanhui	**Subscriber**	**Relationship**
Mr. Yin Xuejun (尹學軍) *(Note 2)*	SHS Flash BVI	Wholly-owned by Mr. Yin
Mr. Ge Dong (葛東) *(Note 2)*	SHS Prosperity BVI	Wholly-owned by Mr. Ge
Flexman (HK)	Barryspace BVI	Controlled by the same ultimate beneficial owner
Hangzhou Shunying and Shunwei Technology *(Note 3)*	Shanghai Wenwei	Controlled by the same ultimate beneficial owners
Jinmi Investment *(Note 4)*	Shanghai Jiaozeng	Controlled by the same ultimate beneficial owners
Nanhai Growth	Shanghai Xiuhui	Controlled by the same ultimate beneficial owners
Fatiao Time	World Circulation BVI	Controlled by Zhuan Spirit Holdings Limited
Mr. Duan Liping (段力平)	ShanHS Sword BVI	Wholly-owned by Mr. Duan
Zhitou Huifu	Zhitou Huifu	Same entity
Ms. Zhu Yongmei (朱永梅)	Yuntouhang BVI	Wholly-owned by Ms. Zhu

Notes:

1. Each of Mr. He, Mr. Lin and Mr. Luo held his respective equity interest in Shenzhen Shanhui through Haimin Xinshun, a limited partnership established for the purpose of holding equity interest in Shenzhen Shanhui for the Employee Members. Such arrangement allowed them to (i) reduce the costs in setting up their own company to hold their respective interests in Shenzhen Shanhui; and (ii) minimize their time and effort in the administration of their respective interests in Shenzhen Shanhui. Upon completion of the Reorganization, each of them holds equity interests in the Company through his wholly-owned companies and is able to exercise his shareholder's rights independently. Hence, each of Mr. He, Mr. Lin and Mr. Luo should not be considered as part of the Controlling Shareholders group.

2. Each of Mr. Xie, Mr. Yin and Mr. Ge held his respective equity interest in Shenzhen Shanhui through Juntong Investment. Such arrangement allowed them to (i) reduce the costs in setting up their own company to hold their respective interests in Shenzhen Shanhui; and (ii) minimize their time and effort in the administration of their respective interests in Shenzhen Shanhui. Upon completion of the Reorganization, each of them holds equity interests in the Company through his wholly-owned companies and is able to exercise his shareholder's rights independently. Hence, each of Mr. Xie, Mr. Yin and Mr. Ge (or his estate or heir or beneficiary) should not be considered as part of the Controlling Shareholders group.

3. Shanghai Wenwei is the ODI vehicle of Hangzhou Shunying and Shunwei Technology through which they subscribed for our Shares as part of the Reorganization.

4. Shanghai Jiaozeng is the ODI vehicle of Jinmi Investment through which Jinmi Investment subscribed for our Shares as part of the Reorganization.

The consideration of the Subscription Shares shall be settled by:

(a) in respect of ShanHuiShou BVI, the 12 BVI Shareholders, MGY Wisdom BVI, Shanghai Jiaozeng, World Circulation BVI and Barryspace BVI, the consideration received by the respective shareholder or holding entity of such Subscriber for the disposal of their equity interest in Shenzhen Shanhui ("**Disposal Consideration**");

(b) in respect of Shanghai Wenwei, the Disposal Consideration received by Hangzhou Shunying and Shunwei Technology;

(c) in respect of Zhitou Huifu, the Disposal Consideration received by such entity; and

(d) in respect of Shanghai Xiuhui, the Disposal Consideration received by Nanhai Growth and additional consideration provided by Shanghai Xiuhui in the amount of RMB50,000,000.

For details of the Disposal Consideration and the relevant disposal, please refer to "4.11 Acquisition of Shenzhen Shanhui by Zhejiang Shanhui" in this section below.

4.10 Establishment of Zhejiang Shanhui

Zhejiang Shanhui was established in the PRC on November 7, 2023 with an initial registered capital of USD8,000,000. Since the date of its establishment and up to the Latest Practicable Date, Zhejiang Shanhui had been wholly-owned by Shanhui Technology. Zhejiang Shanhui is principally engaged in the provision of consumer electronics trade-in-and-resale services.

4.11 Acquisition of Shenzhen Shanhui by Zhejiang Shanhui

On December 28, 2023, pursuant to an equity transfer agreement dated November 17, 2023, Zhejiang Shanhui acquired from the then shareholders of Shenzhen Shanhui, namely Mr. Liu, Mr. Gao, Haimin Xinshun, Juntong Investment, Mr. Chen Jiangao (陳建高), Mr. Wang Shujia (王述嘉), Menggongyuan, Shunwei Technology, Hangzhou Shunying, Jinmi Investment, Nanhai Growth, Flexman (HK), Mr. Duan Liping (段力平), Zhitou Huifu, Ms. Zhu Yongmei (朱永梅), and Fatiao Time, representing approximately 98.18% equity interest in Shenzhen Shanhui at an aggregate consideration of RMB55,767,648.96. The consideration was determined with reference to the valuation of Shenzhen Shanhui as agreed by the then shareholders and our Group in 2021 in contemplation of the Reorganization.

Upon completion of the said equity transfers on December 28, 2023 and up to the Latest Practicable Date, Shenzhen Shanhui's equity interest was owned as to approximately 98.18% and 1.82% by Zhejiang Shanhui and Mr. Zhang Fulong (張福龍), respectively.

4.12 Series D [REDACTED] Investment

On December 29, 2023, pursuant to the subscription agreement dated the same date, our Company allotted and issued 503,790 Series D-1 Preferred Shares (which will be converted into ordinary Shares on a one-to-one basis by way of re-designation to Shares upon the [**REDACTED**]) to Anji Guorong BVI, representing approximately 2.33% of the issued share capital of our Company, at a consideration of USD8,000,000. The consideration was mainly determined by the parties after arm's length negotiation with reference to the revenue of Shenzhen Shanhui for the year ended December 31, 2022 and the then price-to-sales (P/S) ratio of our Group and those of our market comparables. The consideration was fully settled on February 22, 2024. Anji Guorong BVI is owned by Ailiangshan (Tianjin) Enterprise Management Partnership (Limited Partnership) (愛兩山(天津)企業管理合夥企業(有限合夥)) ("**Ailiangshan**"), which is ultimately controlled by the Anji County Finance Bureau (State-owned Assets Supervision and Administration Office of Anji County People's Government) (安吉縣財政局(安吉縣人民政府國有資產監督管理辦公室)).

4.13 Deregistration of inactive companies

Huashun International Holding Co., Limited ("**Huashun International**") was incorporated in Hong Kong as a limited liability company on May 23, 2019 with an issued share capital of HK$10,000,000 comprising 10,000,000 shares allotted and issued to Shenzhen Shanhui. Since its incorporation, Huashun International has been inactive and has not carried on any business operation.

Ganzhou Shanhui was established in the PRC as a limited liability company on January 8, 2019 with an initial registered capital of RMB4,000,000 and owned by Shenzhen Shanhui. Ganzhou Shanhui ceased operation and did not have any material contribution to our business operation and financial results during the Track Record Period.

To streamline our corporate structure and as part of the Reorganization, Huashun International and Ganzou Shanhui were deregistered and ceased to be our subsidiaries on January 28, 2022 and January 22, 2024, respectively. Our Directors confirm that each of Huashun International and Ganzhou Shanhui was solvent, was not subject to any pending or unresolved arbitration or legal proceedings, and did not have any material non-compliance under their respective applicable laws immediately prior to their respective dates of deregistration.

4.14 Establishment of Shenzhen Xinghe

Shenzhen Xinghe was established in the PRC on May 24, 2024 with an initial registered capital of USD8,000,000. Since the date of its establishment and up to the Latest Practicable Date, Shenzhen Xinghe had been wholly owned by Shanhui Technology and had not commenced any business operation.

4.15 Incorporation of PT Shanhui

PT Shanhui was incorporated in Indonesia as a limited liability company on February 9, 2025 with an initial registered capital of Rp10,100,000,000. As of the Latest Practicable Date, PT Shanhui was owned as to 99% and 1% by Shanhui Technology and ShanH Holding, respectively, and had not commenced any business operation.

5. [REDACTED] INVESTMENTS

The table below summarizes the principal terms of the [**REDACTED**] Investments into our Group:

Principal Terms of the [REDACTED] Investments

	Seed Round			Series A			Series C						Step 4.6 of Reorganization	Series D
[REDACTED] Investors	Mr. Chen Jiangao (陳建高)	Mr. Wang Shujia (王述嘉)	Mr. Xie Siyin (謝思引)/ Mr. Yin Xuejun (尹學軍)/ Mr. Ge Dong (葛東) (deceased as of the Latest Practicable Date)	Hangzhou Shunying	Shunwei Technology	Jinmi Investment	Nanhai Growth	Mr. Duan Liping (段力平)	Zhitou Huifu	Fatiao Time	Ms. Zhu Yongmei (朱永梅)	Long Shining BVI	Flexman (HK)	Anji Guorong BVI
Subscriber(s) of our Company	SHS Thunder BVI	SHS Lightning BVI	SHS Blooming BVI/ SHS Flash BVI/ SHS Prosperity BVI *(Note 4)*	Shanghai Wenwei *(Note 6)*		Shanghai Jiaozeng	Shanghai Xiuhui	ShanHS Sword BVI	Zhitou Huifu	World Circulation BVI	Yuntouhang BVI	Long Shining BVI	Barryspace BVI	Anji Guorong BVI
Class of shares subscribed	Ordinary Shares	Ordinary Shares	Ordinary Shares	Series A-1 Preferred Shares		Series A-2 Preferred Shares	Series C-1 Preferred Shares	Series C-3 Preferred Shares	Series C-4 Preferred Shares	Series C-2 Preferred Shares	Series C-5 Preferred Shares	Series C-6 Preferred Shares	Ordinary Shares	Series D-1 Preferred Shares
Date of the agreement	January 16, 2017	February 6, 2017	March 16, 2017	February 7, 2018		(i) February 7, 2018 (ii) February 11, 2019	(i) March 22, 2021 (ii) August 30, 2021	(i) July 30, 2021 (ii) August 6, 2021	August 30, 2021	August 30, 2021	(i) August 30, 2021 (ii) August 31, 2021	(i) December 28, 2021 (ii) October 31, 2023	November 1, 2021	December 29, 2023
Consideration	RMB1,200,000	RMB600,000	RMB600,000	RMB10,607,501	RMB4,392,499	(i) RMB15,000,000 (ii) RMB17,200,000	(i) RMB30,000,000 (ii) RMB50,000,000	(i) RMB10,276,500 (ii) RMB14,226,000	RMB12,500,003	RMB96,045,000	(i) RMB2,500,000 (ii) RMB50,000,000	RMB25,497,500	RMB1,867,641	USD8,000,000
Date of last settlement	January 20, 2017	December 6, 2017	June 9, 2017	May 18, 2018		February 14, 2019	April 7, 2021	August 11, 2021	August 31, 2021	September 13, 2021	September 7, 2021	January 31, 2022	July 10, 2023	February 22, 2024
Total consideration paid *(RMB)*	1,200,000	600,000	534,480 *(Note 5)*	15,000,000		32,200,000	80,000,000	24,502,500	12,500,003	96,045,000	52,500,000	25,497,500	1,867,641	56,804,800
Adjusted investment amount*(Note 1)*	965,070	552,811	163,958 *(Note 5)*	6,876,750		23,729,078	N/A	N/A	N/A	46,044,980	N/A	N/A	N/A	N/A
Cost per Share *(RMB)*	[REDACTED]													
Discount to mid-point of the [REDACTED] range*(Note 2)*														
Shareholding in our Company immediately before the [REDACTED] and the [REDACTED]	1.46%	1.07%	2.23% *(Note 4)*	3.90% *(Note 6)*		6.83%	8.50%	2.93%	1.64%	4.42%	5.12%	1.89%	3.05%	2.33%
Shareholding in our Company immediately after the [REDACTED]*(Note 3)*	[REDACTED]													

Notes:

(1) For [**REDACTED**] Investors which had disposed of certain registered capital in Shenzhen Shanhui, their investment amount is adjusted on the following basis:

The adjusted investment amount shall equal to the total consideration paid by such [**REDACTED**] Investor multiplied by the ratio of $\frac{a\text{-}b}{a}$, where:

– "a" equals to the total amount of registered capital of Shenzhen Shanhui acquired with the total consideration paid by such [**REDACTED**] Investor; and

– "b" equals to the total amount of registered capital of Shenzhen Shanhui disposed of by such [**REDACTED**] Investor prior to the acquisition of Shenzhen Shanhui by Zhejiang Shanhui (step 4.11 of the Reorganization).

(2) For illustration purposes only, assuming the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] and HK$[**REDACTED**], on the basis of the enlarged issued share capital of our Company immediately upon completion of the [**REDACTED**] (without taking into account the Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any Shares to be issued upon the exercise of any options that may be granted under the Share Option Scheme).

(3) Based on the number of Shares held by each of the [**REDACTED**] Investors and the total number of Shares in issue upon completion of the [**REDACTED**] (without taking into account the Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any Shares to be issued upon the exercise of any options that may be granted under the Share Option Scheme).

(4) Each of Mr. Xie Siyin (謝思引), Mr. Yin Xuejun (尹學軍) and Mr. Ge Dong (葛東) held his respective equity interest in Shenzhen Shanhui through Juntong Investment, which was owned as to 10.92% by Mr. Liu as the general partner and as to 51.12%, 22.80% and 15.16% by Mr. Xie, Mr. Yin and Mr. Ge, respectively, as the limited partners. As a part of the Reorganization, SHS Blooming BVI, SHS Flash BVI, SHS Prosperity BVI were incorporated in the BVI to act as the holding companies for Mr. Xie, Mr. Yin and Mr. Ge, which held 1.28%, 0.57% and 0.38% of the issued share capital of our Company immediately before the [**REDACTED**] and the [**REDACTED**], and will hold [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% of the issued share capital of our Company after the [**REDACTED**] (without taking into account the Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any Shares to be issued upon the exercise of any options that may be granted under the Share Option Scheme).

(5) Based on the aggregate interests in Juntong Investment held by Mr. Xie, Mr. Yin and the estate of Mr. Ge as limited partners (i.e. 89.08%).

(6) Hangzhou Shunying and Shunwei Technology, which are controlled by the same general partner, hold their equity interests in our Company together through the same ODI vehicle, Shanghai Wenwei.

5.1 Information regarding the [REDACTED] Investors

Set out below is the background information of our [**REDACTED**] Investors who either remained as a Shareholder or through another entity, subscribed for Shares in our Company as part of the Reorganization as of the Latest Practicable Date. For details of relationship between Shareholders of our Company and shareholders of Shenzhen Shanhui, please refer no "– 4.9 Subscription of Shares by Long Shining BVI" in this section.

Mr. Xie Siyin (謝思引) Mr. Yin Xuejun (尹學軍) and Mr. Ge Dong (葛東)

Mr. Xie Siyin (謝思引) has been employed as a data operation engineer at Shenzhen Timesbole Venture Capital Investment Management Co., Ltd. (深圳市時代伯樂創業投資管理有限公司) from March 2017. Mr. Xie Siyin (謝思引) is a friend of Mr. Liu.

Mr. Yin Xuejun (尹學軍) has served as the chief executive officer at Shenzhen Lianxunda Co., Ltd. (深圳市連訊達電子技術開發有限公司) from August 1998. Mr. Yin Xuejun (尹學軍) is a friend of Mr. Liu.

Mr. Ge Dong (葛東) served as the deputy general manager at Dataa Technology (Beijing) Co., Ltd. (達闥科技(北京)有限公司). Mr. Ge Dong (葛東) was a friend of Mr. Liu. Mr. Ge passed away in 2024, and as of the Latest Practicable Date, SHS Prosperity BVI belongs to Mr. Ge's estate.

Juntong Investment is a limited partnership established in the PRC on March 9, 2017. Juntong Investment was established for the purpose of holding equity interest in Shenzhen Shanhui for Mr. Liu, Mr. Xie, Mr. Yin and Mr. Ge. Immediately prior to the completion of the Reorganization, each of Mr. Xie, Mr. Yin and Mr. Ge held his respective interests in Shenzhen Shanhui through Juntong Investment.

Mr. Zhang Fulong (張福龍)

Mr. Zhang Fulong (張福龍) has served as chairman of Shenzhen Yintaifu Holding Co., Ltd. (深圳市銀泰福控股有限公司) from January 2017. Mr. Zhang Fulong (張福龍) is a friend of Mr. Liu. Mr. Zhang Fulong (張福龍)'s equity interest in Shenzhen Shanhui has been judicially frozen by Jishou City People's Court, Hunan Province since November 2021 due to a litigation case involving him. As confirmed by our Directors and as advised by our PRC Legal Advisor, on the basis that Mr. Zhang's equity interest in Shenzhen Shanhui is no more than 2%, the fact that the frozen equity interest was not released as of the Latest Practicable Date has no material adverse impact on our ability to carry out corporate actions in Shenzhen Shanhui, including convening shareholders' general meetings. The Directors further confirm that (i) the fact that the frozen equity interest was not released as of the Latest Practicable Date has no material adverse impact on the [**REDACTED**] and [**REDACTED**]; (ii) none of the litigation case and any facts concerning the litigation case were related to our Group, including its shareholders (save for Mr. Zhang), directors, senior management and/or their respective associates; (iii) Mr. Zhang is merely a passive investor and has not been involved in the management or operation of our Group; (iv) Mr. Zhang did not and does not hold any directorship in Shenzhen Shanhui or any group companies within our Group; and (v) Mr. Zhang did not and does not have any influence over the management of our Group and has never exerted any influence on our Group's operation or the management team.

Mr. Chen Jiangao (陳建高)

Mr. Chen Jiangao (陳建高) currently serves as the supervisor of Shanghai Kedi Electric Appliance Co., Ltd. (上海科的電器有限公司). Mr. Chen Jiangao (陳建高) became acquainted with our Group through the introduction of Mr. Liu.

Mr. Wang Shujia (王述嘉)

Mr. Wang Shujia (王述嘉) has been a freelance since graduated from Mianhu Middle School in 2010. Mr. Wang Shujia (王述嘉) became acquainted with our Group through the introduction of Mr. Liu.

Jinmi Investment and Shanghai Jiaozeng

Jinmi Investment is a limited partnership established in the PRC on July 16, 2014 and is engaged in the equity investment in industries such as electronics, technology and the Internet. Jinmi Investment is owned as to 86.20% by its general partner, Tianjin Jinxing Investment Co., Ltd. (天津金星創業投資有限公司) ("**Tianjin Jinxing**"), which is wholly owned by Xiaomi Inc. (小米科技有限責任公司), which is in turn controlled by Xiaomi Corporation, a company listed on the Stock Exchange (stock code: 1810) and as to 13.80% by its limited partner, Tianjin Zhongmi Enterprise Management Partnership (Limited Partnership) (天津眾米企業管理合夥企業(有限合夥)), whose general partner is Tianjin Jinxing.

Shanghai Jiaozeng is the ODI vehicle of Jinmi Investment through which Jinmi Investment subscribed for our Shares as part of the Reorganization. Shanghai Jiaozeng is owned as to 0.07% by Beijing Xiaomi Software Technology Co., Ltd. ("**Beijing Xiaomi**") (北京小米軟件技術有限公司) as its general partner, and as to 99.93% by Jinmi Investment as its limited partner. Beijing Xiaomi is wholly owned by Xiaomi H.K. Limited, which is ultimately controlled by Xiaomi Corporation, a company listed on the Main Board of the Stock Exchange (Stock Code: 1810), whose ultimate controlling shareholder is Mr. Lei Jun (雷軍) ("**Mr. Lei**"). By virtue of the SFO, Mr. Lei is deemed to be interested in the Shares owned by Shanghai Jiaozeng. Mr. Jiang Wen (蔣文) is our non-executive Director nominated by Shanghai Jiaozeng. For details of Mr. Jiang, see "Directors and Senior Management – Board of Directors – Non-executive Director".

Hangzhou Shunying, Shunwei Technology, and Shanghai Wenwei

Hangzhou Shunying is a limited partnership established in the PRC on June 16, 2016 and is principally engaged in equity investment. The general partner of Hangzhou Shunying is Lhasa Economic and Technological Development Zone Shunchuang Venture Capital Partnership (Limited Partnership) (拉薩經濟技術開發區順創創業投資合夥企業(有限合夥)) ("**Lhasa Shunchuang Venture Capital**") (holding approximately 7.46% of the partnership interest), which is owned as to 1.64% by its general partner, Lhasa Economic and Technology Development Zone Shunchuang Capital Management Co., Limited (拉薩經濟技術開發區順創資本管理有限公司) ("**Lhasa Shunchuang Capital Management**") and as to 98.36% by Zhang Tong (張彤) ("**Ms. Zhang**"), an Independent Third Party and the spouse of Mr. Lei. Lhasa Shunchuang Capital Management is owned as to 34% by Ma Wenjing (馬文靜), as to 33% by Mr. Lei, and as to 33% by Cao Liping (曹莉平), all being Independent Third Parties. Hangzhou Shunying has 27 limited partners which are all Independent Third Parties, and none of the limited partners holds more than one-third of the partnership interests. Among the limited partners, Ms. Zhang and Ma Wenjing (馬文靜) hold approximately 3.73% and 1.16% interest in Hangzhou Shunying, respectively, and Shanghai Chenkuang Investment Center (Limited Partnership) (上海辰曠投資中心(有限合夥)) (holding approximately 1.12% interest in Hangzhou Shunying) and Shanghai Chenshi Investment Center (Limited Partnership) (上海辰釋投資中心(有限合夥)) (holding approximately 0.12% interest in Hangzhou Shunying) have the same general parnter. To the knowledge of Hangzhou Shunying, save as disclosed above, its limited partners are independent from each other.

Shunwei Technology is a limited partnership established in the PRC on May 26, 2016 and is principally engaged in equity investment in high-tech enterprises and related consulting services. The general partner of Shunwei Technology is Lhasa Shunchuang Venture Capital (holding 0.2% of the partnership interest). Shunwei Technology has three limited partners which are all Independent Third Parties, namely Hangzhou Shunying (holding 51.8% of the partnership interest), Taikang Life

Insurance Co., Ltd. (泰康人壽保險有限責任公司) (holding 40% of the partnership interest) and Delong Steel Co., Ltd. (德龍鋼鐵有限公司) (holding 8% of the partnership interest). To the knowledge of Shunwei Technology, its limited partners are independent from each other.

Shanghai Wenwei is the ODI vehicle of Hangzhou Shunying and Shunwei Technology through which they subscribed for our Shares as part of the Reorganization. Shanghai Wenwei is owned as to RMB1 of the partnership interest by its general partner, Lhasa Shunchuang Venture Capital, as to RMB61,611,158 of the partnership interest by Hangzhou Shunying and as to RMB27,288,842 of the partnership interest by Shunwei Technology. Both Hangzhou Shunying and Shunwei Technology are controlled by Lhasa Shunchuang Capital Management, which was in turn owned as to 34% by Ma Wenjing (馬文靜), as to 33% by Mr. Lei, and as to 33% by Cao Liping (曹莉平). As confirmed by Shanghai Wenwei and according to the articles of association of Lhasa Shunchuang Capital Management, none of the shareholders of Lhasa Shunchuang Capital Management has unilateral control or can exercise control over Lhasa Shunchuang Capital Management. Nevertheless, by virtue of the SFO, Mr. Lei is deemed to be interested in the Shares held by Shanghai Wenwei.

As of the Latest Practicable Date, Jinmi Investment, Hangzhou Shunying and Shunwei Technology, had over 100, about 30 and about 10 companies in their investment portfolios, respectively. To the knowledge of the Directors:

(a) Jinmi Investment and Hangzhou Shunying have co-investments in four companies, with an aggregate shareholding in each company of not exceeding 30%, and Jinmi Investment and Hangzhou Shunying maintain independence in decision-making when voting as shareholders of these co-invested companies;

(b) Jinmi Investment and Shunwei Technology do not have any co-investments; and

(c) Shunwei Technology and Hangzhou Shunying have co-investments in about ten companies, which include Shanghai Wenwei.

To the knowledge of the Directors, save as disclosed above, there is no other joint investment among Jinmi Investment, Hangzhou Shunying and Shunwei Technology.

To the knowledge of our Directors, the ODI vehicle of Jinmi Investment (i.e. Shanghai Jiaozeng) and the ODI vehicle of Hangzhou Shunying and Shunwei Technology (i.e. Shanghai Wenwei) are independent from each other. However, as mentioned above and by virtue of the SFO, Mr. Lei is deemed to be interested in the Shares held by Shanghai Jiaozeng and is deemed to be interested in the Shares held by Shanghai Wenwei, and the aggregated shareholdings of Shanghai Jiaozeng and Shanghai Wenwei will be [**REDACTED**]% of the total issued Shares immediately upon the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). For more details, please refer to "Substantial Shareholders" in this document.

Mr. Duan Liping (段力平)

Mr. Duan Liping (段力平) has retired from Nanchang Kaisheng Electronics Co., Ltd. (南昌凱勝電子有限公司) after serving as a general manager from September 2012 to February 2022. Mr. Duan Liping (段力平) became acquainted with our Group through the introduction of Mr. Liu.

Nanhai Growth

Nanhai Growth is a limited partnership established in the PRC on July 20, 2017 and is principally engaged in the equity investment. Nanhai Growth has 14 limited partners which are all Independent Third Parties, and none of the limited partners holds more than one third of partnership interests. As confirmed by Nanhai Growth, its limited partners are independent from each other. Nanhai Growth is owned as to 1.56% by Cowin Jinxiu Capital Firm (深圳同創錦繡資產管理有限

公司) as the general partner, which is in turn wholly owned by Shenzhen Cowin Asset Management Co., Ltd. (深圳同創偉業資產管理股份有限公司) ("**Cowin**"), a company listed on the National Equities Exchange and Quotations (stock code: 832793). Cowin is owned as to 35.01% by Shenzhen Co-win Venture Capital Investments Limited (深圳市同創偉業創業投資有限公司), which is in turn owned as to 49% by Ms. Huang Li (黃荔), as to 45% by Mr. Zheng Weihe (鄭偉鶴) and as to 6% by Ding Xiangqin (丁香琴), all being Independent Third Parties.

Nanhai Growth became acquainted with our Group through our participation in an industry conference.

Shanghai Xiuhui is the ODI vehicle of Nanhai Growth through which Nanhai Growth subscribed for our Shares as part of the Reorganization. Shanghai Xiuhui is owned as to 1.23% by Xinyu Tongchuang Selected Investment Management Co., Ltd. ("**Xinyu Tongchuang**") (新余同創精選投資管理有限公司) as its general partner, and as to 98.77% by Nanhai Growth as its limited partner. Xinyu Tongchuang is wholly owned by Cowin, which is owned as to 35.01% by Shenzhen Co-win Venture Capital Investments Limited (深圳市同創偉業創業投資有限公司), which is in turn owned as to 49% by Ms. Huang Li (黃荔), as to 45% by Mr. Zheng Weihe (鄭偉鶴) and as to 6% by Ding Xiangqin (丁香琴), all being Independent Third Parties.

Zhitou Huifu

Zhitou Huifu is a limited partnership established in the PRC on April 1, 2021 and is principally engaged in the equity investment. Zhitou Huifu is owned as to 22.85% by Shenzhen Smart City Industry Investment Private Equity Fund Management Co., Ltd (深圳市智慧城市產投私募基金管理有限公司), a state-owned company whose ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會), as the general partner, and as to 77.15% by Huang Juanyong (黃雋永), an Independent Third Party, as the limited partner.

Zhitou Huifu became acquainted with our Group through the introduction of Nanhai Growth, one of our [**REDACTED**] Investors.

Fatiao Time

Fatiao Time is a limited company established in the PRC on May 17, 2019 and is principally engaged in the information technology promotion and network technology. Fatiao Time is wholly owned by Beijing Zhuanzhuan Spirit Technology Co., Ltd. (北京轉轉精神科技有限責任公司), which is controlled by Zhuan Spirit Holdings Limited. Fatiao Time initially invested in our Group through acquisition of equity interest in Shenzhen Shanhui from Jinmi Investment, Hangzhou Shunying and Shunwei Technology in 2021.

Ms. Zhu Yongmei (朱永梅)

Ms. Zhu Yongmei (朱永梅) has over 25 years of experience in the legal industry. Ms. Zhu has served as an associate of Grandall Law Firm (Shanghai) since January 1999 and joined as an associate of Grandall Law Firm (Shenzhen) in August 2000, and subsequently promoted as a partner. Ms. Zhu Yongmei (朱永梅) became acquainted with our Group through the introduction of Mr. Liu.

Flexman (HK)

Flexman (HK) was incorporated in Hong Kong as a limited liability company on August 27, 2021 with an issued share capital of HK$1 comprising one share allotted and issued to Ms. Yuen Shuk Ying (袁淑盈) at an issue price of HK$1 per share. Ms. Yuen became acquainted with our Group through the introduction of Mr. Liu. Ms. Yuen has business network in the relevant industry and is expected to bring business synergy and potential business opportunities to our Group.

Long Shining BVI

Long Shining BVI was incorporated in the British Virgin Islands on February 18, 2005 with an issued share capital of US$2.0 comprising one share allotted and issued to Mr. Wu Ching Ho (胡清河), and one share allotted and issued to his spouse, Ms. Pang Hiu Mui (彭曉梅). Mr. Wu is a private investor who has experience in trading of phone accessories and became acquainted with our Group through Mr. Duan Liping (段力平), one of our [**REDACTED**] Investors. Mr. Wu became interested in the business of our Group and therefore decided to invest in our Group.

Anji Guorong BVI

Anji Guorong BVI was incorporated in the British Virgin Islands on August 11, 2023 with an issued share capital of US$1.0 comprising one share allotted and issued to Ailiangshan. Ailiangshan is ultimately controlled by the Anji County Finance Bureau (State-owned Assets Supervision and Administration Office of Anji County People's Government) (安吉縣財政局(安吉縣人民政府國有資產監督管理辦公室)). Anji Guorong BVI became acquainted with our Group in a business invitation activity.

Save as disclosed in this document, each of the [**REDACTED**] Investors is an Independent Third Party.

5.2 Use of Proceeds from [REDACTED] Investments

As of the Latest Practicable Date, the funds raised from the [**REDACTED**] Investments (other than the Series-D [**REDACTED**] Investment) had been fully utilized and applied by us for general working purposes. We intend to apply the proceeds from the Series-D [**REDACTED**] Investment to our general working capital and expenses incurred for our financing activities.

5.3 Special Rights of the [REDACTED] Investors

Pursuant to the subscription agreements and shareholders agreement entered into by our Company and our [**REDACTED**] Investors, special rights including, among others, veto right, right of first offer, pre-emptive rights, redemption right, anti-dilution right, tag-along and drag-along rights, no more favourable terms and information rights (collectively, the "**Special Rights**") had been granted to some of our [**REDACTED**] Investors.

Pursuant to the shareholders agreement entered into by our Company and the relevant [**REDACTED**] Investors, each of the parties agreed that (i) the redemption right shall be suspended on the date of submission of the first [**REDACTED**] application by our Company for the purpose of a qualified initial public offering (i.e. the [**REDACTED**] application), with such right being terminated on the effective date of the Articles or resuming automatically if the [**REDACTED**] application is withdrawn, rejected or not completed within a prescribed period of time; and (ii) the Special Rights shall be terminated immediately prior to the completion of a qualified [**REDACTED**] of the Company, which includes the [**REDACTED**], provided that the Special Rights shall automatically be reinstated if the application for the qualified [**REDACTED**] is withdrawn, rejected or terminated.

A "qualified [**REDACTED**]" is defined as the [**REDACTED**] of our Shares on the Main Board or the Science and Technology Innovation Board of the Shanghai Stock Exchange, the Main Board or the ChiNext Market of the Shenzhen Stock Exchange, the National Association of Securities Dealers Automated Quotations (NASDAQ), the New York Stock Exchange or the Main Board of the Stock Exchange or any other stock exchange located in a jurisdiction outside of the PRC and approved by the relevant [**REDACTED**] Investors with an agreed valuation.

5.4 Strategic Benefits from [REDACTED] Investors

At the time of the [**REDACTED**] Investments, our Directors were of the view that our Company could benefit from the additional capital provided by the [**REDACTED**] Investors' investments in our Company, as well as the [**REDACTED**] Investors' valuable resources and/or their business connection and technical expertise that align with our business strategies, which may contribute to our future business growth. Our Directors were also of the view that our Company could benefit from the [**REDACTED**] Investors' commitment to our Company as their investment demonstrates their confidence in the operations of our Group and serves as an endorsement of Company's performance, strength and prospects.

5.5 Lock-up

The Shares held by each of the [**REDACTED**] Investors will not be subject to any lock-up after [**REDACTED**].

5.6 Public float and free float

The Shares held by the [**REDACTED**] investors will be counted as part of the public float upon [**REDACTED**] as (i) each of them is not a core connected person of our Company; (ii) the subscriptions of their respective equity interests in the Shares were not financed directly or indirectly by any core connected person of our Company; and (iii) each of them and their respective ultimate beneficial owners are not accustomed to take instructions from a core connected person in relation to the subscriptions, disposals, voting or other dispositions of securities of our Company registered in their names or otherwise held by them.

Upon the completion of the [**REDACTED**] (without taking into account the Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any Shares to be issued upon the exercise of any options that may be granted under the Share Option Scheme), Shares held by the following Shareholders will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules:

– ShanHuiShou BVI, one of our Controlling Shareholders and a company wholly owned by Mr. Liu, holding approximately [**REDACTED**]% of the issued share capital of our Company;

– MGY Wisdom BVI, one of our Controlling Shareholders and a company owned as to 80% by ShanHuiShou BVI and as to 20% by MGY Alliance BVI, holding approximately [**REDACTED**]% of the issued share capital of our Company;

– MGY Alliance BVI, one of our Controlling Shareholders and a company wholly owned by Ms. Yu, our executive Director, holding approximately [**REDACTED**]% of the issued share capital of our Company;

– Flash Recycle BVI, a company wholly owned by Mr. He, our executive Director, holding approximately [**REDACTED**]% of the issued share capital of our Company; and

– Lightning Recycle BVI, a company wholly owned by Mr. Lin, our executive Director, holding approximately [**REDACTED**]% of the issued share capital of our Company.

Except as stated above, the Shares held by the other Shareholders will constitute part of the public float. Accordingly, taking into account the Shares to be issued pursuant to the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), approximately [**REDACTED**]% of the issued share capital of our Company will be counted towards the public float of our Company upon [**REDACTED**].

Pursuant to Rule 8.08 of the Listing Rules, where the expected market value at the time of [**REDACTED**] of our Shares does not exceed HK$6 billion, at least 25% of the total number of Shares must at the time of the [**REDACTED**] be held by the public. With respect to the indicative [**REDACTED**] Range of HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**] (being the low end, mid-point and the upper-end, respectively), the expected [**REDACTED**] of the Shares would not exceed HK$6 billion. Assuming that all the [**REDACTED**], the number of Shares held by the [**REDACTED**] at the time of the [**REDACTED**] would be approximately [**REDACTED**]% of our total issued share capital of our Company, which will be regarded as [**REDACTED**] and will [**REDACTED**] the requirement under Rule 8.08 of the Listing Rules.

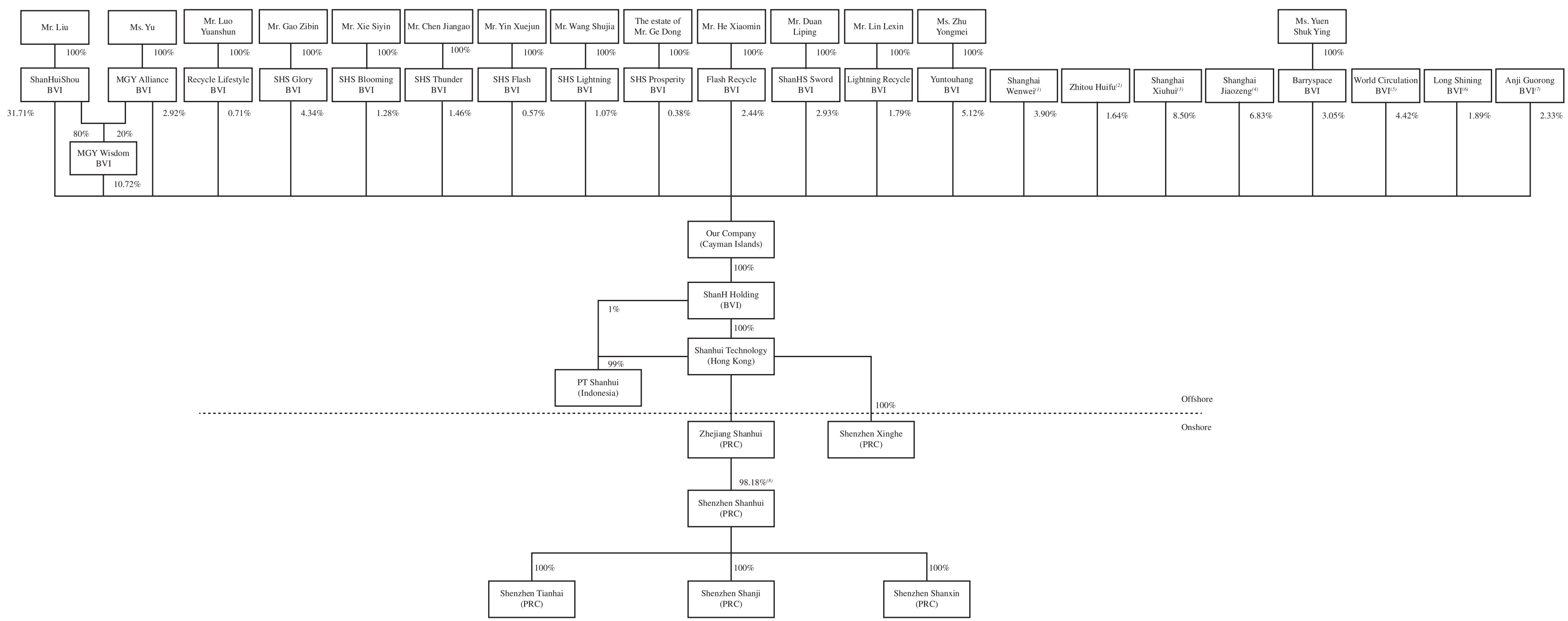
Rule 8.08A of the Listing Rules requires that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by 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 (i) represent at least 10% of the total number of issued Shares in the class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (ii) have an expected market value at the time of listing of not less than HK$600,000,000. The Company is expected to [**REDACTED**] under Rule 8.08A of the Listing Rules.

5.7 Sole Sponsor's View

The Sole Sponsor has confirmed that the [**REDACTED**] Investments are in compliance with section 4.2 of the Guide issued by the Stock Exchange as (i) the [**REDACTED**], being the first day of [**REDACTED**] of the Shares on the Stock Exchange, will take place no earlier than 120 clear days after the funds of the relevant [**REDACTED**] Investments have been irrevocably settled; and (ii) the redemption right would be suspended with effect from the date of the [**REDACTED**] application and all special rights granted would be terminated with effect immediately prior to the completion of the [**REDACTED**].

6. CORPORATE STRUCTURE BEFORE THE [REDACTED]

The following chart sets forth our Group's corporate and shareholding structure after the Reorganization and the [**REDACTED**] Investments, but before the completion of the [**REDACTED**] and the [**REDACTED**] (without taking into account the Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any Shares to be issued upon the exercise of any options that may be granted under the Share Option Scheme):



Notes

1. Shanghai Wenwei is controlled by Lhasa Shunchuang Capital Management, and there is no single shareholder of Lhasa Shunchuang Capital Management who has unilateral control or can exercise control over Lhasa Shunchuang Capital Management. Shanghai Wenwei is the ODI vehicle through which Hangzhou Shunying and Shunwei Technology subscribed for our Shares as part of the Reorganization. Please refer to "– 5.1 Information regarding the [**REDACTED**] Investors – Hangzhou Shunying, Shunwei Technology and Shanghai Wenwei" in this section.

2. Zhitou Huifu is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會). Please refer to "– 5.1 Information regarding the [**REDACTED**] Investors – Zhitou Huifu" in this section.

3. Shanghai Xiuhui is ultimately controlled by Ms. Huang Li (黃荔) and Mr. Zheng Weihe (鄭偉鶴), both being Independent Third Parties. Shanghai Xiuhui is a PRC-established entity through which Nanhai Growth subscribed for our Shares as part of the Reorganization. Please refer to "– 5.1 Information regarding the [**REDACTED**] Investors – Nanhai Growth" in this section.

4. Shanghai Jiaozeng is ultimately controlled by Xiaomi Corporation, a company listed on the Main Board of the Stock Exchange (Stock Code: 1810), whose ultimate controlling shareholder is Mr. Lei. Shanghai Jiaozeng is the ODI vehicle through which Jinmi Investment subscribed for our Shares as part of the Reorganization. Please refer to "– 5.1 Information regarding the [**REDACTED**] Investors – Jinmi Investment and Shanghai Jiaozeng" in this section.

5. World Circulation BVI is ultimately controlled by Zhuan Spirit Holdings Limited. World Circulation BVI is a BVI incorporated entity through which Fatiao Time subscribed for our Shares as part of the Reorganization. Please refer to "– 5.1 Information regarding the [**REDACTED**] Investors – Fatiao Time" in this section.

6. Long Shining BVI is ultimately controlled by Mr. Wu Ching Ho (胡清河) and Ms. Pang Hiu Mui (彭曉梅). Please refer to "– 5.1 Information regarding the [**REDACTED**] Investors – Long Shining BVI" in this section.

7. Anji Guorong BVI is ultimately controlled by Anji County Finance Bureau (State owned Assets Supervision and Administration Office of Anji County People's Government) (安吉縣財政局(安吉縣人民政府國有資產監督管理辦公室)). Please refer to "– 5.1 Information regarding the [**REDACTED**] Investors – Anji Guorong BVI" in this section.

8. The remaining equity interest in Shenzhen Shanhui of approximately 1.82% is owned by Mr. Zhang Fulong (張福龍). For background information of Mr. Zhang, please refer to "– 5.1 Information regarding the [**REDACTED**] Investors" in this section.

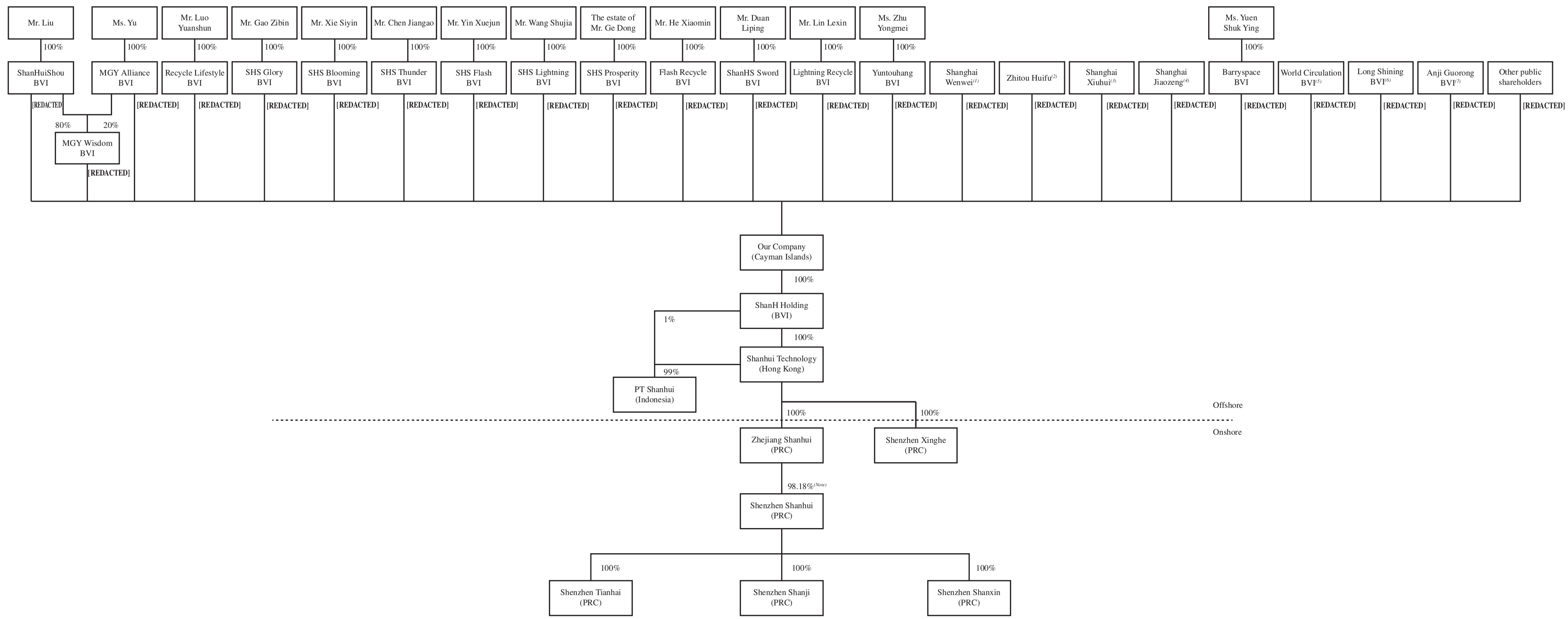
7. [REDACTED] AND THE [REDACTED]

On [●], our Company increased its authorized share capital from HK$380,000 divided into 38,000,000 Shares of HK$0.01 each to HK$[**REDACTED**] divided into [**REDACTED**] Shares of HK$0.01 each through the creation of [**REDACTED**] additional Shares. Such Shares shall rank *pari passu* in all respects with the existing issued Shares.

Conditional upon the crediting of our Company's share premium account as a result of the issue of the [**REDACTED**] pursuant to the [**REDACTED**], our Directors are authorized to capitalise an amount of HK$[**REDACTED**] standing to the credit of the share premium account of our Company by applying such sum towards the paying up in full at par a total of [**REDACTED**] Shares for allotment and issuance to our Shareholders immediately prior to the [**REDACTED**], on a pro rata basis.

8. CORPORATE STRUCTURE UPON COMPLETION OF THE [REDACTED]

The following chart sets forth our Group's corporate and shareholding structure immediately following completion of the [**REDACTED**] and the [**REDACTED**] (without taking into account the Shares which may be issued pursuant to the exercise of the [**REDACTED**] and any Shares to be issued upon the exercise of any options that may be granted under the Share Option Scheme):



Note: For more details, please refer to the notes under the paragraph headed "6. Corporate Structure before the [**REDACTED**]" in this section.

9. PRC REGULATORY REQUIREMENTS

Our PRC Legal Advisor has confirmed that all necessary approvals and permits from the relevant PRC regulatory authorities and the relevant PRC legal procedures required for all the equity transfers and changes in registered capital in respect of (i) our PRC subsidiaries and (ii) the Reorganization steps as described above have been obtained and completed, respectively, in compliance with the applicable PRC laws and regulations.

M&A Rules

Under the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**"), a foreign investor is required to comply with the M&A Rules when (i) a foreign investor acquires equity in a domestic non-foreign invested enterprise, thereby converting it into a foreign-invested enterprise, or subscribes for new equity in a domestic enterprise via an increase of registered capital, thereby converting it into a foreign-invested enterprise; or (ii) a foreign investor establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise, or which purchases the assets of a domestic enterprise and injects those assets to establish a foreign-invested enterprise. According to Article 11 of the M&A Rules, where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it/him, acquires a domestic company which is related to or connected with it/him, approval from MOFCOM is required.

Since Ms. Yuen Shuk Ying (袁淑盈), the then ultimate controlling shareholder of Flexman (HK), is a Hong Kong permanent resident rather than a domestic natural person as defined under the M&A Rules, Article 11 of the M&A Rules is not applicable to the Flexman (HK) Subscription. After completion of the Flexman (HK) Subscription, Shenzhen Shanhui became a foreign-invested enterprise. For the subsequent acquisition of approximately 98.18% equity interest in Shenzhen Shanhui by Zhejiang Shanhui from the then shareholders, namely Mr. Liu, Mr. Gao Zibin (高自斌), Mr. Chen Jiangao (陳建高), Mr. Wang Shujia (王述嘉), Menggongyuan, Juntong Investment, Haimin Xinshun, Mr. Duan Liping (段力平), Ms. Zhu Yongmei (朱永梅), Jinmi Investment, Hangzhou Shunying, Shunwei Technology, Nanhai Growth, Zhitou Huifu, Fatiao Time and Flexman (HK) (the "**Zhejiang Shanhui Acquisition**"), we were advised by our PRC Legal Advisor that since Shenzhen Shanhui was a foreign-invested enterprise when the Zhejiang Shanhui Acquisition took place, Article 11 of the M&A Rules are not applicable to the Zhejiang Shanhui Acquisition.

SAFE and ODI Registration

Pursuant to the SAFE Circular 37, a PRC resident is required to register with the local branch of SAFE before he contributes legal assets or equity interests in China or overseas in an overseas special purpose vehicle which is directly established or indirectly controlled by the PRC resident for the purpose of overseas investment or financing. Pursuant to the Administrative Measures on Overseas Investments by Enterprises (《企業境外投資管理辦法》) and Administrative Measures on Overseas Investments (《境外投資管理辦法》) (the "**ODI Rules**"), a domestic institution shall undergo registration procedures for foreign investment in accordance with the provisions of the ODI Rules, which require the domestic institution to register with the relevant authorities prior to its overseas direct investment and obtain the relevant records, approvals, certificates or permits.

Pursuant to the SAFE Circular 13, the foreign exchange registration approval under the overseas direct investment by SAFE has been cancelled. The aforesaid registration shall be directly reviewed and handled by qualified banks in accordance with the SAFE Circular 13, and SAFE and its branches shall perform indirect regulation over the foreign exchange registration via qualified banks.

As advised by our PRC Legal Advisor, the ultimate shareholders of our Company who are PRC residents, namely, Mr. Liu and the 12 Individual Shareholders, have completed the foreign exchange registrations on November 24, 2021 respectively in compliance with the SAFE Circular 37 and the SAFE Circular 13 in relation to their offshore investments as PRC residents, and the shareholders of our Company which are PRC entities, namely Shanghai Wenwei, Shanghai Jiaozeng, Shanghai Xiuhui and Zhitou Huifu, have completed the overseas direct investment registration on April 4, 2023 and April 11, 2023 in compliance with the ODI Rules in relation to their offshore investments as domestic institutions.