OVERVIEW

Our history can be traced back to 2010 when our predecessor company, Zhejiang Kingdom Plastics Co., Ltd.* (浙江晶通塑膠有限公司) ("**Kingdom Plastics**") was established under the laws of the PRC by Mr. Dai and Ms. Zhang through Hangzhou Kingdom Imp & Exp. Since our establishment, Mr. Dai and Ms. Zhang have been working together to lead the overall operations and management of our Group. For details of the background of Mr. Dai and Ms. Zhang, see the section headed "Directors and Senior Management" in this document.

Since then, we have been dedicated to the research and development, manufacturing and sales of green and sustainable multi-use decoration panel products. Our business has been globally oriented since our establishment. We strive for a global business presence and after years of development, our products have reached more than 60 countries and regions worldwide, enabling us to serve a broad international customer base.

KEY MILESTONES

The following table summarizes the key development milestones since the commencement of our business.

Year	Milestone
2010	In June 2010, our predecessor company, Kingdom Plastics was established.
	In 2010, our Company established our export-oriented production base in Tongxiang, Jiaxing City.
2014	We were recognized as a "National High-tech Enterprise" (國家高新技術企業).
	We established Decoflooring in Bonn, Germany and an overseas warehouse in Germany.
2017	Phase I of our new production base was completed.
	We entered into a university-enterprise cooperation with the College of Materials Science and Engineering of Zhejiang University of Technology (浙江工業大學材料學院).
2018	Our industry-first digitally printed SPC wall panels commenced trial production.
2019	Phase II of our production base was completed.

Year	Milestone
2020	The construction of Phase III of our domestic production base in Tongxiang, Jiaxing City was completed.
2022	Our Company commenced the construction of Phase IV of our domestic production base.
2023	VYTEC Thailand, our subsidiary in Thailand, was incorporated.
2024	Phase IV of our domestic production base in Tongxiang, Jiaxing City was completed.
	Our predecessor company was converted into a joint stock company with limited liability under the laws of the PRC.
2025	We established a research institute in Huabin Industrial Park, Songjiang District, Shanghai.
	We were recognized as a "Key Corporation Enterprise" (重點合作企業) by the Career Center of Zhejiang University of Technology* (浙江工業大學就業指導中心).

OUR MAJOR SUBSIDIARIES

Our business is substantially operated through our major subsidiaries in the PRC, Germany and Thailand. The corporate details of these subsidiaries are set forth below:

Name of company	Place of establishment/ incorporation	Principal business activities	Date of establishment/ incorporation and commencement of business
Zhejiang Kingsun	PRC	Production and sale of flooring products and building materials	November 30, 2016
Decoflooring	Germany	Import and sales of flooring assortments, interior construction products, and decorative items	August 22, 2014
VYTEC Thailand	Thailand	Production and sale of flooring products and building materials	June 12, 2023

See "— Our Structure Immediately Prior to the [**REDACTED**]" in this section and Note 1 to the Accountants' Report set out in Appendix I to this document for information on our other subsidiaries. For changes in the registered capital of our subsidiaries, see "Statutory and General Information — A. Further Information about Our Group — 3. Changes in the Share Capital of Our Subsidiaries" in Appendix VI to this document.

CORPORATE DEVELOPMENT AND SHAREHOLDING CHANGES OF OUR COMPANY

(1) Establishment of our predecessor, Kingdom Plastics, in June 2010

On June 23, 2010, our predecessor company, Kingdom Plastics, was established in the PRC as a limited liability company with an initial registered capital of RMB6.0 million, which was fully paid-up by its sole shareholder, Hangzhou Kingdom Imp & Exp.

As of the date of establishment of our predecessor company, Hangzhou Kingdom Imp & Exp was owned by Mr. Dai as to 51% and Ms. Zhang as to 49%. For details of the background and experience of Mr. Dai and Ms. Zhang, see the section headed "Directors and Senior Management" in this document.

(2) Capital injections in Kingdom Plastics from 2013 to 2024

From 2013 to 2024, our predecessor company, Kingdom Plastics had undergone several rounds of capital injections, the details of which are set out below.

On February 18, 2013 and November 12, 2015, Kingdom Plastics passed shareholder's resolutions to increase its registered capital from RMB6.0 million to RMB15.0 million, and RMB15.0 million to RMB30.0 million, respectively. The said increases in registered capital were all contributed by Hangzhou Kingdom Imp & Exp in cash. The said capital injections were completed on February 26, 2013 and November 17, 2015 when the capital injections was registered with the local administration for market regulation, respectively.

On January 28, 2021, Kingdom Plastics passed a shareholder's resolution to increase its registered capital from RMB30.0 million to RMB80.0 million. The said increase in registered capital was contributed by Hangzhou Kingdom Imp & Exp through capitalization of undistributed profits in the amount of RMB50.0 million. The said capital injection was completed on March 8, 2021 when the capital injection was registered with the local administration for market regulation.

On March 26, 2024, Kingdom Plastics passed a shareholder's resolution to increase its registered capital from RMB80.0 million to RMB81.0 million. The said increase in registered capital was contributed by Hangzhou Kingdom Imp & Exp by way of transfer of its entire equity interest in Zhejiang Kingsun to Kingdom Plastics. The said capital injection was completed on March 27, 2024 when the capital injection was registered with the local administration for market regulation, and the transfer of the entire equity interest in Zhejiang Kingsun to Kingdom Plastics was completed on April 9, 2024 when the equity transfer was registered with the local administration for market regulation. Upon completion of the said capital injection and transfer of equity interest in Zhejiang Kingsun, Hangzhou Kingdom Imp & Exp remained the sole shareholder of Kingdom Plastics, and Zhejiang Kingsun became the wholly-owned subsidiary of Kingdom Plastics.

On April 25, 2024, Kingdom Plastics passed a shareholder's resolution to increase its registered capital from RMB81.0 million to RMB81.001 million. The increase in registered capital was contributed by Zhejiang Jinghongda, a wholly-owned subsidiary of Hangzhou Kingdom Imp & Exp, in cash. The said capital injection was completed on April 28, 2024 when the capital injection was registered with the local administration for market regulation.

Set forth below is a table showing the shareholding structure of Kingdom Plastics upon completion of the above capital injections:

Shareholders of Kingdom Plastics	Registered Capital (RMB)	Approximate Shareholding
Hangzhou Kingdom Imp & Exp	81,000,000	99.9988%
Zhejiang Jinghongda	1,000	0.0012%
Total	81,001,000	100%

(3) Conversion into a joint stock company (the "Conversion")

In anticipation of the proposed [**REDACTED**], pursuant to a promoters' agreement dated October 9, 2024 and the shareholders' resolutions passed on June 13, 2024 and October 9, 2024 by all of our then shareholders, Kingdom Plastics was converted from a limited liability company into a joint stock company with limited liability. The conversion was made with reference to the Company's net asset value as of April 30, 2024, among which, RMB40,000,000 was converted into 40,000,000 Shares with a nominal value of RMB1.00 each and the remaining RMB943,330,600 was converted into capital reserve.

Upon completion of registration with the Jiaxing Administration for Industry and Commerce (嘉興市市場監督管理局) on November 27, 2024, Kingdom Plastics was converted into a joint stock company with limited liability and was re-named as Zhejiang Kingdom New Material Co., Ltd. (浙江晶通新材料股份有限公司). Upon completion of the Conversion, the shareholding structure of our Company was as follows:

Shareholders of our Company	No. of Shares	Approximate Shareholding
Hangzhou Kingdom Imp & Exp	39,999,506	99.9988%
Zhejiang Jinghongda	494	0.0012%
Total	40,000,000	100%

(4) Capital injections in our Company after the Conversion

On December 2, 2024, our Company passed a shareholders' resolution pursuant to which its registered capital was increased from RMB40.0 million to RMB90.0 million, with the total number of issued Shares increasing from 40,000,000 to 90,000,000. Of the newly issued Shares, Mr. Dai subscribed for 30,000,000 Shares at a nominal value of RMB1.00 per Share for a cash consideration of RMB30.0 million and Ms. Zhang subscribed for 20,000,000 Shares at a nominal value of RMB1.00 per Share for a cash consideration of RMB20.0 million. The said capital injection was completed on the even date when the capital injection has been registered with the local administration for market regulation.

On November 16, 2025, pursuant to a shareholders' resolution, and in order to establish the pool of Shares for our Incentive Plan (as defined below in "— Incentive Platforms" in this section), the registered share capital of the Company was increased from RMB90.0 million to RMB92.46 million, and the number of issued Shares was increased from 90,000,000 Shares to 92,460,000 Shares. Of the newly issued Shares, (i) 1,520,000 Shares were allotted to Hangzhou Jinghe, one of our Incentive Platforms (as defined below in "— Incentive Platforms" in this section), for a cash consideration of RMB4.56 million, and (ii) 940,000 Shares were allotted to Hangzhou Jingju, one of our Incentive Platforms, for a cash consideration of RMB2.82 million. The said capital increase was completed on December 16, 2025 when the capital increase was registered with the local administration for market regulation. For further details of Hangzhou Jinghe and Hangzhou Jingju and our Incentive Plan, see "— Incentive Platforms" in this section below and "Statutory and General Information — Further Information about our Group — Share Incentive Plan" in Appendix VI to this document.

On March 25, 2026, our Company passed a shareholders' resolution pursuant to which its registered capital was increased from RMB92.46 million to RMB95.10 million, with the total number of issued Shares increasing from 92,460,000 to 95,101,714. Zhejiang VC, one of our [**REDACTED**] Investors, subscribed for 2,641,714 newly issued Shares for a cash consideration of RMB100 million. The said capital increase was completed on April 3, 2026 when the capital increase has been registered with the local administration for market regulation. For further details, see "— [**REDACTED**] Investments" in this section below.

On April 28, 2026, our Company passed a shareholders' resolution pursuant to which its registered capital was increased from RMB95.10 million to RMB99.06 million, with the total number of issued Shares increasing from 95,101,714 to 99,064,285. Zhejiang Construction, one of our [**REDACTED**] Investors, subscribed for 3,962,571 newly issued Shares for a cash consideration of RMB150 million. The said capital increase was completed on May 13, 2026 when the capital increase has been registered with the local administration for market regulation. For further details, see "— [**REDACTED**] Investments" in this section below.

Set forth below is a table showing the shareholding structure of our Company upon completion of this capital injection on May 13, 2026:

Shareholders of our Company	No. of Shares	Approximate Shareholding
Hangzhou Kingdom Imp & Exp	39,999,506	40.38%
Mr. Dai	30,000,000	30.28%
Ms. Zhang	20,000,000	20.19%
Hangzhou Jinghe	1,520,000	1.53%

Shareholders of our Company	No. of Shares	Approximate Shareholding
Hangzhou Jingju	940,000	0.95%
Zhejiang Jinghongda	494	0.00%
Zhejiang VC	2,641,714	2.67%
Zhejiang Construction	3,962,571	4.00%
Total	**99,064,285**	**100%**

ACTING-IN-CONCERT AGREEMENT

In order to formalize the joint influence by our founders, Mr. Dai and Ms. Zhang, entered into an acting-in-concert agreement on March 20, 2026, pursuant to which they agreed to, for a period of 36 months commencing from the date of agreement, communicate thoroughly to reach a consensus as to how to exercise their voting rights in our Company and act in concert by aligning their votes at the relevant Shareholders' meetings and directors' meeting. In the event that they could not reach a consensus as to how to exercise their voting rights, Ms. Zhang agreed to follow the directions of Mr. Dai.

[REDACTED] INVESTMENTS

Principal terms of the [REDACTED] Investments

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

Investor	Zhejiang VC	Zhejiang Construction
Investment agreements	1. The Capital Increase Agreement in relation to Zhejiang Kingdom New Material Group Co., Ltd. (《有關浙江晶通新材料集團股份有限公司之增資協議》) dated March 23, 2026 (the "**Capital Increase Agreement**"); and 2. The Shareholders' Agreement in relation to Zhejiang Kingdom New Material Group Co., Ltd. (《有關浙江晶通新材料集團股份有限公司之股東協議》) dated April 30, 2026 (the "**Shareholders' Agreement**").	1. The Capital Increase Agreement in relation to Zhejiang Kingdom New Material Group Co., Ltd. (《有關浙江晶通新材料集團股份有限公司之增資協議》) dated April 30, 2026; and 2. The Shareholders' Agreement.
Amount of registered capital or number of Shares acquired/subscribed for (as the case may be)	2,641,714 Shares	3,962,571 Shares

Investor	Zhejiang VC	Zhejiang Construction
Approximate shareholding in our Company upon [REDACTED] (assuming the [REDACTED] is not exercised)	[**REDACTED**]	[**REDACTED**]
Approximate amount of consideration paid	RMB100,000,000	RMB150,000,000
Basis of consideration .	The considerations for the [**REDACTED**] Investments were determined based on arm's length negotiations between our Company and the [**REDACTED**] Investors with reference to the timing of the investment, market value and business prospects of our Company.	
Date of payment of the consideration in full .	March 30, 2026	May 9, 2026
Approximate investment cost per Share (RMB)	37.85	37.85
Approximate discount to the [REDACTED] price[1]	[**REDACTED**]	[**REDACTED**]
Lock-up period	Pursuant to the applicable PRC laws and the Articles, the Shares which have been issued by the Company prior to the [**REDACTED**] (including the Shares held by the [**REDACTED**] Investor) shall not be transferred within one year from the [**REDACTED**].	
Use of [REDACTED] .	Our Company shall use the [**REDACTED**] from the [**REDACTED**] Investments for the Company's daily business operations. As of the Latest Practicable Date, the [**REDACTED**] from the [**REDACTED**] Investments had not been utilized.	
Strategic benefits to our Company	Our Directors are of the view that our Company could benefit from the [**REDACTED**] Investments as such investments demonstrated the [**REDACTED**] Investors' confidence in our business operations and served as an endorsement of our Company's performance, strengths and prospects, as well as provided our Company with additional working capital to fund its daily business operations.	

Note:

1 Calculated on the basis of the [**REDACTED**] of HK$[**REDACTED**], the mid-point of the proposed range of the [**REDACTED**].

Special rights of the [REDACTED] Investors

Pursuant to the Shareholders' Agreement, both [**REDACTED**] Investors were granted various special rights, including but not limited to repurchase and redemption rights (collectively, the "**Divestment Rights**"), anti-dilution rights, pre-emptive rights, tag-along rights, and liquidation preference rights, share transfer restrictions, most-favourable treatment rights, director nomination and other appointment rights, information and inspection rights, and other rights. In addition, Zhejiang Construction was granted rights of first refusal (collectively, the "**Special Rights**").

The Divestment Rights have been automatically terminated on the day prior to the submission of a [**REDACTED**] application to the Stock Exchange. Furthermore, all other Special Rights will be automatically terminated on the [**REDACTED**]. However, in the event that: (i) the Company withdraws its [**REDACTED**] application from the Stock Exchange; (ii) the Stock Exchange, the SFC, or the CSRC does not accept, rejects, or disapproves the Company's [**REDACTED**] application; or (iii) the Company fails to complete an [**REDACTED**] by December 31, 2027, all the Special Rights shall be resumed automatically, and shall be deemed to have been effective from the outset.

Background and independence of the [REDACTED] Investors

Zhejiang VC

Zhejiang VC is a limited liability company established in the PRC on June 7, 1993, and is one of the earliest venture capital institutions in China, focusing on technology venture investments. Zhejiang VC is a wholly-owned subsidiary of Zhejiang Fuzhe Technology Co., Ltd. (浙江富浙科技有限公司), which is in turn a wholly-owned subsidiary of the Zhejiang Provincial State-owned Capital Operation Co., Ltd. (浙江省國有資本運營有限公司), which is a state-owned enterprise ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Zhejiang Provincial People's Government (浙江省人民政府國有資產監督管理委員會) ("**Zhejiang SASAC**").

Zhejiang Construction

Zhejiang Construction is a limited partnership established in the PRC on April 27, 2026, which is principally engaged in enterprise management and equity investment-related activities. As of the Latest Practicable Date, Zhejiang Zhejian Industrial Investment Consulting Management Co., Ltd. (浙江浙建產投諮詢管理有限公司) ("**Zhejiang Zhejian Industrial Investment Consulting**") and Zhejiang Zhecai Innovation and Entrepreneurship Investment Co., Ltd. (浙江浙財創新創業投資有限公司) ("**Zhecai Innovation**") are the general partners of Zhejiang Construction, each holding approximately 0.067% partnership interests in Zhejiang Construction. Zhejiang Zhejian Industrial Investment Consulting is the executive general partner of Zhejiang Construction, who is responsible for managing and executing the affairs of Zhejiang Construction on behalf of all partners and is ultimately controlled by Zhejiang SASAC. Zhecai Innovation is owned as to 40% by each of Zhejiang Zhecai Capital Management Co., Ltd.* (浙江浙財資本管理有限公司) ("**Zhejiang Zhecai**"), Yiwu Huishang Zijin Capital Management Co., Ltd.* (義烏惠商紫荊資本管理有限公司) ("**Yiwu Huishang**"). Zhejiang Zhecai is ultimately controlled by the Department of Finance of Zhejiang Province (浙江省財政廳). Yiwu Huishang is owned by 6 Independent Third Parties and none of them owns more than 20% shares of Yiwu Huishang. The limited partners of Zhejiang Construction are Zhejiang Zhejian Industrial Investment Development Co., Ltd. (浙江浙建產投發展有限公司) ("**Zhejiang Zhejian Industrial Investment Development**") and Zhecai Runtong (Tongxiang) Enterprise Management Partnership (Limited Partnership) (浙財潤桐(桐鄉)企業管理合夥企業(有限合夥)) ("**Zhecai Runtong**"), holding approximately 66.56% and 33.31% partnership interests in Zhejiang Construction, respectively. Zhejiang Zhejian Industrial Investment Development is ultimately controlled by Zhejiang SASAC. The general partner of Zhecai Runtong is Zhecai Innovation.

To the best knowledge of our Directors, the [**REDACTED**] Investors are Independent Third Parties.

Sole Sponsor's confirmation

On the basis that (i) [**REDACTED**] will take place more than 120 clear days after the completion of the [**REDACTED**] Investments, and (ii) the special rights granted to the [**REDACTED**] Investors either have already been suspended prior to the submission of a [**REDACTED**] application to the Stock Exchange or will be terminated on the [**REDACTED**], the Sole Sponsor confirms that the [**REDACTED**] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and as of the Latest Practicable Date, our Group did not have any major acquisitions, disposals or mergers.

Business Combination in 2024

In preparation for [**REDACTED**], in 2024, our Company acquired certain business and equity interests from parties within our group of Controlling Shareholders, including 100% equity interests in Zhejiang Kingsun and 100% equity interests in Decoflooring. The aforesaid acquisitions were business combinations under common control of the Controlling Shareholders and the financial statements of the targets were consolidated into the financial statements of our Group from the beginning of the Track Record Period, and therefore do not constitute acquisitions of material subsidiary or business which are required to be disclosed under Rule 4.05A of the Listing Rules.

INCENTIVE PLATFORMS

In recognition of the contributions of the employees of our Group, and to incentivize them to further promote our development, we have adopted an equity incentive arrangement (the "**Share Incentive Plan**") implemented through two limited partnerships established in the PRC as our incentive platforms (collectively, the "**Incentive Platforms**"), namely Hangzhou Jinghe and Hangzhou Jingju. Under this arrangement, eligible participants subscribe for partnership interests in the Incentive Platforms with their own funds and thereby indirectly hold our Shares. For details of the Share Incentive Plan, see "— Statutory and General Information — Further Information about our Group — Share Incentive Plan" to this document.

To establish a pool for the Share Incentive Plan, we have issued: (i) 1,520,000 Shares (representing approximately 1.53% of our total issued share capital as at the Latest Practicable Date) to Hangzhou Jinghe and (ii) 940,000 Shares (representing approximately 0.95% of our total issued share capital as at the Latest Practicable Date) to Hangzhou Jingju. For details, see "— Corporate Development and Shareholding Changes of our Company — (4) Capital injections in our Company after the Conversion" in this section above.

As of the Latest Practicable Date, the particulars of the Incentive Platforms including partnership structure, the interests of Directors, senior management, or their associates, the corresponding approximate percentages of their partnership and economic interests, and the voting rights arrangement, are summarized below. Unless otherwise stated, the partnership interest percentages align with the economic interests.

	General partner		Limited partners		
Platform	Name/Identity	Partnership interests	Name/Identity	Position in the Group	Partnership interests
Hangzhou Jinghe . . .	Mr. Dai	53.29%	Mr. Tang Nianfeng	Executive Director of our Company	16.45%
			Mr. Shan Zhongshun	Chief financial officer, secretary to the Board and senior management of our Group	9.87%
			Mr. Zhou Guoqiang	Financial director	6.58%
			Ms. Zhang Ying	Manager of overseas sales department	9.87%
			Ms. Shen Qin	Manager of the finance department	1.97%
			Ms. Zheng Libo[1]	Vice executive officer of Hangzhou branch office	1.97%
Hangzhou Jingju. . . .	An employee of our Group who is not a Director, senior management or connected person of our Company[3]	31.92%	11 other current employees of the Group who are not Directors, senior management or connected person of our Company[2]		68.08%

Notes:

1. Ms. Zheng Libo is a close associate of Mr. Tang Nianfeng, an executive Director of our Company.

2. Save for two employees who each holds approximately 10.64% interests in Hangzhou Jingju, no employees who are limited partners of Hangzhou Jingju holds more than 10% interests in Hangzhou Jingju.

3. Such employee is a sales manager of the Company and has been serving the Company since September 5, 2008.

OUR [REDACTED]

Our Company has applied for the Conversion of Unlisted Shares into H Shares, which involves [**REDACTED**] Shares held by eight Shareholders. The table below is a summary of the shareholding structure of our Company as of the Latest Practicable Date and following the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares (assuming the [**REDACTED**] is not exercised):

	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED][(1)]		
			Number of Shares		
Name of Shareholders	Aggregate number of Shares	Shareholding percentage	Unlisted Shares	H Shares	Aggregate Shareholding percentage
Hangzhou Kingdom Imp & Exp	39,999,506	40.38%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Dai	30,000,000	30.28%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Zhang	20,000,000	20.19%	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Jinghe	1,520,000	1.53%	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Jingju	940,000	0.95%	[REDACTED]	[REDACTED]	[REDACTED]
Zhejiang Jinghongda	494	0.00%	[REDACTED]	[REDACTED]	[REDACTED]
Zhejiang VC	2,641,714	2.67%	[REDACTED]	[REDACTED]	[REDACTED]
Zhejiang Construction	3,962,571	4.00%	[REDACTED]	[REDACTED]	[REDACTED]
Investors from the [REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]
Total	99,064,285	100%	[REDACTED]	[REDACTED]	100%

Note:

(1) Assuming that the [**REDACTED**] is not exercised.

PUBLIC FLOAT

Pursuant to Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules, the [**REDACTED**] of our Shares upon [**REDACTED**] is expected to be not exceeding HK$6,000,000,000 based on, irrespective of the low-end, mid-point or high-end of the indicative [**REDACTED**], and therefore the minimum prescribed public float percentage applicable to our Shares is 25% in each case.

Immediately upon completion of the [**REDACTED**] (assuming the Conversion of Unlisted Shares into H Shares is completed and the [**REDACTED**] is not exercised), our Company will have [**REDACTED**] H Shares, among which:

(1) among the [**REDACTED**] H Shares:

a. the [**REDACTED**] H Shares held by the Controlling Shareholders (being Mr. Dai, Ms. Zhang, Hangzhou Kingdom Imp & Exp, Zhejiang Jinghongda and Hangzhou Jinghe) to be converted from Unlisted Shares pursuant to the Conversion of Unlisted Shares into H Shares of the Company and [**REDACTED**] on the Stock Exchange (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**]) will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules after the [**REDACTED**] as such Shares are held by our core connected persons of our Company or their respective close associates;

b. the [**REDACTED**] H Shares to be converted from Unlisted Shares pursuant to the Conversion of Unlisted Shares into H Shares of the Company and [**REDACTED**] on the Stock Exchange (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**]) will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules. These H Shares are held by Hangzhou Jingju and the [**REDACTED**] Investors, and none of the partners of Hangzhou Jingju or the [**REDACTED**] Investors will be core connected persons of our Company upon [**REDACTED**] nor are they accustomed to take instructions from the Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by the Company's core connected persons; and

(2) [**REDACTED**] H Shares will be issued pursuant to the [**REDACTED**].

In light of the above, immediately following the completion of the [**REDACTED**], the total number of H Shares expected to be held by the public represents approximately [**REDACTED**]% of the total issued share capital of our Company, thereby satisfying the public float requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H Shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H Shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Pursuant to the applicable PRC law, within the 12 months following the [**REDACTED**], all existing Shareholders cannot dispose of any of the Shares held by them. As such, H Shares held by the existing Shareholders as of the date of this document shall not be counted towards the free float of the H Shares of the Company at the time of [**REDACTED**]. Immediately following the completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, (assuming that the [**REDACTED**] is not exercised), we expect [**REDACTED**] Shares, representing [**REDACTED**]% of the enlarged total number of our issued Shares, will be held by the public and will not be subject to any disposal restrictions at the time of [**REDACTED**], which is higher than 10% of the total number of issued Shares as required under Rule 19A.13C(1)(a) of the Listing Rules. Therefore, our Company believes that it will satisfy the free float requirements under Rule 19A.13C(1) of the Listing Rules.

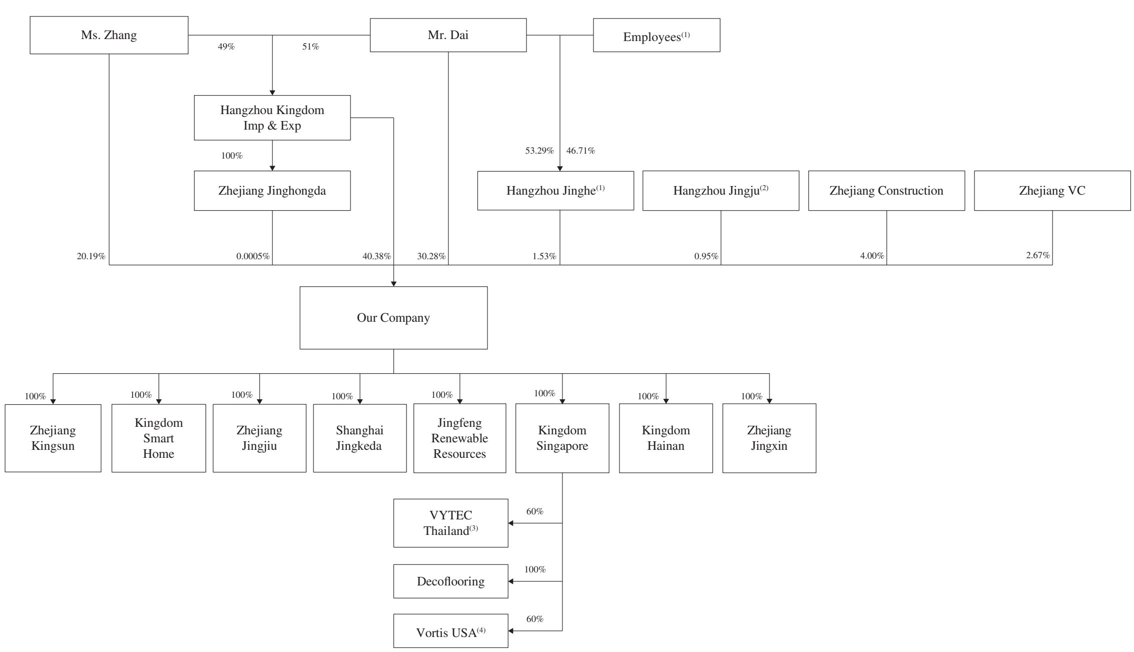
PRC LEGAL COMPLIANCE

Our PRC Legal Advisors have confirmed that each of the incorporation, capital increase, capital reduction and transfer of our PRC subsidiaries have been legally completed and the requisite government approvals or filings in all material respects, as applicable, have been obtained in accordance with PRC laws and regulations.

CORPORATE STRUCTURE

Our structure immediately prior to the [REDACTED]

The following chart sets forth our Group's corporate and shareholding structure immediately prior to the [**REDACTED**]:



Notes:

(1) Hangzhou Jinghe is one of our Incentive Platforms. Mr. Dai is the general partner of Hangzhou Jinghe, one of our Incentive Platforms while the employees are the limited partners of Hangzhou Jinghe. As of the Latest Practicable Date, each of Mr. Tang Nianfeng, Mr. Shan Zhongshun, Mr. Zhou Guoqiang, Ms. Zhang Ying, Ms. Shen Qin, and Ms. Zheng Libo (collectively, the "**Employees**") holds approximately 16.45%, 9.87%, 6.58%, 9.87%, 1.97% and 1.97% of the partnership interests in Hangzhou Jinghe. For further details, see "— Incentive Platforms" in this section above.

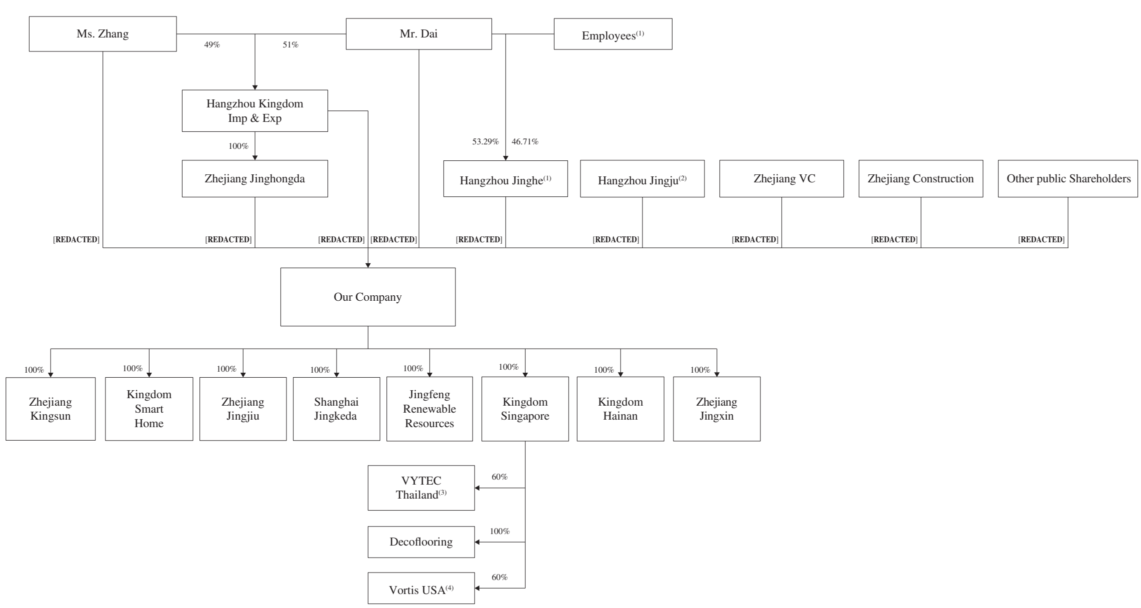
(2) Hangzhou Jingju is one of our Incentive Platforms. For further details, see "— Incentive Platforms" in this section above.

(3) As of the Latest Practicable Date, VYTEC Thailand is owned as to 60% by Kingdom Singapore, 25% by Yosegrow, 10% by Enduring Innovation and 5% by Eight Choice. To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, Yosegrow and Enduring Innovation (other than their respective shareholdings in VYTEC Thailand), Eight Choice and their ultimate beneficial owners are Independent Third Parties. For further details, see the paragraph headed "Substantial Shareholders — Interests in our Company's subsidiaries" in Appendix VI to this document.

(4) Upon its incorporation in December 2024 and as of the Latest Practicable Date, Vortis USA is owned as to 60% by Kingdom Singapore, 25% by Yosegrow, 10% by Enduring Innovation and 5% by B2B National Trading. To the best of the Directors' knowledge, information and belief, as at the Latest Practicable Date, Yosegrow and Enduring Innovation (other than their respective shareholdings in VYTEC Thailand), B2B National Trading, and their respective ultimate beneficial owners are Independent Third Parties. For further details, see the paragraph headed "Substantial Shareholders — Interests in our Company's subsidiaries" in Appendix VI to this document.

Our structure immediately following the [REDACTED]

The following chart sets forth our Group's corporate and shareholding structure immediately after completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised.



Note: See notes under the table in "— Corporate Structure — Our Structure Immediately Prior to the [**REDACTED**]".