

The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission take no responsibility for the contents of this Post Hearing Information Pack, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Post Hearing Information Pack.

Post Hearing Information Pack of



Impression Dahongpao Co., Ltd.

印象大红袍股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

WARNING

The publication of this Post Hearing Information Pack is required by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Securities and Futures Commission (the “**Commission**”) solely for the purpose of providing information to the public in Hong Kong.

This Post Hearing Information Pack is in draft form. The information contained in it is incomplete and is subject to change which can be material. By viewing this document, you acknowledge, accept and agree with Impression Dahongpao Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”), its joint sponsors, overall coordinators, advisers or members of the underwriting syndicate that:

- (a) this document is only for the purpose of providing information about the Company to the public in Hong Kong and not for any other purposes. No investment decision should be based on the information contained in this document;
- (b) the publication of this document or any supplemental, revised or replacement pages on the Stock Exchange’s website does not give rise to any obligation of the Company, its joint sponsors, overall coordinators, advisers or members of the underwriting syndicate to proceed with an offering in Hong Kong or any other jurisdiction. There is no assurance that the Company will proceed with the offering;
- (c) the contents of this document or any supplemental, revised or replacement pages may or may not be replicated in full or in part in the actual final listing document;
- (d) this document is not the final listing document and may be updated or revised by the Company from time to time in accordance with the Rules Governing the Listing of Securities on the Stock Exchange;
- (e) this document does not constitute a prospectus, offering circular, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities;
- (f) this document must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended;
- (g) neither the Company nor any of its affiliates, its joint sponsors, overall coordinators, advisers or underwriters is offering, or is soliciting offers to buy, any securities in any jurisdiction through the publication of this document;
- (h) no application for the securities mentioned in this document should be made by any person nor would such application be accepted;
- (i) the Company has not and will not register the securities referred to in this document under the United States Securities Act of 1933, as amended, or any state securities laws of the United States;
- (j) as there may be legal restrictions on the publication of this document or dissemination of any information contained in this document, you agree to inform yourself about and observe any such restrictions applicable to you; and
- (k) the application to which this document relates has not been approved for listing and the Stock Exchange and the Commission may accept, return or reject the application for the subject public offering and/or listing.

THIS POST HEARING INFORMATION PACK IS NOT FOR PUBLICATION OR DISTRIBUTION TO PERSONS IN THE UNITED STATES. ANY SECURITIES REFERRED TO HEREIN HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES WITHOUT REGISTRATION THEREUNDER OR PURSUANT TO AN AVAILABLE EXEMPTION THEREFROM. NO PUBLIC OFFERING OF THE SECURITIES WILL BE MADE IN THE UNITED STATES.

NEITHER THIS POST HEARING INFORMATION PACK NOR ANY INFORMATION CONTAINED HEREIN CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTIONS WHERE SUCH OFFER OR SALE IS NOT PERMITTED. THIS POST HEARING INFORMATION PACK IS NOT BEING MADE AVAILABLE IN, AND MAY NOT BE DISTRIBUTED OR SENT TO ANY JURISDICTION WHERE SUCH DISTRIBUTION OR DELIVERY IS NOT PERMITTED.

No offer or invitation will be made to the public in Hong Kong until after a prospectus of the Company has been registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). If an offer or an invitation is made to the public in Hong Kong in due course, prospective investors are reminded to make their investment decisions solely based on the Company’s prospectus registered with the Registrar of Companies in Hong Kong, copies of which will be published to the public during the offer period.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

IMPORTANT

If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.



Impression Dahongpao Co., Ltd.

印象大红袍股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the the [REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565% (payable in full on [REDACTED] in Hong Kong dollars, subject to refund)
Nominal value : RMB1.00 per H Share
[REDACTED] : [REDACTED]
Joint Sponsors, [REDACTED], [REDACTED], [REDACTED] and [REDACTED]



[REDACTED] and [REDACTED]

[REDACTED]

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

A copy of this document, having attached thereto the documents specified in “Documents Delivered to the Registrar of Companies and Available on Display” in Appendix VII to this document, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this document or any of the other documents referred to above.

The [REDACTED] is expected to be fixed by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us on the [REDACTED]. The [REDACTED] is expected to be on or around [REDACTED] and, in any event, not later than 12:00 noon on [REDACTED]. The [REDACTED] will not be more than HK\$[REDACTED] and is currently expected to be not less than HK\$[REDACTED], unless otherwise announced. Investors applying for the [REDACTED] may be required to pay, on [REDACTED] (subject to [REDACTED] channels), the maximum [REDACTED] of HK\$[REDACTED] for each Share together with a brokerage of 1%, the SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] is less than HK\$[REDACTED] per [REDACTED].

The [REDACTED] (for themselves and on behalf of the [REDACTED]) with the consent of our Company, may reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that stated in this document (which is HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]) at any time prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published at the website of the Stock Exchange at www.hkex.com.hk and our website at <http://www.yxdhp.com.cn/>. Further details are set out in the sections headed “Structure and Conditions of the [REDACTED]” and “How to Apply for [REDACTED]” in this document. If, for any reason, the [REDACTED] (for themselves and on behalf of the [REDACTED]) and we are unable to reach an agreement on the [REDACTED] by 12:00 noon on [REDACTED], [REDACTED], the [REDACTED] will not become unconditional and will lapse immediately.

Prior to making an investment decision, prospective [REDACTED] should consider carefully all of the information set out in this document, including the risk factors set out in “Risk Factors” in this document. The obligations of the [REDACTED] under the [REDACTED] to [REDACTED] for, and to procure [REDACTED] for, the [REDACTED], are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain events shall occur prior to 8:00 a.m. on [REDACTED]. Such grounds are set out in “[REDACTED]” in this document. It is important that you refer to that section for further details.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [REDACTED], sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons, except pursuant to an exemption from, or in a transaction subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The [REDACTED] are being [REDACTED] and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

IMPORTANT

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

	<i>Page</i>
Summary	1
Definitions	25
Glossary of Technical Terms	38
Forward-looking Statements	41
Risk Factors	44
Waivers from Strict Compliance with the Listing Rules	70
Information about this Document and the [REDACTED]	76
Directors and Parties Involved in the [REDACTED]	81
Corporate Information	89
Industry Overview	91
Regulatory Overview	118
History and Corporate Structure	135
Business	146
Relationship with our Controlling Shareholders	269
Continuing Connected Transaction	275
Directors and Senior Management	289
Substantial Shareholders	305
Share Capital	307
Financial Information	310
Future Plans and [REDACTED]	369
[REDACTED]	376
Structure and Conditions of the [REDACTED]	390
How to Apply for [REDACTED]	401
Appendix I — Accountants’ Report	I-1
Appendix II — Unaudited [REDACTED] Financial Information	II-1
Appendix III — Taxation and Foreign Exchange	III-1
Appendix IV — Summary of Principal Legal and Regulatory Provisions	IV-1
Appendix V — Summary of the Articles of Association	V-1
Appendix VI — Statutory and General Information	VI-1
Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display	VII-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to invest in the [REDACTED].

BUSINESS OVERVIEW

We are a state-owned cultural tourism service provider headquartered in Mount Wuyi, Fujian Province. According to Frost & Sullivan, we ranked the eighth in terms of sales revenue generated by cultural tourism performance programs in the cultural tourism performance market in China in 2024. Our Shares have been quoted on the NEEQ since 20 January 2017 (stock code: 870608). Our business comprise of three main business segments: (i) shows and performance services; (ii) Impression Cultural Tourism Town business; and (iii) Chatang hotel business.

Our shows and performance services segment comprises three main offerings: (i) our signature show, the Impression — Dahongpao Scenery Show (《印象大紅袍》山水實景演出); (ii) our new show Moonlight over Mount Wuyi (《月映武夷》) which was launched in May 2025; and (iii) the provision of customised performances for corporate customers, which typically engaged us to perform at their special corporate events, such as team-building activities and annual meetings.

Our primary focus has been our signature show, the Impression — Dahongpao Scenery Show (《印象大紅袍》山水實景演出). It is the first large-scale outdoor scenic performance in Fujian Province according to Frost & Sullivan, and has been the principal generator of our revenue historically and during the Track Record Period.

Since its debut on 29 March 2010, our Impression — Dahongpao Scenery Show has become a renowned tourism attraction in Mount Wuyi. Our signature show has successfully attracted both domestic and international tourists through word-of-mouth referrals and bolstered by the growing influence of our “Impression — Dahongpao” brand (印象大紅袍) 印象大紅袍, a well-known trademark in China. We take pride in our show, which serves as the quintessential embodiment of Mount Wuyi tourism, captivating and engaging audience with its rich cultural heritage and artistry. According to Frost & Sullivan, our signature show ranked third in terms of box office receipts among all the tourism scenery performances, and tenth in terms of box office receipts among all the cultural tourism performances in China in 2024. Our Impression — Dahongpao Scenery Show was honoured as a “2023 National Excellent Performance with Unified Social and Economic Benefits in the Performance Market” (2023年全國演出市場社會效益和經濟效益相統一優秀演出項目) and was selected for inclusion in the Prestigious Dictionary of National Tourist Performing Arts Products (全國旅遊演藝精品名錄) by the Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅游部) in 2023. We are dedicated to offering travellers to Mount Wuyi an unforgettable, cinematic and enchanting travelling experience.

Our Impression — Dahongpao Scenery Show is part of the acclaimed “Impression” (《印象》) series of large-scale outdoor performances that blend visuals, music, and choreography to highlight local culture and natural splendour. These performances have been brought to life by three famous

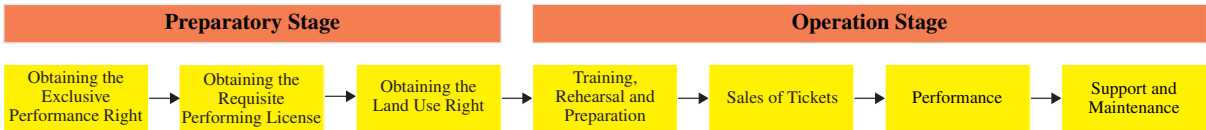
SUMMARY

filmmakers and directors, being Mr. Zhang Yimou (張藝謀), Ms. Wang Chaoge (王潮歌) and Mr. Fan Yue (樊躍), collectively known as the Impression Power Trio (印象鐵三角). We have built a specially designed 360-degree rotating auditorium that offers our audience a dynamic view, allowing them to fully immerse themselves in the unfolding scene. As at the Latest Practicable Date, our auditorium had 2,099 audience seats, consisting of 1,521 regular seats and 578 VIP seats. Our audience are surrounded by scenic Dawang Peak (大王峰) Resort Area while enjoying performance set against a backdrop of mountains, flowing river and ancient architecture that forms the essence of Mount Wuyi. As the stage comes alive with the interplay of light and shadow, every narrative thread is vividly brought to life, offering deeper insights into the culture of Dahongpao tea. Brandname is the bedrock of our success. We take pride in the saying: “If you miss Impression — Dahongpao, you miss the highlight of Mount Wuyi”. As we continuously fine-tune our Impression — Dahongpao Scenery Show, it innovates while preserving the traditional Chinese culture element, which serves to enhance the vitality of Chinese culture and deepen the integration of cultural and tourism characteristics of Mount Wuyi, allowing the concept of “Performing Arts + Tourism” to shine. As at the Latest Practicable Date, we had performed the show for over 6,700 times and attracted more than 9.4 million audience since the debut of our show in 2010.



A snapshot of our Impression — Dahongpao Scenery Show

We went through several key stages to reach the current operating status of our signature show. The following flowchart illustrates the key stages giving rise to our show:



SUMMARY

We have obtained the exclusive performance right of the Impression — Dahongpao Scenery Show, as well as the trademark and entitlement to revenue from the performance of the show under the tripartite arrangement among Fujian Mount Wuyi Cultural Tourism Group (one of our Controlling Shareholders), Impression Art Development and our Company. The exclusivity positions us as the leader in the cultural tourism performance market in UNESCO-recognised Mount Wuyi and Fujian Province. Impression Art Development reserves the other intellectual property rights of the show.

See “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Preparatory Stage” in this document for details of the contractual arrangements between Fujian Mount Wuyi Cultural Tourism Group, Impression Art Development and our Company, and the details of the clear delineation of the intellectual property rights held by our Company and as reserved by Impression Art Development.

As an expansion of our performance portfolio to cater to wider tourist preferences, we launched a new show, Moonlight over Mount Wuyi (《月映武夷》). The debut of this new show took place on 17 April 2025, followed by the premiere of the show to the public on 1 May 2025. By leveraging on our prior success of the Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi focuses on the core philosophies of “investing things to attain knowledge” (格物致知) and “attaining the knowledge of the goods” (致良知), which embody the Zhuzi culture of Mount Wuyi (武夷山朱子文化), distinguishing it as an indoor live show from the existing Impression — Dahongpao Scenery Show.

In addition to our two performance shows, we have been strategically developing our Impression Cultural Tourism Town (印象文旅小鎮). Our Impression Cultural Tourism Town primarily consists of 4A-rated Scenic Wuyi Tea Park (武夷茶博園4A級景區), Impression Jianzhou Food-themed Street (印象建州美食主題街區) and Wuyi Rock Tea Research Society (武夷茶研習社), as well as other entertainment venues such as Impression Market (印象市集), providing travellers with additional leisure options. However, since 31 May 2025, there has been a temporary suspension of operation of the Impression Market, due to the mutually agreed termination of its principal operator. As at the Latest Practicable Date, we are in the process of seeking a new principal operator. Since the termination from 31 May 2025 and up to the Latest Practicable Date, there was immaterial financial impact to the Group as a whole as a result of such temporary suspension.

We also expanded our business to include a Chatang (茶湯) hotel within the Mount Wuyi resort area (武夷山度假區) (“**Mount Wuyi Resort Area**”). Differentiating itself from traditional accommodations, our Chatang hotel features a bespoke style by offering butler service to hotel guests. Our Chatang hotel features 50 well-furnished guest rooms with distinctive styles, each of which is decorated with traditional Chinese elements, showcasing natural garden aesthetics.

As the home of Dahongpao tea, Mount Wuyi serves as the backdrop for our cultural tourism service offerings. During the Track Record Period, we generated our revenue from Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi and performance services, Impression Cultural Tourism Town business and Chatang hotel business. See “— Summary of Financial Information — Revenue” in this section for a snapshot of our revenue breakdown by service type of each business segment during the Track Record Period. By strategically aligning our four core service offerings, we are able to generate synergies that enhance overall tourist experiences and strengthen

SUMMARY

our competitive positioning in the local cultural tourism market. See “Business — Our Competitive Strengths — Synergies between our Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi, Impression Cultural Tourism Town business and Chatang hotel business” in this document for details.

BUSINESS MODEL

Impression — Dahongpao Scenery Show

Performance

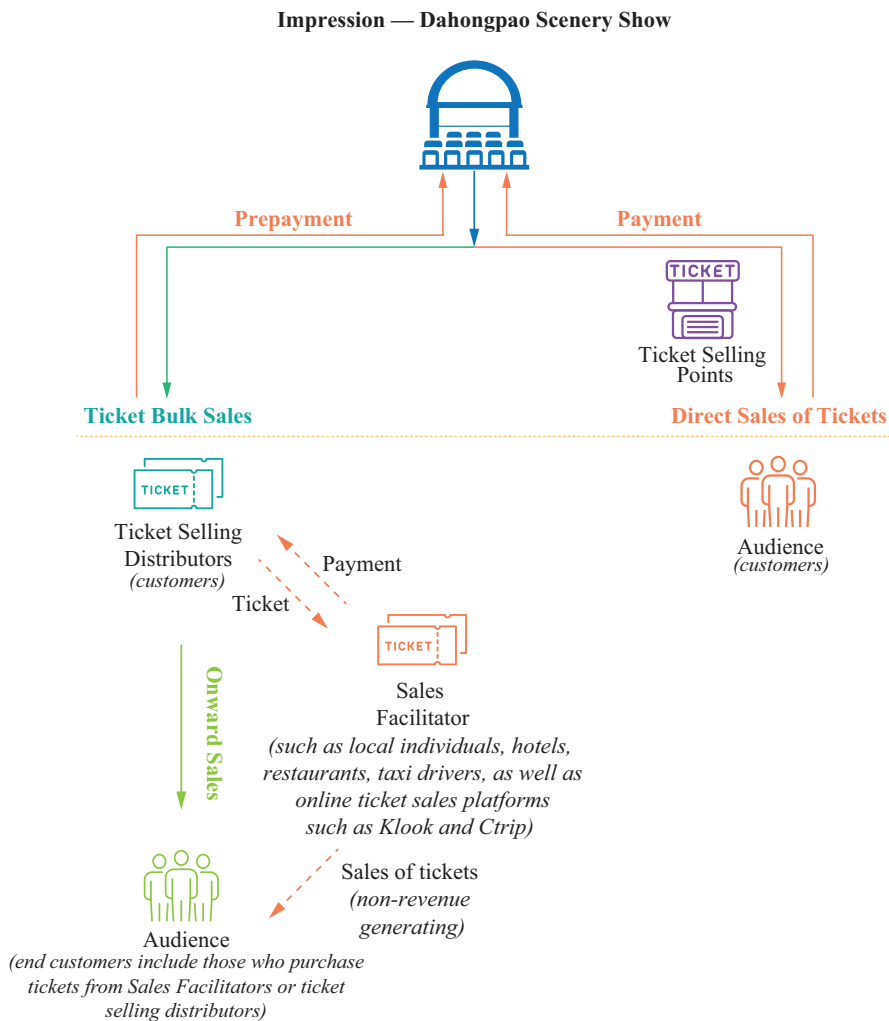
For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, we conducted an aggregate number of 355, 567, 518 and 214 performances of our Impression — Dahongpao Scenery Show, respectively. Intricately woven around the theme of Dahongpao tea, the performance of our show unfolds like a captivating tale, divided into seven chapters that unveil the essence of Mount Wuyi and its Dahongpao tea culture. See “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Performance” in this document for details.

Ticket Sales Model

The Impression — Dahongpao Scenery Show is our core business. We sell tickets for Impression — Dahongpao Scenery Show through our dual ticket sales channels consisting of (i) ticket bulk sales to ticket selling distributors who conduct onward sales of tickets; and (ii) direct sales of tickets to our audience. For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2024 and 2025, revenue generated from Impression — Dahongpao Scenery Show amounted to approximately RMB57.6 million, RMB135.7 million, RMB129.8 million, RMB47.9 million and RMB49.1 million, accounting to approximately 91.4%, 94.3%, 94.6%, 93.0% and 87.8% of our total revenue for the corresponding year, respectively. During the Track Record Period, as recognised on our financial statements, customers of our Impression — Dahongpao Scenery Show were (i) our ticket selling distributors who purchased our show tickets and conducted onward sales of tickets, and (ii) audience who directly purchased show tickets from us through our ticket selling points (including both offline ticket selling centres and our official WeChat Account Platform). For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, we had 49, 50, 50, and 50 ticket selling distributors, respectively.

SUMMARY

The following flowchart illustrates our ticket sales model as at the Latest Practicable Date.



See “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Operation Stage — Sales of Tickets — Ticket selling distributors” in this document for the details relating to the arrangements of onward sales of tickets by our ticket selling distributors. We believe our ticket sales network allows us to solidify our ticket-booking coverage and enhance our market presence across China. See “Business — Our Competitive Strengths — Dual ticket sales channels translating into broader market coverage and scalability and optimised operating performance” in this document for the illustration of the benefits of engaging ticket selling distributors.

In addition, there were certain ticket sales facilitators (“**Sales Facilitators**”) associated with some ticket selling distributors that conducted onward sales of ticket. These Sales Facilitators are primarily local individuals and business entities such as hotel, restaurants and taxi drivers, as well as online ticket sales platforms such as Klook and Ctrip. These two ticket sales platforms (i) do not have any contractual relationship with our Group in respect of Impression — Dahongpao Scenery Show; and (ii) to the best knowledge of our Company, maintain their own network of ticket suppliers (it

SUMMARY

might be possible that our ticket selling distributors may also supply tickets to them). For the information about these Sales Facilitators, see “Business — Shows and Performance Services — Impression — Dahongpao Scenery Show — Operation Stage — Sales of Tickets” in this document for details.

Prior to 15 January 2025, our ticket selling distributors were given the autonomy to nominate their own authorised agents to assist their ticket sales, and these authorised agents conducted payment to us for placing orders for the show tickets.

Once a ticket selling distributor decided to engage an authorised agent to meet the requisite sales volume targets, and that authorised agent was responsible for making payment to us for placing orders for the show tickets on behalf of the corresponding ticket selling distributor, we required that a tripartite ticket bulk sales master agreement be entered into between the relevant ticket selling distributor, the authorised agent and our Company. Such tripartite ticket bulk sales master agreement shall be signed prior to any payment to us by the authorised agent. It was further agreed that (i) the sales volume generated by the authorised agent will count towards the sales volume of the relevant ticket selling distributor who has nominated such authorised agent; and (ii) payments for ticket sales by an authorised agent must be made directly through our online ticket selling system or to our ticket selling distributors who have nominated their respective authorised agents. To the best knowledge of our Directors, most of our ticket selling distributors preferred to engage authorised agents, as it could broaden ticket sales coverage and help them meet their sales volume targets as stipulated in the ticket bulk sales master agreements. Our Directors are also of the view that the authorised agents were engaged in a broad range of industries and have different connections that facilitated sales of tickets. According to Frost & Sullivan, it is a market practice for ticket selling distributors and their authorised representatives in Mount Wuyi City to collaborate together as social units for sales of tickets, given Mount Wuyi City is a relatively small city. As advised by our PRC Legal Advisers, our ticket bulk sales master agreements entered into by our ticket selling distributors and their authorised agents with respect to their onwards sales of tickets are legally binding on the parties thereto. Since 2024, we have predominantly pursued and adopted bilateral ticket bulk sales master agreements with minimal arrangements involving authorised agents. See “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Operation Stage — Sales of Tickets — Previous sales arrangements involving authorised agents” and “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Operation Stage — Sales of Tickets — Third-party payments” in this document for details. Since 2025, we ceased all sales arrangements involving authorised agents, and did not enter into any more tripartite ticket bulk sales master agreements.

Pricing

For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, we issued 399,891, 918,539, 822,517 and 311,655 tickets for the performance of our Impression — Dahongpao Scenery Show, respectively. Tickets for our Impression — Dahongpao Scenery Show consist of two types: (i) tickets for regular seats and (ii) tickets for VIP seats (which are further divided into various VIP categories). As at the Latest Practicable Date, tickets for regular seats are priced at RMB238, and tickets for VIP seats are priced at a range of RMB268 to RMB688. Once our show tickets are issued, we generally do not allow ticket refunds, save for *force majeure* events such as bad weather conditions. Historically and during the Track Record Period, we did not experience any material ticket refund requests, either from our ticket selling distributors or audience. For the years

SUMMARY

ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, the total number of tickets that were refunded to our ticket selling distributors and audience was 1,407, nil, 3,877 and 735, accounting for approximately 0.4%, nil, 0.5% and 0.2% of the total number of tickets sold during the respective year.

The following table sets out our average ticket sales price by customer type, i.e., settlement price and direct sales price in respect of our Impression — Dahongpao Scenery Show and by seat type for the years and periods indicated.

	For the years ended 31 December			For the six months ended 30 June
	2022	2023	2024	2025
	RMB	RMB	RMB	RMB
Regular Seat:				
Settlement price in respect of ticket bulk sales to our ticket selling distributors	138.5	142.4	148.0	147.2
Direct sales price in respect of direct sales of tickets to our audience	169.7	173.9	174.6	184.6
VIP Seat:				
Settlement price in respect of ticket bulk sales to our ticket selling distributors	172.0	165.8	181.9	180.9
Direct sales price in respect of direct sales of tickets to our audience	188.2	211.9	215.3	219.5

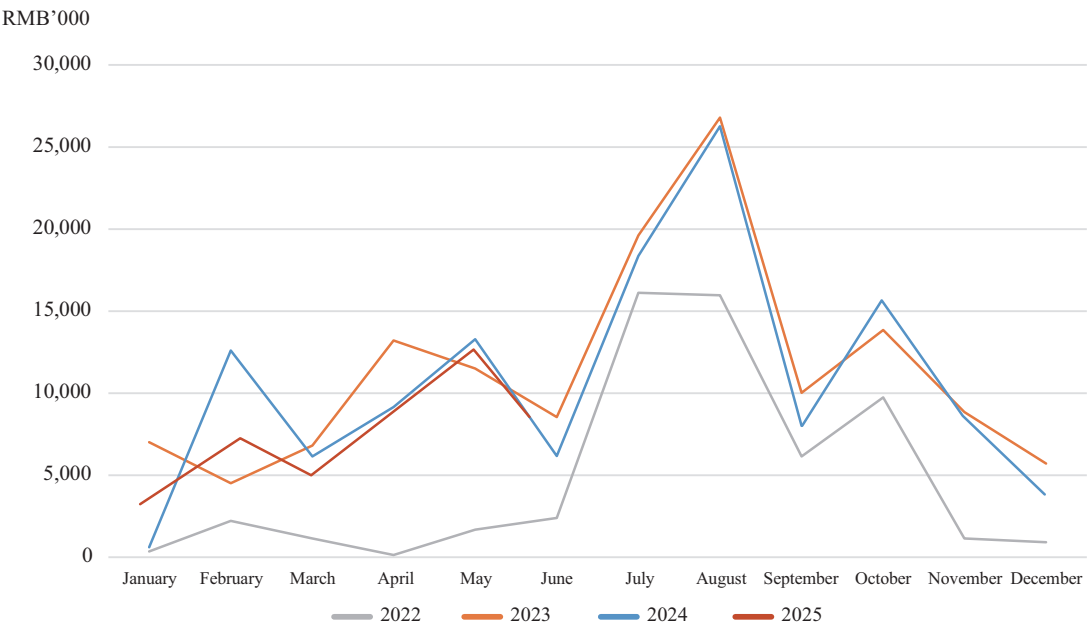
As advised by Frost & Sullivan, our ticket sales price for Impression — Dahongpao Scenery Show was positioned at a competitive mid-range level in the tourism scenery performance market in China.

Seasonality

The performance of our Impression — Dahongpao Scenery Show is influenced by seasonal fluctuations. Throughout the Track Record Period, peak seasons primarily coincided with major holidays and school vacations. As a result, sales and operating outcomes for any specific period may not accurately represent our overall results for the entire year or future periods. Additionally, our interim results might not proportionally reflect our annual performance.

SUMMARY

The following line chart illustrates the seasonality analysis of our Impression — Dahongpao Scenery Show in terms of revenue recognised during the Track Record Period. Our Directors believe that the fluctuations of our sales activities in respect of our signature show objectively reflect the seasonality for the broader cultural tourism industry in Mount Wuyi, which impacts our Moonlight over Mount Wuyi, Impression Cultural Tourism Town business and Chatang hotel business as well.



For a detailed explanation of the implications of seasonality, see “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Seasonality” in this document.

Moonlight over Mount Wuyi

Performance

With the premiere of the show on 1 May 2025, Moonlight over Mount Wuyi has become another highlight of Fujian Province’s cultural tourism industry. Through its highly artistic choreography, audiences of Moonlight over Mount Wuyi experience the revival of the millennia of history and humanistic spirit of Mount Wuyi, showcasing its unique natural beauty and cultural richness. The show applies technology by introduction of a three-dimensional water scenery of 8,225 m³. The performance stage is featured as the “Largest Single Structure Indoor Water Curtain Stage”, which has been endorsed by the World Record Certification Limited on 1 May 2025. See “Business — Shows and performance — Moonlight over Mount Wuyi — Performance” for details.

Ticket Sales Model

We also adopt a dual ticket sales network for Moonlight over Mount Wuyi, consisting of both direct sales and sales of tickets to ticket selling distributors. As at 30 June 2025, we had 35 ticket selling distributors for Moonlight over Mount Wuyi. See “Business — Shows and performance — Moonlight over Mount Wuyi — Operation Stage — Sales of Tickets” for details.

SUMMARY

Pricing

Tickets for our Moonlight over Mount Wuyi consist of two types: (i) tickets for regular seats, and (ii) tickets for VIP seats (which are further divided into various VIP categories). As at the Latest Practicable Date, tickets for regular seats are priced at RMB238, and VIP seats are priced at a range from RMB268 to RMB588. These are direct sales price where tickets are sold directly to our audience at our ticket selling points. In certain occasions, we also sell tickets to trade unions as group packages at a discounted price of RMB119 for regular seats and/or at other special promotional deals. To strengthen the positioning of our Moonlight over Mount Wuyi as a promotion of traditional Chinese philosophy and culture, we also offer concession tickets at RMB89 for students or schools. For sales to ticket selling distributors, the settlement price offered to our ticket selling distributors are relatively lower than the direct sales prices offered to our audience, as we can benefit from advantages of bulk sales. The ticket price at which the ticket selling distributors can sell onwards to end customers are governed by terms stipulated in the relevant bilateral ticket sales agreements.

Payment

We require full payment before we issue show tickets to our audience in respect of direct sales of tickets to our audience, as well as to our ticket selling distributors who conduct onward sales of tickets. Similar to the arrangement for Impression — Dahongpao Scenery Show, payments for tickets Moonlight over Mount Wuyi from our ticket selling distributors were primarily conducted through bank transfer, and in other cases, through point of sale system (POS). See “Business — Shows and performance — Moonlight over Mount Wuyi — Operation Stage — Sales of Tickets — Payment” for details.

Seasonality

Similar to our Impression — Dahongpao Scenery Show, our Moonlight over Mount Wuyi is subject to seasonality of the tourism market, statutory holidays and festivals throughout the year. However, given its recent launch since May 2025, there is limited data available to demonstrate the track record and trend of seasonality effects.

Impression Cultural Tourism Town Business: Multiple Sources of Income

Combining Mount Wuyi Dahongpao tea culture, historical heritage and modern entertainment facilities, our Impression Cultural Tourism Town business creates a comprehensive cultural and tourism destinations that encompass cultural experiences, leisure and entertainment. The Impression Cultural Tourism Town primarily consists of 4A-rated Scenic Wuyi Tea Park, Impression Jianzhou Food-themed Street and Wuyi Rock Tea Research Society, which were revenue-generating sectors of this business segment during the Track Record Period. The operating right of 4A-rated Scenic Wuyi Tea Park was obtained by us from Mount Wuyi Tourism Resort Development (being one of our Controlling Shareholders) through the grant of a 15-year right-of-use asset. Each of Impression Jianzhou Food-themed Street and Wuyi Rock Tea Research Society is located in the park. In respect of the operation of Impression Jianzhou Food-themed Street, revenue generated from the food-themed street primarily represented (i) the lease income according to the revenue distribution mechanism as stipulated in the agreement we entered into with the principal operator or (ii) the minimum guaranteed income payable agreed upon in the said agreement by the principal operator on a monthly basis. Such

SUMMARY

minimum guaranteed income is a fixed amount income to ensure Impression Cultural Tourism Town can generate revenue monthly. Revenue is recognised monthly, based on the said lease income or the said minimum guaranteed income, whichever is higher. The aforesaid principal operator is Fujian Spring Restaurant Management Co., Ltd. (福建春天餐飲管理有限公司), an independent third party. See “Business — Impression Cultural Tourism Town Business — Portfolio of Service Offerings in our Impression Cultural Tourism Town” in this document for the key terms of the said agreement. In respect of 4A-rated Scenic Wuyi Tea Park, revenue generated from the park primarily represented the services income from the guests to the park who came to the premises of our park and used our facilities to conduct tea-gathering activities. In respect of Wuyi Rock Tea Research Society, revenue generated from the society primarily represented the admission fees charged to the visitors to the society. In addition to the aforesaid three main themed cultural tourism service offerings, the Impression Cultural Tourism Park also hosts a number of vendors to whom we lease our premises for them to carry out their respective businesses, which we believe can enhance the diversity of leisure activities for the tourists. During the Track Record Period, these vendors included food and beverage vendors and teaware vendors. Revenue generated from these vendors primarily represented fixed lease income received therefrom.

Our Directors believe that the Impression Cultural Tourism Town is not a mere tourist destination; it is also a vital component of Mount Wuyi’s night economy. By enhancing the local cultural and tourism landscape, the town is able to stimulate growth in related sectors, including dining and accommodation, thereby creating numerous job opportunities for local residents. Accordingly, our initiative to diversify the service portfolio of our Impression Cultural Tourism Town can foster economic resilience and sustainability within the community of Mount Wuyi. See “Business — Impression Cultural Tourism Town Business — Strategic Importance of our Impression Cultural Tourism Town” in this document for the management discussion of the town’s strategic importance to our Group and to Mount Wuyi.

Chatang Hotel Business: Entrusted Operation Model

Our Chatang hotel is unique for offering Chatang services in Mount Wuyi. Our Chatang hotel features 50 well-furnished guest rooms with distinctive styles. We have established a multi-channel and round-the-clock reservation system that allows guests to conveniently reserve their preferred rooms and purchase Chatang experience tickets through various online and offline booking channels. We sold 1,864 room nights, 4,128 room nights, 3,995 room nights and 2,239 room nights for the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, respectively. The average annual guest room occupancy rate was approximately 10.2%, 22.6%, 21.8% and 24.8%, respectively. Mount Wuyi Chatang Resort, our operating subsidiary in charge of our Chatang hotel, entered into an entrusted management arrangement with Fuzhou Thai Natural Wellbeing Management Group Ltd. (福州泰自然健康管理集團有限公司), an independent third party, according to which we entrusted the duties of management and operation of our Chatang hotel to Thai Natural. Our management team has exercised foresight and caution prior to the adoption of entrustment management model for our Chatang hotel business. We entrusted Thai Natural to manage our Chatang hotel so that we can concentrate our labour resources on our signature Impression — Dahongpao Scenery Show and explore other business opportunities. Additionally, adopting an entrusted management model facilitates steady expansion of our cultural tourism service chain with relatively minimal time investment. Revenue from our Chatang hotel business was generated from (i) the provision of our room nights sold, and (ii) the provision of catering, Chatang and ancillary services.

SUMMARY

MAJOR CUSTOMERS AND MAJOR SUPPLIERS

During the Track Record Period, most of our top five customers were our ticket selling distributors in respect of our Impression — Dahongpao Scenery Show, who conducted onward sales of tickets. One of our ticket selling distributors, Impression Dahongpao International Travel Agency, is a connected person of our Company. Save as the above, our Directors have confirmed that none of our Directors, their respective associates or any Shareholders (who to the knowledge of our Directors owned as to 5% or more of our Shares) held any interest in any of our top five customers during the Track Record Period.

During the Track Record Period, our top five suppliers included (i) the owner of the intellectual property rights in respect of our Impression — Dahongpao Scenery Show, being Impression Art Development, from whom we procured directorial royalty service; (ii) suppliers of raw materials, manufacturers of theatrical costumes and stage props and suppliers of fine paper for ticket production; (iii) performing arts companies from whom we sourced dancers, performers and martial arts actors for Moonlight over Mount Wuyi; (iv) suppliers of equipment and devices for our Impression Cultural Tourism Town; and (v) Thai Natural as the operator of our Chatang hotel. Among these suppliers, Impression Art Development is a connected person of our Company. Save as the above, our Directors have confirmed that none of our Directors, their respective associates or any Shareholders (who to the knowledge of our Directors owned as to 5% or more of our Shares) held any interest in any of our top five suppliers during the Track Record Period. Impression Art Development is both a customer and supplier of our Company during the Track Record Period, see “Business — Overlapping of Customer and Supplier” in this document for details.

OUR COMPETITIVE STRENGTHS

We believe that we possess the following competitive strengths:

- we have an exclusive performance right to curate and perform our Impression — Dahongpao Scenery Show and possess the experience and capability to create, manage and operate more than one show;
- established market position in the tourism scenery performance market and cultural tourism performance market in China supported by the renowned “Impression” brand and robust governmental policies;
- synergies between our Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi, Impression Cultural Tourism Town business and Chatang hotel business;
- continuous innovation in pursuit of excellence and a versatile professional performance team;
- dual ticket sales channels translating into broader market coverage and scalability and optimised operating performance; and
- an experienced management team with in-depth knowledge and experiences in cultural tourism industry.

See “Business — Our Competitive Strengths” in this document for details.

SUMMARY

OUR STRATEGIES

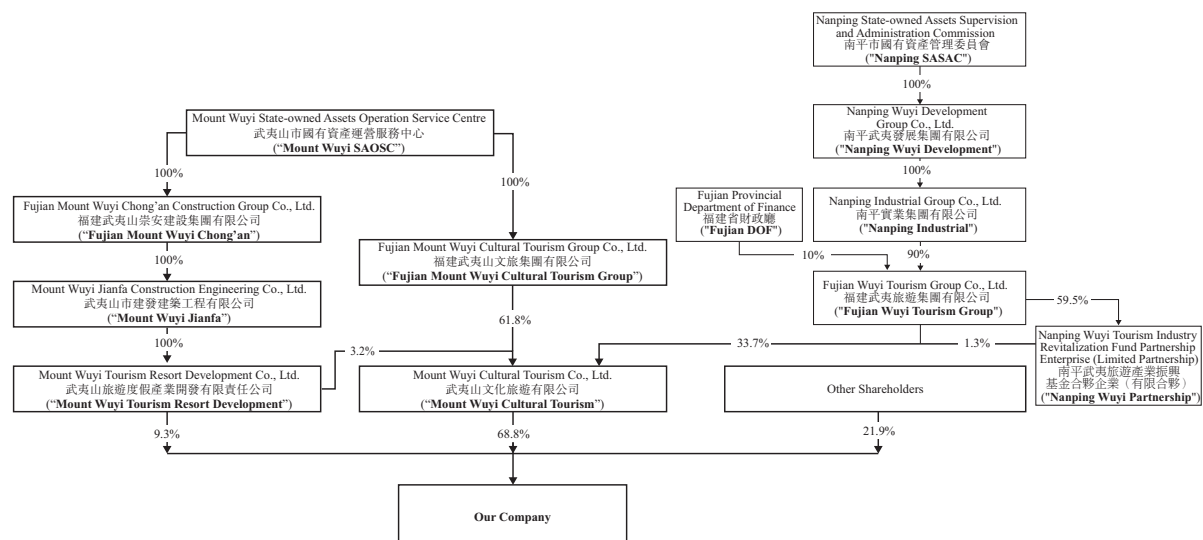
We intend to implement the following strategies:

- continue focusing on innovation and reinforce the leadership position of our signature Impression — Dahongpao Scenery Show;
- enlarge the service portfolio of Impression Cultural Tourism Town;
- pursue strategic acquisition of another quality cultural tourism performance project, increasing market influence in the broader cultural tourism performance market;
- enhance digital management and improve operating efficiency; and
- enhance brand image and expand clientele.

See “Business — Our Strategies” in this document for details.

OUR CONTROLLING SHAREHOLDERS

We are a state-owned enterprise in Mount Wuyi City. As at the Latest Practicable Date, the shareholding structure of our Controlling Shareholders is set out as follows:



As at the Latest Practicable Date, both Mount Wuyi Cultural Tourism and Mount Wuyi Tourism Resort Development are fellow subsidiaries under the control of Mount Wuyi SAOSC, which is a public institution (事業單位) under the supervision of Mount Wuyi SASAC and therefore, they are regarded as “acting in concert” for the purpose of the Takeovers Code, while Fujian Wuyi Tourism Group, Nanping Industrial and Nanping Wuyi Development are under the control of Nanping SASAC. As Mount Wuyi City is a county-level city under the jurisdiction of Nanping City, accordingly, Mount Wuyi Cultural Tourism, Mount Wuyi Tourism Resort Development, Fujian Mount Wuyi Cultural Tourism Group, Mount Wuyi Jianfa, Fujian Mount Wuyi Chong’an and Mount Wuyi SAOSC, together with Fujian Wuyi Tourism Group, Nanping Industrial, Nanping Wuyi Development and Nanping

SUMMARY

SASAC constitute a group of Controlling Shareholders of our Company, and collectively held approximately 78.1% of the voting rights attached to the issued share capital of our Company as at the Latest Practicable Date. Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders will be entitled to exercise the voting rights attached to approximately [REDACTED]% of the total issued share capital of our Company.

Our Controlling Shareholders confirm that as at the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules. See “Relationship with Our Controlling Shareholders” in this document for details.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain agreements with our connected persons which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon [REDACTED]. See “Continuing Connected Transaction” in this document for details. Among these continuing connected transactions, we believe the following transactions with the following connected persons are relatively material to our business operations:

- Exclusive Intellectual Property Rights Authorisation Framework Agreement (in respect of procurement of directorial royalty service from Impression Art Development),
- Travel Agency Ticket Procurement Framework Agreements (in respect of ticket bulk sales conducted by Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Impression Dahongpao International Travel Agency), and
- Lease Agreement in respect of the performance theatre of Moonlight over Mount Wuyi.

COMPETITION

The cultural tourism performance market, including the tourism scenery performance market in China is characterised by a dynamic and competitive landscape, driven by several key factors. With the increasing national disposable income and evolving consumer preferences, there is a notable shift towards cultural and immersive travelling experiences. Major market players, like us, are able to leverage unique local cultural elements to create diverse performance offerings, from scenery shows to theatre productions. The growth is further fuelled by supportive government policies and technological advancements, enhancing audience engagement. Nonetheless, we face competition from smaller market players or new market entrants who may bring innovative performance formats into their operations which may intensify market competition, positioning the live performance market in China for significant expansion.

The live performance market in Fujian Province achieved a year-on-year growth rate of approximately 485.9% and 67.5% in 2023 and 2024, respectively, which exemplifies Fujian provincial government’s mission to deepen tourists’ interest for natural beauty of local attractions into an exploration of the rich culture experience that the province can offer. See “Industry Overview” in this document for details.

SUMMARY

SUMMARY OF FINANCIAL INFORMATION

The following table sets out a summary of our financial information for the years and periods indicated. See “Financial Information” in this document and the Accountants’ Report set out in Appendix I to this document for details.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenue	63,039	143,887	137,200	51,517	55,884
Cost of sales	(45,861)	(60,765)	(62,307)	(25,976)	(32,131)
Gross profit	17,178	83,122	74,893	25,541	23,753
Other revenue and other income, net	1,115	1,943	4,440	970	549
Provision for expected credit loss on financial assets, net	(215)	(1,829)	(51)	(59)	(16)
Selling and distribution expenses	(7,056)	(8,228)	(7,715)	(3,501)	(4,157)
Administrative and other operating expenses	(6,644)	(10,438)	(10,651)	(3,760)	(8,571)
Share of profit/(loss) of associates, net	7	(25)	(288)	(23)	(39)
Finance costs	(1,950)	(1,858)	(1,712)	(857)	(1,419)
Profit before income tax	2,435	62,687	58,916	18,311	10,100
Income tax expense	(5,034)	(15,183)	(16,107)	(5,632)	(3,325)
(Loss)/Profit and total comprehensive income for the year/period	(2,599)	47,504	42,809	12,679	6,775
(Loss)/Profit for the year/period attributable to:					
Equity holders of the Company	(2,599)	47,504	42,859	12,679	10,226
Non-controlling interests	—	—	(50)	—	(3,451)
	(2,599)	47,504	42,809	12,679	6,775
(Losses)/Earnings per share attributable to equity holders of the Company					
Basic and diluted (RMB cents)	(2.4)	44.0	39.7	11.7	9.5

SUMMARY

Revenue

The following table sets out a breakdown of our revenue by business line for the years and periods indicated.

	Year ended 31 December						Six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
Shows and Performance Services										
<i>Impression — Dahongpao</i>										
<i>Scenery Show</i>										
Ticket bulk sales to ticket selling distributors	53,242	84.5	126,221	87.7	119,984	87.5	44,204	85.8	45,442	81.3
Direct ticket sales to our audience	4,353	6.9	9,452	6.6	9,842	7.1	3,708	7.2	3,626	6.5
Sub-total	57,595	91.4	135,673	94.3	129,826	94.6	47,912	93.0	49,068	87.8
<i>Moonlight over Mount Wuyi^(Note 1)</i>										
Ticket bulk sales to ticket selling distributors	—	—	—	—	—	—	—	—	1,167	2.1
Direct ticket sales to our audience	—	—	—	—	—	—	—	—	1,200	2.1
Sub-total	—	—	—	—	—	—	—	—	2,367	4.2
<i>Performance Services</i>										
Special event show income ^(Note 2)	338	0.5	690	0.5	164	0.1	38	0.1	561	1.0
Sub-total	57,933	91.9	136,363	94.8	129,990	94.7	47,950	93.1	51,996	93.0
Impression Cultural Tourism Town Business										
Income from Impression										
Jianzhou Food-themed Street (within the scope of HKFRS 16)										
	2,453	3.8	2,453	1.6	2,524	1.8	1,226	2.4	1,321	2.4
Fixed lease income (within the scope of HKFRS 16)	232	0.4	527	0.4	420	0.3	293	0.6	452	0.8
Admission income from Wuyi Rock Tea Research Society	107	0.2	232	0.2	131	0.1	28	0.1	27	0.1
Others (including parking fees charged from travellers to Mount Wuyi)	236	0.4	398	0.3	330	0.3	122	0.1	115	0.2
Sub-total	3,028	4.8	3,610	2.5	3,405	2.5	1,669	3.2	1,915	3.5
Chatang Hotel Business										
Room nights sold	1,404	2.2	3,502	2.4	3,304	2.4	1,532	3.0	1,799	3.2
Catering, Chatang and ancillary services	674	1.1	412	0.3	501	0.4	366	0.7	174	0.3
Sub-total	2,078	3.3	3,914	2.7	3,805	2.8	1,898	3.7	1,973	3.5
Total	63,039	100.0	143,887	100.0	137,200	100.0	51,517	100.0	55,884	100.0

Note:

- Our new show, Moonlight over Mount Wuyi, debuted on 17 April 2025, and has been performed for the public since 1 May 2025.
- During the Track Record Period, we also provided customised performances for our corporate customers, which typically engaged us to perform at their special corporate events, such as team-building activities and annual meetings.

SUMMARY

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

The following table sets out our gross profit/(loss) margin by service type for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Shows and Performance Services										
Impression — Dahongpao Scenery Show and Performance Services	22,013	38.0	86,501	63.4	79,273	61.0	27,864	58.1	27,464	55.3
Moonlight over Mount Wuyi	—	—	—	—	—	—	—	—	(1,816)	(76.7)
Sub-total	22,013	38.0	86,501	63.4	79,273	61.0	27,864	58.1	25,648	49.3
Impression Cultural Tourism Town Business	1,684	55.6	2,135	59.1	1,792	52.6	805	48.2	772	40.3
Chatang Hotel Business	(6,519)	(313.7)	(5,514)	(140.9)	(6,172)	(162.2)	(3,128)	(164.8)	(2,667)	(135.2)
Total	17,178	27.2	83,122	57.8	74,893	54.6	25,541	49.6	23,753	42.5

Net (Loss)/ Profit Position

For the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 and 2025, our net (loss)/ profit was approximately RMB(2.6) million, RMB47.5 million, RMB42.8 million, RMB12.7 million and RMB6.8 million, respectively. For the same years, our net (loss)/profit margin was approximately (4.1)%, 33.0%, 31.2%, 24.6% and 12.1% , respectively. We improved our net loss position in 2022 to net profit position in 2023, primarily due to an increase in our total revenue following the end of COVID-19. The lifting of COVID-19 restrictions in December 2022 was the key contributing factor to the resurgence of broad tourism industry, reflecting the release of pent-up demand in tourism that was suppressed during the lockdown. Similarly, our net profit decreased by approximately RMB4.7 million from 2023 to 2024, primarily due to a decrease in revenue from our Impression — Dahongpao Scenery Show and performance services, as (i) leisure spending activities, especially tourism spending, in 2024 was not as active as that of the previous year after release of pent-up demand in 2023. 2023 recorded significant improvements in tourist levels as COVID-19 officially came to an end. There was a notable increase in consumer enthusiasm for non-essential spendings, particularly in the tourism sector. Following a period of restrictions and limitations as a result of COVID-19, many individuals opted to seize the travelling opportunities they had previously missed; (ii) there was a longer closure of our Impression — Dahongpao Scenery Show during the period between the start of the new year and the start of the Spring Festival (Chinese Lunar New Year) holidays, which is the typical rest period for our performers. In 2024, we closed for 35 days as the Spring Festival occurred in February 2024, compared to our closure for 22 days in 2023 as the Spring Festival occurred in January 2023; and (iii) bad weather conditions in June 2024 resulted in a drop in audience and even the temporary closure of our performance stage and auditorium for our

SUMMARY

Impression — Dahongpao Scenery Show. For the six months ended 30 June 2025, net profit of our Group was mainly impacted by the launch of our new show Moonlight over Mount Wuyi in May 2025. Prior to its launch, we had to make significant capital outlays and investment, such as equipment purchases and costs of performers who underwent training and rehearsals, without any revenue generation from ticket sales. After its launch, as the show was still in its early start-up stage, we had to carry out various marketing deals to promote the show and attract audience, which led to higher marketing expenses and at times resulted in us selling tickets at highly discounted prices or offering complimentary tickets as part of our marketing campaign.

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The following table sets out our assets and liabilities as at the dates indicated, which have been extracted from the Accountants’ Report set out in Appendix I to this document.

	As at 31 December			As at 30 June	As at 31 October
	2022	2023	2024	2025	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>
Total current assets	36,350	98,939	114,401	99,769	114,594
Total current liabilities	15,233	23,260	25,739	72,328	56,995
Net Current Assets	21,117	75,679	88,662	27,441	57,599
Total non-current assets	207,544	195,336	202,564	328,898	322,336
Total non-current liabilities	42,634	37,484	35,307	98,712	96,498
Net non-current Assets	164,910	157,852	167,257	230,186	225,838
Net Assets	186,027	233,531	255,919	257,627	283,437

Our net current assets increased from approximately RMB21.1 million as at 31 December 2022 to approximately RMB75.7 million as at 31 December 2023, primarily due to an increase in our cash and cash equivalents of approximately RMB57.5 million which related to the cash income from our operating activities during the year and an increase in financial assets at FVTPL of approximately RMB4.6 million during the year, partially offset by an increase in our trade and other payables of approximately RMB5.8 million during the year. Our net current assets increased from approximately RMB75.7 million as at 31 December 2023 to approximately RMB88.7 million as at 31 December 2024, primarily due to an increase in our cash and cash equivalents of approximately RMB15.8 million and an increase in our trade and other receivables of approximately RMB7.2 million during the year, partially offset by a decrease in our financial assets at FVTPL of approximately RMB7.6 million and an increase in our income tax payable of approximately RMB1.4 million during the year.

SUMMARY

The decrease in our net current assets as at 30 June 2025 as compared to 31 December 2024 was primarily attributable to an significant increase in contract liabilities of approximately RMB2.1 million, trade and other payables of approximately RMB39.2 million, lease liabilities of approximately RMB4.6 million and decrease in cash and cash equivalents of approximately RMB36.9 million, and partially offset by increase in financial assets at FVTPL of approximately RMB15.3 million and trade and other receivables of approximately RMB7.1 million. We had net current assets of approximately RMB57.6 million as at 31 October 2025, being the latest practicable date for the purpose of the indebtedness statement. The increase in our net current assets as at 31 October 2025 was primarily due to financial assets at FVTPL increasing by RMB34.7 million. Additionally, there was a decrease in trade and other payables by RMB16.8 million due to the repayment for the acquisition of intangible assets and property and equipment by our subsidiary, Moonlight Wuyi and partially offset by cash and cash equivalents decreased by RMB21.7 million due to acquired financial products.

We had net assets of approximately RMB186.0 million, RMB233.5 million , RMB255.9 million and RMB257.6 million as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively. The increase in our net assets as at 31 December 2023 as compared to 31 December 2022 was attributable to our reserves increased by approximately RMB47.5 million from profit for the year, which increased by approximately RMB50.1 million of net profit during the year. The increase in our net assets as at 31 December 2024 as compared to 31 December 2023 was attributable to an increase in our reserves increased of approximately RMB42.8 million from profit for the year and non-controlling interest increased by approximately RMB12.0 million for capital injection in our subsidiary, Moonlight Wuyi, during the year and partially offset by the result of final dividends for 2023 amounting to RMB32.4 million during the year. The increase in our net assets as at 30 June 2025 as compared to 31 December 2024 was mainly due to an increase in non-controlling interests of approximately RMB32.5 million for capital injection in our subsidiary at RMB36.0 million, and partially offset by a decrease in reserves of approximately RMB30.8 million from the result of final dividends for 2024 amounting to RMB41.1 million during the six months period ended 30 June 2025. We had net assets of approximately RMB283.4 million as at 31 October 2025 being the latest practicable date for the purpose of the indebtedness statement. The increase in net assets as at 31 October 2025 as compared to 30 June 2025 was mainly due to an increase in reserves of approximately RMB27.8 million from profit for the period, and partially offset by a loss for the period allocated to non-controlling interests of approximately RMB2.0 million.

SUMMARY

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table sets out our cash flows for the years and periods indicated.

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Net cash generated from operating activities	16,417	69,265	60,794	25,098	16,438
Net cash used in investing activities	(6,197)	(9,597)	(16,673)	(53,441)	(43,869)
Net cash used in financing activities	(2,211)	(2,119)	(28,281)	(33,388)	(9,517)
Net cash increase/(decreased) in cash and cash equivalents	8,009	57,549	15,840	(61,731)	(36,948)
Cash and cash equivalents at beginning of the year/period	19,683	27,692	85,241	85,241	101,081
Cash and cash equivalents at end of the year/period	27,692	85,241	101,081	23,510	64,133

See “Financial Information — Liquidity and Capital Resources” in this document for details.

KEY FINANCIAL RATIOS

The following table sets out certain of our key financial ratios as at the dates indicated and for the years and periods indicated.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Liquidity Ratio				
Current ratio	2.4	4.3	4.4	1.4
Quick ratio	2.4	4.3	4.4	1.4
Profitability Ratio				
Gross profit margin	27.2%	57.8%	54.6%	42.5%
Rates of Return				
Return on assets	(1.1)%	16.1%	13.5%	1.6%
Return of equity	(1.4)%	20.3%	16.7%	2.6%

See “Financial Information — Key Financial Ratios” in this document for descriptions of the calculation of the above ratios.

SUMMARY

DIVIDENDS

In May 2024, we fully paid dividends of RMB32.4 million. We declared dividends of RMB41.1 million in March 2025, which was settled on 22 April 2025.

Our Board is responsible for submitting proposals in respect of dividend payments, if any, to the Shareholders’ general meeting for approval. Our Board may declare dividends in the future after taking into account our distributable profits, financial condition, cash flows, expected future capital expenditure, return to our Shareholders, capital requirements, finance costs, the external financing environment and any other factors that the Directors may deem relevant. Any declaration and payment, as well as the amount of, dividends will be subject to the requirements of our Article of Association, the PRC Company Law and the NEEQ rules and regulations. Under the PRC Company Law and our Articles of Association, dividends are distributed to our Shareholders in proportion to their shareholdings. We currently do not have any fixed pay-out ratio for future cash dividends. The payment of dividends may also be limited by legal restrictions. See “Financial Information — Dividends” in this document for the conditions of payment of dividends.

[REDACTED]

The estimated total [REDACTED], including [REDACTED] (based on the mid-point of the [REDACTED] range and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] million (HK\$[REDACTED] million), which represents approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. Such estimated total [REDACTED] include (i) [REDACTED]-related expenses, including [REDACTED], of approximately RMB[REDACTED] million (HK\$[REDACTED] million); (ii) fees and expenses of our legal advisers and reporting accountant of approximately RMB[REDACTED] million (HK\$[REDACTED] million); and (iii) other fees and expenses of approximately RMB[REDACTED] million (HK\$[REDACTED] million). An estimated amount of approximately RMB[REDACTED] million (HK\$[REDACTED] million) is expected to be expensed through the statement of profit or loss and the remaining amount of approximately RMB[REDACTED] million (HK\$[REDACTED] million) is expected to be recognised directly as a deduction from equity upon the [REDACTED].

RECENT DEVELOPMENTS

Since the end of the Track Record Period and up to 31 October 2025, the business of our signature Impression — Dahongpao Scenery Show has performed robustly, having carried out a total of 246 performances and sold an aggregate of approximately 418,000 tickets. In July and August 2025 during the summer holidays, we recorded an active performance schedule of up to four shows per day, with an average ticket issuance rate of approximately 84.6%, and actual attendance rate of approximately 82.6%. In particular, August 2025 achieved historical monthly record high in terms of number of shows performed and ticket sales, with a total of 95 shows performed and approximately 174,000 tickets sold. During the National Day Holidays and Mid-autumn Festival Holidays from 1 to 8 October 2025, we recorded a full performance schedule of up to five shows per day, with a total of 29 shows performed and approximately 52,000 tickets sold, representing an average ticket issuance rate of approximately 85.8%, and actual attendance rate of approximately 84.1%. Since the end of the Track Record Period and up to the Latest Practicable Date, there has been no substantial change to our relationships with each of our ticket selling distributors in respect of ticket bulk sales. See “Business — Shows and performance services — Impression — Dahongpao Scenery Show —

SUMMARY

Operation Stage — Sales of Tickets — Ticket selling distributors” in this document for details. Since the end of the Track Record Period and up to the Latest Practicable Date, with the enhanced internal control measures in force, we have not identified any third-party payment in respect of sales of show tickets.

The debut of our new show, Moonlight over Mount Wuyi (《月映武夷》) took place on 17 April 2025 at the opening ceremony of the 2025 Fujian Provincial Cultural and Tourism Economic Development Conference (2025年福建省文旅經濟發展大會), followed by its premiere to the public on 1 May 2025. Since its launch on 1 May 2025 and up to 31 October 2025, more than 83,000 audience attended the show. The show received generally positive reception and reviews following its premiere. According to customer surveys undertaken by the Group, a vast majority of customers indicated they would recommend the show to their friends and family. During the National Day Holidays and Mid-autumn Festival Holidays from 1 to 8 October 2025, several media outlets have reported about Moonlight over Mount Wuyi as an attraction of cultural importance for tourists. Since the end of the Track Record Period, we have recorded an increased number of performances of Moonlight over Mount Wuyi, having carried out 52, 55, 45 and 54 performances in July, August, September and October 2025, respectively, as compared to 35 performances each in May and June 2025. We have stepped up our marketing efforts for our new show through various online social media platforms, traditional offline marketing channels, as well as various promotional deals, to boost awareness and noise among tourists to Mount Wuyi. Since the end of the Track Record Period and up to 31 October 2025, we have seen a generally upward trend of ticket sales for Moonlight over Mount Wuyi, having sold 3,638, 15,176, 11,612 and 26,667 tickets in July, August, September and October 2025, respectively.

Our Chatang hotel operations also saw an uptick in business following the launch of our new show, Moonlight over Mount Wuyi in May 2025. This was reflected by an improvement of the average guest room occupancy rate of our Chatang hotel of approximately 34.7% during the summer holiday period from July 2025 to August 2025, as compared to approximately 24.9% during the corresponding period in 2024. Since the end of the Track Record Period up to 31 October 2025, we have sold 1,505 room nights, and our guest room occupancy rate of Chatang hotel has improved to approximately 24.5% from approximately 23.5% during the corresponding period in 2024. Since the theatre of Moonlight over Mount Wuyi is located close to our Chatang hotel, the launch of the new show has brought more foot traffic to the nearby areas. We also started offering packaged sales of Moonlight over Mount Wuyi tickets together with our Chatang hotel rooms.

Despite the aforementioned robust results of Impression — Dahongpao Scenery Show especially in August 2025 which achieved a historical monthly record high, and the improved guest room occupancy rate of our Chatang hotel, we nonetheless expect a decrease in our net profit for the year ending 31 December 2025 compared to the year ended 31 December 2024. This is primarily due to the launch of our new show Moonlight over Mount Wuyi in May 2025, which is still in its early start-up stages that requires time and resources to ramp up marketing efforts and build audience interest. Our Group’s overall profitability for the year ending 31 December 2025 is therefore expected to be affected by the costs and expenses related to Moonlight over Mount Wuyi.

SUMMARY

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our business operations, financial or trading positions or prospects since 30 June 2025, being the date on which our latest audited consolidated financial statements were prepared, and there has been no event since 30 June 2025 which would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

STATISTICS OF THE [REDACTED]

	Based on the minimum [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on the maximum [REDACTED] of HK\$[REDACTED] per [REDACTED]
Market [REDACTED] of H Shares	HK\$[REDACTED]	HK\$[REDACTED]
Market [REDACTED] of total Shares	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) All statistics in this table are based on the assumption that (i) the [REDACTED] is not exercised; and (ii) [REDACTED] Shares (including [REDACTED] H Shares) are expected to be in issue immediately following completion of the [REDACTED].
- (2) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in Appendix II to this document and on the basis of a total of [REDACTED] total Shares (including [REDACTED] H Shares) were in issue immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised).
- (3) No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets of our Group attributable to the equity holders of our Company as at 30 June 2025 to reflect any trading results or other transactions of our Group entered into subsequent to 30 June 2025.

[REDACTED]

We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million from the [REDACTED], after deducting the [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised. In line with our strategies, we intend to apply the [REDACTED] from the [REDACTED] for the following purposes:

- approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the nets [REDACTED] from the [REDACTED], will be fully utilised for an upgrade for our signature Impression — Dahongpao Scenery Show by 2027;

SUMMARY

- approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the [REDACTED] from the [REDACTED], will be fully utilised for innovating our Impression Cultural Tourism Town by 2026;
- approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the nets [REDACTED] from the [REDACTED], will be fully utilised for acquiring another cultural tourism performance project by 2027;
- approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the [REDACTED] from the [REDACTED], will be fully utilised for promotional efforts to enhance our brand image and increase our business presence by 2027;
- approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the nets [REDACTED] from the [REDACTED], will be fully utilised for upgrade of our ticket management system and other software by 2027; and
- approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the [REDACTED] from the [REDACTED], are expected to be fully used as working capital and other general corporate purposes by 2027.

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only deposit those [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or the applicable laws and regulations in other jurisdictions).

See “Future Plans and [REDACTED]” in this document for details.

KEY RISK FACTORS

We believe the following are some of the major key risks that may have an impact on our business and financial performance:

- our cultural tourism business is located in Mount Wuyi, Fujian Province where all of our business operations and activities are located. Our business operations depends on the overall number of travellers to Mount Wuyi;
- changes in the tastes and preferences of travellers from different countries and regions may affect the demand for our cultural tourism services, and we may not be able to maintain our competitiveness in the industry;
- a significant portion of our revenue was derived from our Impression — Dahongpao Scenery Show historically and during the Track Record Period;

SUMMARY

- we rely on the tripartite contractual arrangement we have entered into with Mount Wuyi Cultural Tourism Group and Impression Art Development to curate and perform our Impression — Dahongpao Scenery Show; and
- we enjoy and rely on our brandname of “Impression — Dahongpao” which is the bedrock of existing success of our signature show. Incidents or adverse publicity concerning our performance could damage our reputation and negatively impact our revenue and profitability.

See “Risk Factors” in this document for details.

IMPACT OF COVID-19 PANDEMIC ON OUR GROUP

The outbreak of the COVID-19 pandemic caused the following impact on our business, results of operation and financial condition during the Track Record Period: (i) a decrease in the total number of tourists to Mount Wuyi during 2022, (ii) a decrease in our total number of performance of our Impression — Dahongpao Scenery Show during 2022, and (iii) a decrease in the total number of room guests staying at our Chatang hotel, being one of the reasons resulting in the net loss of our Chatang hotel business. Since December 2022, our operation has been gradually recovering. Given that our operation has resumed to normal and we have become able to maintain the stability of our total revenue and total gross profit margin under the impact of COVID-19 pandemic, (i) our Directors are of the view that the COVID-19 pandemic did not materially and adversely impacted the operations or financial conditions of our Group in the long run despite a short term impact on our financial results; and (ii) our Directors do not expect that the COVID-19 pandemic will have further adverse impact on our Group’s business and financial performance.

REGULATORY COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we were involved in certain non-compliance incidents, none of which we consider will materially and adversely affect our business operations. These include social insurance and housing provident fund shortfalls, third party’s failure to comply with fire safety procedure, use of limit-exceeding property and absence of property ownership certificates as disclosed in “Business — Regulatory Compliance — Non-compliance Incidents” and “Business — Properties — Owned Properties” in this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms” in this document.

“Accountants’ Report”	the accountants’ report from Grant Thornton Hong Kong Limited, the text of which are set out in Appendix I to this document
“AFRC”	Accounting and Financial Report Council (會計和財務匯報局)
“Articles” or “Articles of Association”	the amended and restated articles of association of our Company, which was adopted on 26 December 2024 and with effect from the [REDACTED], as amended, supplemented or restated from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Beijing Impression Landscape”	Beijing Impression Landscape Culture and Art Co., Ltd. (北京印象山水文化藝術有限公司), a limited liability company established under the laws of the PRC on 3 July 2008, a wholly-owned subsidiary of Impression Art Development
“Board” or “our Board”	the board of directors of our Company
“business day”	a day (other than a Saturday or a Sunday) on which banks in Hong Kong are open for normal banking business

[REDACTED]

“Chairman”	chairman of our Board
“Chief Directorial Service Agreement”	the chief directorial service agreement dated 10 July 2008 entered between Fujian Mount Wuyi Cultural Tourism Group and Impression Art Development for the Provision of directorial service of the Impression — Dahongpao Scenery Show
“Chong’an Water Supply”	Mount Wuyi City Chong’an Water Supply Co., Ltd. (武夷山市崇安自來水有限公司), a limited liability company established under the laws of the PRC on 8 September 1990, being one of our connected persons

DEFINITIONS

“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Impression Dahongpao Co., Ltd. (印象大紅袍股份有限公司), a joint stock company established under the laws of the PRC on 21 January 2009, formerly known as Impression Dahongpao Co., Ltd. (印象大紅袍有限公司) and Mount Wuyi Impression Dahongpao Co., Ltd. (武夷山印象大紅袍文化旅遊有限公司), and converted into a joint-stock company with limited liability on 31 January 2016
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Contracting Agreement”	the contracting agreement dated 10 July 2008 entered between Fujian Mount Wuyi Cultural Tourism Group and Beijing Impression Landscape for the production of the Impression — Dahongpao Scenery Show
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mount Wuyi Cultural Tourism, Fujian Mount Wuyi Cultural Tourism Group, Mount Wuyi SAOSC, Mount Wuyi Tourism Resort Development, Mount Wuyi Jianfa and Fujian Mount Wuyi Chong’an, Fujian Wuyi Tourism Group, Nanping Industrial and Nanping Wuyi Development and Nanping SASAC
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Deed of Indemnity”	a deed of indemnity dated 8 December 2025 entered into by Mount Wuyi Cultural Tourism in favour of our Company (for itself and as trustee for each member of our Group), particulars of which are set out in “D. Other Information — 13. Other Indemnities” in Appendix VI to this document
“Digital Wuyi E-Commerce”	Wuyishan Digital Wuyi E-Commerce Development Co., Ltd. (武夷山市數字武夷電子商務發展有限公司), a limited liability company established under the laws of the PRC on 15 November 2004, being one of our connected persons

DEFINITIONS

“Director(s)”	the director(s) of our Company
“EIT”	the enterprise income tax of the PRC
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) issued on 16 March 2007 and its implementation rules

[REDACTED]

“ESG”	environmental, social and governance
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is our industry consultant and an independent third party
“Frost & Sullivan Report” or “F&S Report”	an independent market research report prepared by Frost & Sullivan for the purpose of this document
“Fujian DOF”	Fujian Provincial Department of Finance (福建省財政廳)
“Fujian Mount Wuyi Chong’an”	Fujian Mount Wuyi Chong’an Construction Group Co., Ltd. (福建武夷山崇安建設集團有限公司), a limited liability company established under the laws of the PRC on 27 December 2021, being one of our Controlling Shareholders
“Fujian Mount Wuyi Cultural Tourism Group”	Fujian Mount Wuyi Cultural Tourism Group Co., Ltd. (福建武夷山文旅集團有限公司), a limited liability company established under the laws of the PRC on 29 October 1998, formerly known as Mount Wuyi Tourism (Group) Co., Ltd. (武夷山旅遊(集團)有限公司), being one of our Controlling Shareholders

DEFINITIONS

“Fujian Wuyi Tourism Group” Fujian Wuyi Tourism Group Co., Ltd. (福建武夷旅遊集團有限公司), a limited liability company established under the laws of the PRC on 25 December 2007, formerly known as Nanping Development Group Co., Ltd. (南平發展集團有限公司)

“General Rules of HKSCC” the General Rules of HKSCC as may be amended or modulated from time to time and where the context so permits shall include the HKSCC Operational Procedures

[REDACTED]

“Group,” “our Group,” “we” or “us” our Company, our subsidiaries and the legal entities whose financial results had been consolidated to our consolidated financial statements as included in Appendix I to this Document (or our Company and any one or more of such subsidiaries and legal entities, as the context may require)

“Guide for New Listing Applicants” the Guide for New Listing Applicants published by Stock Exchange on 29 November 2023, which consolidated and enhanced all effective guidance letters and listing decisions related to New Listing (as defined under Rule 1.01 of the Listing Rules), as to be amended from time to time

[REDACTED]

“H Share(s)” overseas [REDACTED] foreign share(s) in our ordinary share capital with a nominal value of RMB1.00 each, which are to be [REDACTED] for and traded in Hong Kong dollars and for which an [REDACTED] has been made for [REDACTED] and permission to trade on the Stock Exchange

“HK dollars” or “HK\$” Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

“HKFRSs” Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

DEFINITIONS

[REDACTED]

“Impression — Dahongpao Scenery Show”	a large-scale outdoor cultural tourism performance named as Impression — Dahongpao Scenery Show (《印象大紅袍》山水實景演出), which is part of the Impression series
“Impression Art Development”	Impression Art Development Co., Ltd. (觀印象藝術發展有限公司), a limited liability company established under the laws of the PRC on 10 March 2006, formerly known as Beijing Impression Innovation Art Development Co., Ltd. (北京印象創新藝術發展有限公司), being an indirect wholly-owned subsidiary of Sanxiang Impression
“Impression Dahongpao Cultural”	Mount Wuyi Impression Dahongpao Cultural Tourism Co., Ltd. (武夷山印象大紅袍文化旅遊有限公司), a limited liability company established under the laws of the PRC on 13 August 2019, being one of our subsidiaries
“Impression Dahongpao International Travel Agency”	Mount Wuyi Impression Dahongpao International Travel Agency Co., Ltd. (武夷山印象大紅袍國際旅行社有限公司), a limited liability company established under the laws of the PRC on 26 March 2014, being one of our connected persons
“Impression Power Trio”	an artistic association of famous visionary filmmakers and directors (Mr. Zhang Yimou (張藝謀), Ms. Wang Chao (王潮歌) and Mr. Fan Yue (樊躍)) in the name of Impression Power Trio (印象鐵三角) who play pivotal roles in the success of the Impression series.
“Impression series”	a renowned collection of theatrical performances that celebrate and showcase the rich cultural heritage of China through innovative storytelling and artistic expression in the name of “Impression” (《印象》). Each production within the series is designed to highlight the unique characteristics of its respective location, blending traditional elements with contemporary performance techniques.
“independent third party(ies)”	an individual or a company who or which is not a director, chief executive or substantial shareholder of our Company or any of our subsidiaries, or an associate of any of such director, chief executive or substantial shareholder

DEFINITIONS

[REDACTED]

“Latest Practicable Date”	2 December 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Committee”	the listing committee of the Stock Exchange

[REDACTED]

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Moonlight over Mount Wuyi”	an indoor cultural tourism performance named as Moonlight over Mount Wuyi (《月映武夷》), the debut of which took place on 17 April 2025 in Mount Wuyi, and premiere of the show to the public took place on 1 May 2025
“Moonlight Wuyi”	Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd. (福建省月映武夷文化旅遊有限公司), a limited liability company established under the laws of the PRC on 30 September 2024, being one of our subsidiaries
“Moonlight Wuyi (Beijing) Cultural Media”	Moonlight Wuyi (Beijing) Cultural Media Co., Ltd. (月映武夷(北京)文化傳媒有限公司), a limited liability company established under the laws of the PRC on 10 December 2024
“Mount Wuyi Chatang Resort”	Mount Wuyi City Chatang Hot Spring Resort Co., Ltd. (武夷山茶湯溫泉度假村有限公司), a limited liability company established under the laws of the PRC on 16 November 2017, being one of our subsidiaries
“Mount Wuyi China International Travel Agency”	Mount Wuyi China International Travel Agency Co., Ltd. (武夷山中國國際旅行社有限公司), a limited liability company established under the laws of the PRC on 22 September 2000, being one of our connected persons
“Mount Wuyi Cultural Tourism”	Mount Wuyi Cultural Tourism Co., Ltd. (武夷山文化旅遊有限公司), a limited liability company established under the laws of the PRC on 15 May 2020, being one of our Controlling Shareholders
“Mount Wuyi Jianfa”	Mount Wuyi City Jianfa Construction Engineering Co., Ltd. (武夷山市建發建築工程有限公司), a limited liability company established under the laws of the PRC on 1 April 2002, being one of our Controlling Shareholders

DEFINITIONS

“Mount Wuyi Landscape LLP”	Mount Wuyi Landscape Impression Cultural Tourism Investment Partnership (LLP) (武夷山山水印象文化旅遊投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 30 June 2016
“Mount Wuyi SAOSC”	Mount Wuyi State-owned Assets Operation Service Centre (武夷山市國有資產運營服務中心), a public institution (事業單位) under the supervision of Mount Wuyi State-owned Assets Supervision and Administration Commission (武夷山市國有資產管理委員會)
“Mount Wuyi SASAC”	Mount Wuyi State-owned Assets Supervision and Administration Commission (武夷山市國有資產管理委員會)
“Mount Wuyi Travel Agency”	Fujian Province Mount Wuyi Travel Agency Co., Ltd. (福建省武夷山旅行社有限公司), a limited liability company established under the laws of the PRC on 28 September 1990, being one of our connected persons
“Mount Wuyi Travel Development”	Fujian Mount Wuyi Travel Development Co., Ltd. (福建武夷山旅遊發展股份有限公司), joint stock company established under the laws of the PRC on 13 December 1999
“Mount Wuyi Tourism Cultural Investment”	Fujian Province Mount Wuyi Tourism Cultural Investment Group Co., Ltd. (福建省武夷山旅遊文化投資集團有限公司), a limited liability company established under the laws of the PRC on 7 August 2012
“Mount Wuyi Tourism Resort Development”	Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司), a limited liability company established under the laws of the PRC on 12 September 2008, being one of our Controlling Shareholders
“Nanping Industrial”	Nanping Industrial Group Co., Ltd. (南平實業集團有限公司), a limited liability company established under the laws of the PRC on 6 March 1998, formerly known as Fujian Province Nanping City State-owned Assets Investment and Operation Co., Ltd. (福建省南平市國有資產投資經營有限公司)
“Nanping SASAC”	Nanping State-owned Assets Supervision and Administration Commission (南平市國有資產管理委員會)
“Nanping Wuyi Development”	Nanping Wuyi Development Group Co., Ltd. (南平武夷發展集團有限公司), a limited liability company established under the laws of the PRC on 9 January 2017, formerly known as Nanping City Asset Investment and Operation Management Co., Ltd. (南平市資產投資運營管理有限公司)

DEFINITIONS

“Nanping Wuyi Partnership”	Nanping Wuyi Tourism Industry Revitalization Fund Partnership Enterprise (Limited Partnership) (南平武夷旅遊產業振興基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 15 May 2020
“National Tourist Resort Water Supply”	Mount Wuyi National Tourist Resort Water Supply Co., Ltd. (武夷山國家旅遊度假區自來水有限公司), a limited liability company established under the laws of the PRC on 29 January 1997, being one of our connected persons
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NEEQ”	National Equities Exchange and Quotations

[REDACTED]

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan
“PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented and otherwise modified from time to time
“PRC GAAP”	the China Accounting Standards (企業會計準則) as promulgated and amended from time to time and their interpretations, guidelines and implementation rules, which collectively are accepted as generally accepted accounting principles in the PRC
“PRC Government”	the central government of the PRC, including all governmental subdivisions (including provincial, municipal and other regional or local government entities)
“PRC Legal Advisers”	AllBright Law Offices (Fuzhou), the legal advisers to our Company as to the PRC laws

[REDACTED]

“Regulation S”	Regulation S under the U.S. Securities Act
“RMB” or “Renminbi”	Renminbi yuan, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局), the PRC government authority responsible for matters relating to foreign exchange administration
“Sanxiang Impression”	Sanxiang Impression Co., Ltd. (三湘印象股份有限公司), a joint stock company established under the laws of the PRC on 20 January 1994, formerly known as Shenzhen Huguang Modern Business Co., Ltd. (深圳和光現代商務股份有限公司) and Sanxiang Co., Ltd. (三湘股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (000863.SZ)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Shanghai Sanxiang”	Shanghai Sanxiang Culture Development Co., Ltd. (上海三湘文化發展有限公司), a limited liability company established under the laws of the PRC on 3 March 2016, a subsidiary of Sanxiang Impression
“Share(s)”	ordinary share(s) in the capital of our Company, with a nominal value of RMB1.00 each, comprising our Unlisted Shares and our H Shares
“Shareholder(s)”	holder(s) of Share(s)

[REDACTED]

“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	the Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising three financial years ended 31 December 2024 and the six months ended 30 June 2025

[REDACTED]

“UNESCO”	the United Nations Educational, Scientific and Cultural Organisation, a specialised agency of the United Nations founded on 16 November 1945. Its aim is to contribute to peace and security by promoting international collaboration through education, science, and culture in order to further universal respect for justice, rule of law, human rights and fundamental freedoms

DEFINITIONS

“Unlisted Shares”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange but quoted on NEEQ (stock code: 870608)
“U.S.” or “United States”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“Warranting Shareholders”	Mount Wuyi Cultural Tourism and Mount Wuyi Tourism Resort Development, each of which is a Controlling Shareholder
“Yifeng Travel Agency”	Fujian Mount Wuyi Yifeng Travel Agency Co., Ltd. (福建武夷山夷峰旅行社有限公司), a limited liability company established under the laws of the PRC on 23 January 2018, being one of our connected persons
“%”	percent

Unless expressly stated or otherwise required by the context, all data contained in this document is as at the Latest Practicable Date.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Unless otherwise specified, all references to any shareholding in our Company do not take into account any Shares to be issued upon the exercise of the [REDACTED].

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain terms used in this document in connection with our Company and our business. Some of these may not correspond to standard industry definitions.

“box office receipts”	the total amount of money generated from sales of tickets for a film, theatre performance, concert, or other live events, representing the financial performance of the event or production. Box office receipts are often used as a key indicator of a film’s or performance’s popularity and commercial viability
“CAGR”	compound annual growth rate, which is the annual growth rate over a specified period of time longer than one year
“Chatang (茶湯)”	tea infused hot water baths for bathing and body wellness use
“cultural tourism performance market”	the segment of the tourism industry that focuses on attracting travellers to cultural events, performances and activities. This market encompasses various forms of artistic expression, including tourism scenery performance, theme park performance and theatre performance that highlight a region’s cultural heritage and artistic offerings
“direct GHG emissions”	direct GHG emissions refer to greenhouse gas emissions that occur from sources that are owned or controlled by an organisation, company or individual
“direct sales price”	ticket selling price in respect of our direct sales of tickets to our audience in respect of our Impression — Dahongpao Scenery Show
“indirect GHG emissions”	indirect GHG emissions refer to greenhouse gas emissions that occur as a consequence of an organisation’s activities but are not directly produced by the organisation itself. These emissions arise from the production of goods and services consumed by the organisation, as well as from the use of energy
“GDP”	gross domestic product, a monetary measure of the market value of all the final goods produced and sold and services provided in a specific time period by a country or countries
“GFA”	gross floor area
“GHG”	GHG stands for greenhouse gas. These are gases in the Earth’s atmosphere that trap heat, contributing to the greenhouse effect and global warming

GLOSSARY OF TECHNICAL TERMS

“I.T.”	information technology, which refers to the use of computers, software, networks and other electronic devices to store, retrieve, transmit and manipulate data
“in-destination spending on cultural tourism”	the total expenditures on in-destination cultural tourism activities, including cultural tourism performances, museum and cultural sites, national parks and nature reserves, theme parks and other festivals and leisure events
“kg”	kilogram (kg) is the base unit of mass in the International System of Units (SI). It is defined as the mass of the international prototype of the kilogram, a platinum-iridium cylinder stored at the International Bureau of Weights and Measures
“m ³ ”	cubic meter, which is a volume unit, equal to the volume of a cube of one meter length of each side
“MWh”	MWh stands for megawatt-hour, which is a unit of energy equivalent to one megawatt (MW) of power used for one hour. It is commonly used to measure electrical energy production or consumption
“NO _x ”	NO _x refers to a group of nitrogen oxides, primarily consisting of nitric oxide (NO) and nitrogen dioxide (NO ₂). These gases are produced during combustion processes, especially in vehicles, power plants and industrial facilities
“PM”	particulate matter refers to a mixture of tiny solid particles and liquid droplets suspended in the air. These particles vary in size, composition and origin, and are classified based on their aerodynamic diameter
“settlement price”	pre-agreed ticket bulk sales price in respect of our ticket bulk sales to our ticket selling distributors who conduct onward sales of tickets to our audience in respect of our Impression — Dahongpao Scenery Show
“SO _x ”	SO _x refers to a group of sulphur oxides, primarily consisting of sulphur dioxide (SO ₂) and sulphur trioxide (SO ₃). These gases are produced mainly from the combustion of fossil fuels, such as coal and oil, and from various industrial processes
“sq.m.”	square meter, which is an area unit, being the area of a square with sides one metre in length

GLOSSARY OF TECHNICAL TERMS

“tCO ₂ e”	tCO ₂ e stands for tonnes of carbon dioxide equivalent. It is a standard unit of measurement used to compare the emissions of different greenhouse gases based on their global warming potential (GWP)
“ticket issuance rate”	a key performance metric that measures the number of show tickets issued as a percentage of the number of total seats available for each performance, calculated by dividing the number of show tickets issued during the year/period, by the number of total seats in our auditorium/theatre multiplied by the number of performances conducted during the year/period
“ticket selling distributor”	an entity, organisation or individual engaged by our Company to sell show tickets on behalf of our Company in respect of our Impression — Dahongpao Scenery Show
“tourism scenery performance market”	the sector of the tourism industry that focuses on performances and events specifically staged in scenic or natural settings. This market combines the allure of beautiful landscapes with cultural or artistic presentations, enhancing the overall visitor experience
“traveller-to-audience conversion rate”	a market term defined as the ratio of the number of audience attendance for a show to the total number of tourist arrivals recorded by the city where the performance is held
“VAT”	value-added tax

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that state our intentions, beliefs, expectations or predictions for the future that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include all statements in this document that are not historical facts, including, without limitation, statements relating to:

- our strategies, plans, objectives and our ability to implement such strategies and achieve our plans, objectives and goals;
- future developments, trends and conditions in the tourism scenery performance market in China;
- future developments, trends and conditions in the cultural tourism performance market in China;
- the evolvement of competitive landscape for each of tourism scenery performance market and cultural tourism performance market in China and the actions and developments of our competitors in these markets;
- the evolvement of regulatory framework of the tourism scenery performance and cultural tourism performance markets;
- the development of local tourism market in Mount Wuyi and Fujian Province;
- the corresponding evolvement of tourism-driven government policies;
- prospective travellers’ consumption level;
- our strategies, plans and ability to protect our brandname “Impression — Dahongpao” (印象大红袍) 印象大红袍 on a continuous basis;
- our ability to unlock the tourism potential of Mount Wuyi and our commitment towards Mount Wuyi in our position as a cultural tourism service provider in Fujian Province;
- our strategies, plans and abilities to replicate our success by obtaining additional performance right(s) and our capabilities of curating and performing new show(s);
- our strategies, plans and ability to fortify our dual ticket sales channels;
- our plans to expand the business of our Impression Cultural Tourism Town and its continuing development;
- our plans to improve the net loss position of our Chatang hotel business;
- our strategies, plans and ability to bolster our business presence through enhancing scalability and breadth of our combined operations in three synergised business segments;
- our future capital needs and capital expenditure plans;

FORWARD-LOOKING STATEMENTS

- our dividend policy; and
- the general economic, cultural, social and political environment in China.

When used in this document, the words “aim”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “going forward”, “intent”, “may”, “ought to”, “plan”, “project”, “seek”, “should”, “will”, “would” and similar expressions, as they relate to us, are intended to identify forward-looking statements. However, all statements in the document other than statements of historical fact are forward-looking statements. Such forward-looking statements reflect the views of our management as at the date of this document with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this document. Although we believe that the expectations reflected in such forward-looking statements are reasonable, actual results and events may differ materially from information contained in the forward-looking statements as a result of number of factors, including:

- our ability to respond to competition from other market players in the tourism scenery performance and cultural tourism performance markets in China;
- our ability to maintain our market reputation as a cultural tourism service provider in Fujian Province;
- our ability to implement our new business strategies in connection with our business expansions;
- our ability to achieve growth through our existing signature show and enhance profitability of new show(s);
- our ability to upgrade and innovate our signature show to remain attractive to prospective travellers to Mount Wuyi;
- our ability to continuously enhance the appeal of our new show, Moonlight over Mount Wuyi, and to fortify our position as a cultural tourism service provider in Fujian Province with more than one show;
- our ability to capture new business opportunities in echo with the development of the local tourism industry;
- our ability to manage and fortify our dual ticket sales channels;
- our ability to manage the seasonality which may give rise to fluctuations in our ticket sales volume, prices and the ticket issuance rate of our Impression — Dahongpao Show;
- our ability to navigate through the difficulties inherent with our strategic business expansions;
- our ability to reverse the net loss position of our Chatang hotel business;

FORWARD-LOOKING STATEMENTS

- changes to the regulatory environment affecting our business;
- macroeconomic measures taken by the government to manage economic growth; and
- other factors beyond our control.

Should one or more of these risk or uncertainties materialise, or should the underlying assumptions prove to be incorrect, our results of operations and financial condition may be adversely affected and may vary materially from those described herein as anticipated, believed or expected. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on such forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by use that our plans and objectives will be achieved or released.

The forward-looking statements in the document reflect the views of our management as at the date of this document and are subject to change in light of future developments. Subject to the requirements of the Listing Rules, we do not intend to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise.

RISK FACTORS

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares.

Our business, financial position and results of operations could be materially and adversely affected by any of these risks. The trading price of our H Shares could significantly decrease due to any of these risks, and you may lose all or part of your investment. You should pay particular attention to the fact that we are a PRC company and are governed by a legal and regulatory environment which may differ significantly from those prevailing in other jurisdictions.

RISKS RELATING TO OUR CULTURAL TOURISM BUSINESS AND INDUSTRY

Our cultural tourism business is located in Mount Wuyi, Fujian Province where all of our business operations and activities are located. Our business operations depends significantly on the overall number of travellers to Mount Wuyi.

Our cultural tourism business is concentrated in Mount Wuyi, Fujian Province, where all of our business operations and activities are located. During the Track Record Period, all of our revenue was generated from our business activities in Mount Wuyi. Although this geographic focus presents opportunities for us to effectively focus on our business in Mount Wuyi for the purposes of strengthening our position as a cultural tourism service provider in the Fujian Province, it also makes us vulnerable to regional economic fluctuations, environmental challenges and changes in local regulations. For example, changes in the tourism industry market and tourism performance market could lead to decreased consumer spending on leisure activities, directly affecting the tourist numbers. Additionally, environmental issues, such as natural disasters or climate change, could disrupt access to key attractions and deter tourists from visiting Mount Wuyi. Moreover, changes in national and local regulations, including those related to cultural tourism, could also pose challenges to our business.

We rely on the tripartite contractual arrangement we have entered into with Fujian Mount Wuyi Cultural Tourism Group and Impression Art Development to curate and perform our Impression — Dahongpao Scenery Show.

We rely on the tripartite contractual arrangement with Fujian Mount Wuyi Cultural Tourism Group, one of our Controlling Shareholders, and Impression Art Development to curate and perform our signature show. This tripartite contractual arrangement is essential for our show. See “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Preparatory Stage — Obtaining the Exclusive Performance Right” in this document for details. The cooperation with Impression Art Development may pose certain risks such as disruptions or changes in the contractual arrangement, which could adversely affect our exclusivity to curate and perform the signature show as planned, although the chances of this happening may be low. For example, if either party fails to meet its contractual obligations, or if there are any disagreement regarding the terms of collaboration (including the exclusive performance right obtained thereunder), it could lead to operational challenges that hinder our entitlement to curate and perform the signature show.

RISK FACTORS

Under the current contractual arrangement, we need to pay Impression Art Development for the directorial royalty service fee in relation to our signature show. Our total directorial royalty service expenses paid to Impression Art Development for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025 were approximately RMB5.9 million, RMB13.5 million, RMB12.6 million, and RMB5.1 million, representing approximately 12.9%, 22.2%, 20.3% and 15.7% of our total cost of sales incurred in the respective years. Upon [REDACTED], the procurement of directorial royalty service from Impression Art Development will also constitute a non-exempt continuing connected transaction for our Company under the Listing Rules upon [REDACTED], subject to announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. See “Continuing Connected Transaction — Summary of our Continuing Connected Transactions” in this document for details. Therefore, our ability to maintain our relationship with Impression Art Development is crucial for the ongoing success of our Impression — Dahongpao Scenery Show.

Changes in the tastes and preferences of travellers from different countries and regions may affect the demand for our cultural tourism services, and we may not be able to maintain our competitiveness in the tourism industry.

Changes in the tastes and preferences of tourists can significantly impact the demand for our cultural tourism service offerings. As consumer interests evolve, we may face challenges in keeping pace with emerging trends and adopting our service offerings accordingly. If we are unable to adjust timely to any shift in tourist preferences or spending habits, we may face challenges resulting from a decrease in tourist numbers. As a result, our financial performance may be negatively impacted.

Moreover, the ability to meet the evolving expectations of our target audience in respect of our signature show, Impression — Dahongpao Scenery Show and our new show, namely, Moonlight over Mount Wuyi (《月映武夷》), may impact our competitiveness within the cultural tourism market; and our expanded service offerings may not effectively attract tourists and stimulate their spendings. Failure to provide the preferred leisure offerings to tourists could lead to diminished interest in our service offerings. Additionally, shifts towards alternative forms of entertainment or emerging travel trends could further affect demand for our existing and developing tourist attractions in Mount Wuyi.

A significant portion of our revenue was derived from our Impression — Dahongpao Scenery Show historically and during the Track Record Period.

A significant portion of our revenue is derived from our Impression — Dahongpao Scenery Show historically and during the Track Record Period. During the Track Record Period, revenue from our signature show contributed approximately 91.4%, 94.3%, 94.6% and 87.8% of our total revenue, respectively. The reliance on a singular major revenue stream presents potential risks including changes in audience preferences, competition from alternative entertainment options, and operational disruptions in Mount Wuyi. These factors may result in a decrease in the ticket issuance rate of our show. As a result, our financial performance may be adversely impacted. Furthermore, our ability to maintain high performance quality is essential to sustaining travellers’ interest in our show over time. Although we aim to generate synergies among our Impression — Dahongpao Scenery Show,

RISK FACTORS

Moonlight over Mount Wuyi, Impression Cultural Tourism Town business and Chatang hotel business as diversification of our service offerings, it is possible that the projected outcome of our strategic expansion may not be as initially expected, and our overall business prospects and financial performance may as a result be negatively influenced.

We enjoy and rely on our brandname of “Impression — Dahongpao” 印象大红袍 which is the bedrock of existing success of our signature show. Incidents or adverse publicity concerning our performance could damage our reputation and negatively impact our revenue and profitability.

We rely on the reputation of “Impression — Dahongpao”. The established brand recognition is the bedrock of our existing success and is crucial for attracting tourists and generating revenue for our Group as well. Moreover, as the scalability and reach of our show also influences other business segments, namely our Impression Cultural Tourism Town business and Chatang hotel business, any incidents or adverse publicity related to our brandname could significantly affect our reputation.

Negative media coverage, customer complaints or operational failures could also lead to diminished public perception of our show and, by extension, our entire cultural tourism service offering. Such reputational damage may result in decreased ticket issuance rate of our show, lower ticket sales volume and a decline in our overall profitability. Maintaining a good reputation is essential for our continuing success and any threats to our brandname could have long-lasting effects on our business operations and financial performance.

Our inability to maintain our competitiveness in the broader cultural tourism industry, and in particular, the leading position of our Impression — Dahongpao Scenery Show in the cultural tourism performance market in Fujian Province, could adversely affect our financial condition, results of operations and prospects.

The presence of new entrants in the cultural tourism market could intensify market competition and it is possible that we fail to maintain our competitive edge against our competitors, who may offer innovative experiences or more attractive pricing, drawing potential visitors away from our service offerings. As competition increases, maintaining our market position will require substantial investment in marketing, technology and talent, which could strain our financial resources, to some extent. See “Industry Overview — Competitive Landscape of China’s Cultural Tourism Performance Market” and “Business — Competition” in this document for details. Additionally, our reputation as a leader in cultural tourism performance market in Fujian Province is closely tied to the quality and continuous fine-tune of our signature show. If we encounter operational challenges due to our inability to compete with other market players, our brand image could suffer, leading to diminished consumer trust and loyalty. Such reputational damage may be difficult to reverse, potentially resulting in long-term decline in tourist attendance and our revenue.

We have limited resource and capacity to extend our customer base to foreign countries.

Our ability to expand our audience base to foreign countries is constrained by limited resources and capacity available to us. This limitation may hinder our efforts to effectively penetrate international markets and establish a strong presence outside our domestic region, and the audience of our signature Impression — Dahongpao Scenery Show are mostly from China since the show debut and during the Track Record Period. We also acknowledge that although we engage our ticket selling

RISK FACTORS

distributors to conduct onward sales of tickets, most of our ticket selling distributors are locally based and their targeted customers are travellers from other parts of China. The appeal of our signature show to international travellers is limited. If we are unable to adequately address such a limitation, our growth potential on an international scale is limited.

If we fail to conduct branding and marketing activities cost-effectively, our business, financial condition and results of operations may be materially and adversely affected.

Effective branding and marketing are a crucial component of our strategy to attract tourists and maintain a strong market presence in the competitive cultural tourism industry. If our marketing campaigns do not resonate with our target audience, or if we misallocate resources towards ineffective marketing channels, we may not be able to attract potential travellers to Mount Wuyi, leading to decreased awareness of our service offerings and diminished interest in our signature show. For the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 and 2025, our marketing expenses were approximately RMB2.5 million, RMB2.9 million, RMB2.8 million, RMB1.0 million and RMB1.7 million, representing approximately 35.2%, 35.4%, 36.4%, 28.6% and 40.5% of our total selling and distribution expenses, respectively. Marketing costs without corresponding returns can strain our financial resources and impacting profitability and cash flows. If we allocate heavily in promotional activities that do not yield the expected results, it could limit our ability to allocate funds to other critical areas of our business, such as enhancing tourist experiences and/or improving operational efficiencies.

The development in, and the expansion of our live show portfolio, and our expansion of our service offerings in our Impression Cultural Tourism Town, and continuing development in hotel business may impose new challenges on us, and we may lack the necessary experience to deal with these new challenges.

In addition to our signature Impression — Dahongpao Scenery Show, we have launched another live show, Moonlight over Mount Wuyi, the debut of which took place on 17 April 2025, and the premiere of the show to the public took place on 1 May 2025. See “Business — Shows and performance services — Moonlight over Mount Wuyi” in this document for details. The complexity of managing more than one show includes the challenges of managing multiple performance venues, coordinating performance schedules and ensuring high-quality productions across difference locations, which may strain our existing resources and management capabilities, especially if we are not well prepared for such expansion. If we fail to effectively address these complexities, we will encounter operational insufficiencies which may negatively impact our business prospects and brandname.

In addition, as we continue to expand our service offerings in our Impression Cultural Tourism Town, we need to wisely and proportionately allocate our resources in each line of expansion in order to unlock the potentials of, and manage, such a business. If we misallocate our resources, our expansion plans and efforts can be jeopardised, resulting in strains on our financial conditions. Moreover, we may lack the requisite experience in other aspects of cultural tourism and hotel management sectors, which could affect our ability to navigate new challenges, and to identify and grasp opportunities. If we fail to keep or recruit talents who possess the requisite knowledge in a timely manner, our resulting lack of experience in these sectors may impede our decision-making processes, limit our strategic options, and restrict our business expansions.

RISK FACTORS

We have a dual ticket sales channels and in particular, we cooperate with a number of ticket selling distributors to achieve our sales growth. Any challenges to their onward selling capabilities will have a negative impact on our overall operating and financial performance.

During the Track Record Period, our ticket selling distributors contributed approximately 91.9%, 92.6%, 92.3% and 89.6% to our revenue from our Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi. Engaging ticket selling distributors entails that they may encounter challenges in the course of their onward ticket selling process. There is a risk that our ticket selling distributors may not fulfil their contracted sales volume target as stipulated in the ticket bulk sales master agreements. If this occurs, it could negatively impact the overall sales of tickets and lead to reduced audience attendance. Additionally, the effectiveness of our sales growth is closely tied to the onward ticket selling capabilities of our ticket selling distributors. Variability in their onward ticket selling capabilities, such as their marketing effectiveness, can influence our overall sales results. If any of the ticket selling distributors fails to promote our shows or provide a positive purchasing experience to the potential audience, it could lead to lower ticket sales volume of our Company and as a result, our financial performance would be negatively influenced. In addition, during the course of ticket bulk sales activities conducted by our ticket selling distributors, such distributors play a role in representing our brandname to potential audience. If any of them fail to uphold our brandname or mismanage potential audiences’ expectations and purchasing experiences, it could lead to reputational damage of our Company and also result in a decrease in audience trust. Negative ticket purchase experiences with our ticket selling distributors could also deter potential audience from purchasing our show tickets or attending our show, which would have a negative impact on our financial performance.

We are subject to risks associated with our multi-functional performance stage and 360-degree rotating auditorium for our Impression — Dahongpao Scenery Show, and our indoor water curtain stage for Moonlight over Mount Wuyi.

We are subject to various risks associated with our multi-functional performance stage and 360-degree rotating auditorium for our Impression — Dahongpao Scenery Show, as well as our indoor water curtain stage for Moonlight over Mount Wuyi. These structures, which are integral to the delivery of our shows. While these advanced features enhance the overall audience experience and allow for dynamic performance, they also entail certain operational risks. The complexity of the multi-functional performance stage, rotating auditorium and the indoor water curtain stage requires meticulous timing and operations during the course of performance, as well as continuous maintenance and operation. Any technical malfunctions or failures in the equipment could disrupt performances, leading to cancellations or delays. Such incidents not only impact immediate audience experiences but could also result in negative publicity of our show and diminished audience trust in our capability of curating and performing the show.

Ensuring the safety of our performers and audience is our first priority. Any oversight or failure to adhere to safety protocol in terms of operating stage mechanics and rotating components could lead to accidents or injuries, resulting in our liabilities. While the design of our performance stage and the 360-degree rotating auditorium allow for a diverse range of performances and configurations, skilled personnels are required to operate them accurately and effectively. A shortage of trained staff or disruptions in scheduling could hinder our ability to adapt our stage and auditorium to our performance.

RISK FACTORS

We have a limited number of regular and VIP seats to host the audience of our two shows.

We have a limited number of ordinary and VIP seats available to host the audience of our signature show. As at the Latest Practicable Date, the auditorium for our Impression — Dahongpao Scenery Show had 2,099 audience seats, consisting of 1,521 regular seats and 578 VIP seats; while the theatre for our Moonlight over Mount Wuyi has a total capacity of 1,971 audience seats, consisting of 1,175 regular seats, and 796 VIP seats. The finite seating capacity means that our ability to accommodate audience demand is inherently limited. In a situation where our ticket sales volume exceeds our available seats, we may be unable to meet the expectations of potential audience, leading to dissatisfactions and potential loss of repeat businesses. High demand for our show during peak seasons could result in missed revenue-generating opportunities, if we are not able to conduct our performances several times at a single night to accommodate such demand.

The distinction between ordinary and VIP seating allows us to offer a tiered pricing structure, enhancing our revenue potential. Nonetheless, if we do not effectively manage the allocation of these seats, we may have to face risks of underutilising the capacity of our auditorium. For instance, if VIP seats remain unsold while ordinary seats are fully booked, we may not be able to maximise our revenue potential from lower-paying customers. Additionally, our limited seating capacity requires us to implement effective marketing and promotional strategies to encourage early bookings. If we fail to generate sufficient advance sales, we may struggle to fill our seats, leading to lower ticket issuance rates and reduced financial performance.

Labour shortage or disruptions to our performance team could restrict our ability to perform our shows and may result in our increased labour costs.

Labour shortage may cause disruptions to our performance team in respect of Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi. Although we maintain understudies for the show, it might be possible that we become unable to maintain all the talents and specialised performers should there be any unforeseen emergencies. Such challenge may limit our ability to curate our show, potentially diminishing the quality of audience experience. Additionally, if we face difficulties in terms of staffing, we may be compelled to hire temporary and incur higher labour costs, leading to increased operational expenses, which could adversely affect our profitability and overall financial performance. In addition, we have established a labour union in accordance with relevant regulations in the PRC. Our labour union actively provides benefits to employees, strives to protect our employees’ fundamental rights, and provides relief to employees in need. Therefore, it always remains important that we safeguard our employee’s fundamental rights and benefits to ensure our smooth business operations.

Our Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi involve large gatherings of both audience and performers, creating potential risks related to traffic safety and crowd management.

The concentration of travellers around our performance venue can lead to congestion, making it challenging to ensure safe movement and access for all attendees. For our Impression Dahongpao Scenery Show, the 360-degree rotating auditorium has 2,099 audience seats. For Moonlight over Mount Wuyi, the theatre has a total capacity of 1,971 audience seats. Inadequate crowd control measures may result in accidents, injuries, or even emergencies, which could compromise the safety

RISK FACTORS

of our audience and staff members. Moreover, traffic congestion in the surrounding areas may hinder emergency response times, increasing the risks associated with any unforeseen incidents. If traffic safety issues arise, they could lead to negative publicity, liability claims and damage to the reputation of our show as a safe and enjoyable tourist attraction in Mount Wuyi.

Our business, financial condition and results of operations may be materially and adversely affected by seasonality.

Our Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi is subject to seasonality fluctuations. During the Track Record Period, peak seasons mainly represented major holidays and school breaks. Hence, our sales and operating results for a particular period will not necessarily be indicative of our results for the full year or future periods, and our interim result may not proportionally reflect our annual results. See “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Seasonality” and “Business — Shows and performance services — Moonlight Over Mount Wuyi— Seasonality” in this document for a detailed illustration of seasonality implications, including a revenue breakdown by month during the Track Record Period for a quantitative analysis in terms of seasonality.

We recorded a net loss position in 2022 and we may not be able to maintain our net profit position in the future, which may affect our business sustainability.

For the year ended 31 December 2022, our net loss was approximately RMB2.6 million and our net loss margin was approximately 4.1%. Although we reversed our net loss position to that of a net profit position from 2022 to 2023, we cannot assure you whether we will continue to be profitable in the future. Our ability to become profitable in the future will not only depend on our efforts but also depend on the management of our operating costs.

Additionally, our ability to achieve profitability depends in part on our ability to manage our future development effectively, such as our ability to sustain the success of our Impression — Dahongpao Scenery Show, our ability to promote our Moonlight over Mount Wuyi, and our efforts to reverse the net loss position of our Chatang hotel business, among other factors. Nonetheless, we might experience fluctuations in our profit given the macro environment of the broader cultural tourism market and the weather conditions that may affect our performance. If we are unable to effectively avoid or mitigate these risks, our ability to sustain and expand our business and achieve profitability will be affected, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Power shortage or disruptions may result in suspension of the performance of our show.

Our business operations depend on a continuous and adequate supply of utilities, such as electricity and water, among which, electricity is the main utility used in our business operations. During the Track Record Period, we did not experience any material interruptions in our operations due to power shortages or outages. If there are any shortages or control of power due to government policies, the local authorities may require our business to be shut down periodically. Any disruption in the supply of power may disrupt our daily operations, including the performance of our Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi. We cannot assure you that we will not

RISK FACTORS

be subject to any power outages in the future. If we are to be subject to power outages or there are prolonged power shortages in the future, the performance of our show will be inevitably disrupted. Our business, financial conditions and result of operations could therefore be adversely and materially affected.

We may encounter reputational damage if there is any price irregularity caused by authorised agents of our ticket selling distributors or sales facilitators who are associated with our ticket selling distributors.

During the Track Record Period, many of our ticket selling distributors engaged authorised agents to meet the requisite sales volume targets. Once a ticket selling distributor decides to engage an authorised agent to meet the requisite sales volume targets, and that authorised agent payment was responsible for making to us for placing orders for the show tickets on behalf of the corresponding ticket selling distributor, we required that a tripartite ticket bulk sales master agreement be entered into between the relevant ticket selling distributor, the authorised agent and our Company. Nonetheless, we did not directly manage and monitor the sales activities of these authorised agents, as these authorised agents are nominated by ticket selling distributors whose sales activities were directly and monitored by our Company. Although our ticket selling distributors will be held jointly liable if any misconduct of authorised agents is noted, it is probable that unauthorised price increases are adopted by an authorised agent in its/his/her sales activities, which may lead to audience dissatisfaction and a misleading perceived value of our show tickets. In addition to those authorised agents who have been nominated by our ticket selling distributors who have executed tripartite ticket bulk sales master agreements with our Company and the ticket selling distributor, there were certain ticket sales facilitators who were associated with some ticket selling distributors that conducted onward sales of tickets. As these sales facilitators are non-contracting parties to our tripartite ticket bulk sales master agreements, we do not have direct control over their sales activities. For the backgrounds of these authorised agents and sales facilitators, see “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Operation Stage — Sales of Tickets” for details. In the event of a price irregularity caused by authorised agents or sales facilitators, we may need to spend additional time to investigate the issue and address audience complaints, which could negatively impact our business operations.

Our business could be adversely affected in the event of any outbreak of health pandemic or adverse development in tourism-related government policies.

The outbreak of the COVID-19 epidemic in China and internationally has resulted in significant disruptions and distortions in the global economy. In early 2020 until late 2022, the Chinese government had taken certain emergency measures to combat the spread of the virus, including the implementation of travel bans, which resulted in a significant drop in tourism activity in China. This resulted in huge decline in audience numbers and even the extended suspension of our performance show, which adversely impacted our results of operations and financial condition. We cannot control or predict whether another outbreak of such scale or severity will recur in the future.

Moreover, cultural tourism business, to a certain extent, is stimulated by, and simultaneously affected by tourism-related government policies. Changes in regulations such as restrictions on travel (i.e., resulting from administrative orders due to the public health concerns such as the COVID-19 pandemic), alterations to tourism funding, or new compliance requirements, may directly impact our

RISK FACTORS

business operations and profitability. For example, shifts in government support for tourism initiatives could affect our marketing efforts and access to incentives for our growth prospects. Therefore, our ability to operate effectively and maintain projected revenue levels may be significantly compromised if we become unable to adapt to the changes in the regulatory landscape.

Any catastrophe, including natural disasters, bad or extreme weather conditions, climate-related events or other unforeseeable catastrophic incidents, could severely disrupt our business operations.

Given that our existing signature show is performed outdoors, our operations are vulnerable to interruption and damage from natural disasters, climate-related events or other unforeseeable catastrophic incidents, including earthquakes, tsunami, fire, floods, hail, windstorms, severe winter weather (including snow, freezing water, ice storms and blizzards), environmental accidents, power loss, communications failures, explosions, man-made events such as terrorist attacks, and similar events. Due to their nature, we cannot predict the incidence, timing, or severity of catastrophes. In addition, changing climate conditions, predominantly rising global temperatures, may increase the frequency and severity of extreme weather conditions and natural catastrophes. If any such extreme weather conditions, catastrophe or extraordinary event were to occur in the future, our ability to operate our business could be seriously impaired. Such events could make it difficult or impossible for us to perform our Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi.

In the event of a flood and heavy rainfall, our outdoor auditorium and performance stage for Impression — Dahongpao Scenery Show will be at significant risk of being inundated with water, which can lead to extensive damage to the facility and its contents. The flooding may disrupt scheduled performances, compromise the safety of our audiences and staff, and result in costly repairs and restoration efforts. Additionally, the presence of water can create hazardous conditions, including electrical risks and structural integrity concerns. As for our indoor theatre for Moonlight over Mount Wuyi, it is also subject to risks of floods or electrical hazards in the event of such extreme weather conditions.

Any such climate-related risks are unforeseeable and may be more severe than anticipated. Our failure to take adequate steps to mitigate the potential impact of unforeseeable events or to effectively respond to such events could materially and adversely affect our business, financial condition and results of operations.

Any disruption to the schedule and/ or any increase in price of flights and trains to and from Mount Wuyi could restrain the exposure of our service offerings to the travellers to Mount Wuyi.

Any disruption to the schedule or an increase in the price of flights and trains to and from Mount Wuyi could limit the exposure of our service offerings to the travellers to Mount Wuyi. Such disruptions may deter potential tourists from travelling, thereby adversely affecting our overall financial conditions. Specifically, increased transportation costs can lead to reduced consumer spending on leisure activities, as tourists may prioritise essential expenses over tourism. Additionally, delays or cancellations in transportation services could discourage tourists from planning trips to our destinations. These transportation-related challenges could significantly impact our ability to attract and retain tourists, ultimately affecting our revenue generation and business sustainability.

RISK FACTORS

The operation of Impression Cultural Tourism Town requires us to keep pace with the evolving market trend, and failure to adapt to the industry trend to respond to the expectation of modern travellers may affect our future operation and financial performance.

The operation of Impression Cultural Tourism Town necessitates our ability to stay aligned with evolving market trends. Failure to adapt to industry developments and respond effectively to the expectations of modern travellers could significantly impact our future operations and financial performance. As consumer preferences shift towards unique, immersive experiences and sustainable tourism, our inability to innovate and enhance our service offerings may lead to diminished attractiveness compared to competing destinations locally and in neighbouring cities. If we do not adequately address the growing demand for personalised experiences, digital engagement and environmentally responsible practices, we may risk losing market share and customer loyalty.

Additionally, the cultural tourism industry is influenced by external factors such as economic conditions, technological advancements, and regulatory landscapes. We must remain vigilant and agile in monitoring these market trends to adjust our strategies accordingly. A failure to anticipate and respond to these changes could result in operational inefficiencies, decreased visitor numbers, and ultimately, lowered revenue.

We may face potential complaints or claims related to food quality and safety issues from third party vendors’ operation at Impression Jianzhou Food-themed Street in our Impression Cultural Tourism Town. Any complaints or claims of food quality and safety issues may adversely affect our reputation.

We may encounter potential complaints or claims regarding food quality and safety issues arising from the operations of third-party vendors at the Impression Jianzhou Food-themed Street within our Impression Cultural Tourism Town. Such incidents could pose significant risks to our reputation and brand integrity. We bear a degree of responsibility for the quality and safety of the food and services provided by these vendors, which is part of our Impression Cultural Tourism Town business. If travellers experience health issues or express dissatisfaction with their experiences in our Impression Cultural Tourism Town, it could lead to negative publicity of our brandname and a loss of consumer trust in our Group. Moreover, regulatory scrutiny and legal actions related to quality and safety could result in financial liabilities and increased operational costs. Addressing potential complaints and handling regulatory and legal actions may divert resources and management attention away from our core activities, further impacting our operational efficiency.

We rely on third parties manage the daily operations of Chatang hotel, and Impression Cultural Tourism Town. If any of them decide to cease to cooperate with us on commercially acceptable terms, or at all, our business may be materially and adversely affected.

Mount Wuyi Chatang Resort, one of our operating subsidiaries in charge of our Chatang hotel, entered into an entrusted management agreement and several supplemental agreements with Fuzhou Thai Natural Wellbeing Management Group Ltd. (福州泰自然健康管理有限公司) (“**Thai Natural**”) (collectively “**Chatang Management Arrangements**”) for which we entrust the duties of management and operation of our Chatang hotel business to Thai Natural. Although the Chatang Management Arrangements are fixed through a long-term agreement, it may become possible that

RISK FACTORS

there arises some disagreement which may give rise to disruption in our relationship with Thai Natural. Any disruption to this arrangement can lead to operational insufficiencies, loss of brand reputation and decreased guest satisfactions, ultimately giving rise to the possibility that we need to find another able, ready and willing hotel management partner to manage our Chatang hotel.

We also engaged third party operators to run the Impression Jianzhou Food-themed Street and Impression Market, which are part of our Impression Cultural Tourism Town. Any disruption to these arrangements may lead to temporary suspension of those operations, which may result in loss of income and give rise to the need of finding another operator.

Engaging a new partner may require significant time and resources, and there is no guarantee that we would be able to secure a new agreement on similar or favourable terms. If the third party decides to cease to cooperate with us on commercially acceptable terms, or at all, our business and financial performance may be adversely affected.

We have a history of gross loss in respect of our Chatang hotel business as well as our new Moonlight over Mount Wuyi, and the path to profitability may not be guaranteed.

Our Chatang hotel business has a track record of incurring gross losses. For the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 and 2025, gross loss of our Chatang hotel business was approximately RMB6.5 million, RMB5.5 million, RMB6.2 million, RMB3.1 million and RMB2.7 million, respectively. Our Chatang hotel opened in 2021 amidst the COVID-19 pandemic, which proved to be particularly detrimental as it severely disrupted the hospitality, accommodation and tourism industries, which led to a drastic decline in travel and accommodation demand. Additionally, the hotel business typically requires significant upfront capital investment, including costs for renovations and furnishings. These initial cash outflows can be substantial, and without a consistent influx of room guests, it becomes increasingly difficult to cover operating expenses. There is no guarantee that we will achieve sustained profitability along with our efforts to improve operational efficiency to attract a wider clientele. Various factors could adversely affect our financial performance, including intense market competition, shifts in consumer preferences, economic downturns and operational challenges. If we fail to address the loss-making position of our Chatang hotel business in the long run, our business, financial condition, and results of operations may be materially and adversely affected.

Following the debut of our new Moonlight over Mount Wuyi in May 2025, it has since been loss-making, due to the need for initial outlays for preparation and setting up of the show, as well as heavy marketing efforts to publicize the show. For the six months ended 30 June 2025, we recorded a gross loss of RMB1.8 million for Moonlight over Mount Wuyi. We cannot guarantee that Moonlight over Mount Wuyi will break even or become profitable. If we fail to improve the loss-making position of our Moonlight over Mount Wuyi in the long run, our business, financial condition, and results of operations may be materially and adversely affected.

RISK FACTORS

Our Chatang hotel operation features public and private Chatang hot baths, which represent risks of water quality and temperature.

Our Chatang hotel operation features the unique Chatang hot baths, which introduce specific risks related to water quality and temperature management. These factors are critical to ensuring a safe and enjoyable experience for our guests. Water quality is paramount in maintaining guest health and satisfaction. Contaminated water or inadequate sanitation can lead to health issues, resulting in potential complaints, legal liabilities, and reputational damage. Furthermore, if water quality fails to meet health and safety regulations, we may face regulatory penalties and increased operational costs to rectify the situation.

Additionally, temperature control is essential for the proper functioning of the hot baths. Fluctuations in water temperature can lead to discomfort for guests, and extreme temperatures may pose safety risks, such as burns or hypothermia. Unmanaged temperature issues could result in adverse guest experiences, negative reviews, and a decline in repeat business. If we, or the entrusted operator, Thai Natural, fail(s) to exercise due care in monitoring the quality and temperature of water in the hot baths, we may face personal injury claims from our guests and our financial performance will be negatively impacted.

Our businesses are subject to operational risks.

Operational risks arise mainly from inadequate or failed internal controls and systems, human errors, information technology system failures or external events. We consider operational risks to be inherent in our business and believe that they can be controlled or mitigated through adequate operational policies and procedures. See “Business — Risk Management and Internal Control” in this document for details. We are subject to numerous operational risks beyond our control that may cause significant business interruptions, personal injuries, or property damage, significant business interruptions, personal injuries, property or environmental damage. We are exposed to various operational risks in connection with our business, including among others, (i) the performance of the show may be interrupted due to personal injuries, operational errors, electricity outages, the failure of equipment and other risks; (ii) operating limitations imposed by environmental or other regulatory requirements; (iii) social, political and labour unrest; and (iv) environmental accidents. In addition, we may not have adequate insurance coverage on the above operational risks. Should any of these risks occur and we fail to take necessary responsive measures in a timely manner, our business may be temporarily interrupted or suspended, which could lead to increased labour costs, reputational damage and financial losses. Furthermore, any mismanagement, improper handling or violation of our operational procedure in the course of our service could result in accidents involving serious damage to our employees and property. If we fail to exercise sufficient caution on safety matters, our business operations and financial positions will be materially and adversely affected.

We are exposed to credit risk from our customers, and any failure to collect our trade and other receivables in a timely manner may adversely affect our financial condition and results of operations.

As at 31 December 2022, 2023, 2024 and 30 June 2025, our trade and other receivables amounted to RMB5.5 million, RMB6.1 million, RMB33.6 million and RMB20.3 million, respectively. Our trade and other receivables include (i) trade receivables, representing balances due from Fujian

RISK FACTORS

Spring in respect of the operation of Impression Jianzhou Food-themed Street, (ii) prepayments, representing the balances of prepaid advertising expenses, (iii) other receivables, representing balances due from our other customers, being the premise renovation fees paid on behalf of the vendors who rented our premises in the Impression Cultural Tourism Town to conduct their businesses, and compensation income of RMB460,000 due from the defaulting party in relation to the contravention of our “Impression — Dahongpao” trademark following a court adjudication on 30 December 2024, and (iv) other tax recoverables, representing the difference between our input VAT and deductible output VAT. Our trade and other receivables are non-interest-bearing. Despite our efforts to assess the creditworthiness of our counterparties, we cannot assure you that all outstanding trade and other receivables will be settled.

Various factors beyond our control, such as economic downturns and insolvency of the counterparty, may hinder or prevent us from collecting our trade and other receivables in a timely manner or at all. Failure to effectively manage the credit risk associated with our trade and other receivables and collect payments in a timely manner would have material and adverse effects on our business, prospects, financial condition, results of operations, and cash flows.

There may be risks associated with our use of the limit-exceeding premise in connection with our auditorium for our signature show. Any dispute, order or requirement may materially and adversely affect our business operation.

During the Track Record Period and up to the Latest Practicable Date, we had been using a small parcel of land where our auditorium extends beyond the demarcated red line according to the relevant ownership certificate. See “Business — Properties — Owned Properties” in this document for details. Although we have received confirmations from the relevant competent authorities confirming that our use of land complies with all applicable laws and regulations and we can continue to use the limit-exceeding premise for our show; and that there have been no disputes or complaints regarding this matter, the potential for future regulatory changes or challenges cannot be completely ruled out. In an unlikely situation where any legal or administrative issues were to arise concerning our use of the said limit-exceeding premise, it may affect our ability to conduct stage performances and, consequently, our financial performance and reputation.

We may be subject to fines for our failure to contribute to certain social insurance fund and housing provident fund on behalf of some of our employees.

During the Track Record Period, the Company and our PRC subsidiaries did not fully contribute to certain social insurance and housing provident funds for the employees. Therefore, we may be subject to late fees and fines for our insufficient contributions to the social insurance plans and housing provident funds. See “Business — Regulatory Compliance — Non-compliance Incidents — (i) Social Insurance and Housing Provident Fund Contributions” in this document for details. As at the Latest Practicable Date, we had not received any notice from the local government authorities regarding any claim for inadequate contribution of our current and former employees. According to the relevant PRC laws and regulations, in respect of social insurance contributions, if we do not pay the full amount of social insurance contributions as required, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions by the deadline stipulated by them and we may be liable for a late payment fee equal to 0.05% of the outstanding amount of each day of delay. We may be liable to a fine of one to three times the amount of the outstanding contributions

RISK FACTORS

if we fail to make such payments by the deadline stipulated by them. In respect of outstanding housing provident fund contributions, we must register with the competent managing centre for housing provident funds and upon the examination by such centre and we shall complete procedures for opening an account at the relevant managing centre for housing provident funds for the deposit of employees' housing provident funds. Failure to open housing provident account for employees will result in a fine between RMB10,000 and RMB50,000. Failure to pay housing provident funds will result in a court order that would compel us to settle the unpaid housing provident funds. We cannot assure you that the relevant local government authorities will not require us to pay the outstanding amount within a specific time limit or impose late or additional fees or fines on us, which may affect our financial condition and results of operation.

We are required to obtain certain approvals, licences, permits and certificates for our operations. Failure to obtain such approvals, licences, permits or certificates may have a material and adverse effect on our business and operations.

We are subject to various laws and regulations of the PRC in which we operate and are required to obtain and comply with certain approvals, licences, permits and certificates from administrative authorities, including but not limited to business licences, commercial performance licenses, hygiene permits and special industry licenses. Each approval is dependent on the satisfaction of certain conditions and failure to obtain governmental approvals could have an adverse effect on our operations. We are also subject to inspections, examinations, inquiries and audits by governmental authorities as part of the process of maintaining or renewing our permits, licences or certificates. There can be no assurance that we will be able to fulfil the pre-conditions necessary to obtain the required governmental approvals or that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to our operations. There may be delays on the part of relevant administrative bodies in reviewing our applications and granting approvals.

Our business operations are subject to the maintenance and renewal of licences and leases.

Our ability to carry out our business operations is subject to our ability to obtain and retain necessary approvals, licences and permits from relevant PRC Government authorities and to renew them when they expire. Any failure to obtain, retain or renew, or any delay in obtaining or renewing, such approvals, licences or permits could subject us to a variety of administrative penalties or other government actions and adversely impact our business operations.

As advised by our PRC Legal Advisers, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite approvals, licences and permits for our current operations in all material aspects. However, we may not be able to obtain or renew such approvals, licences or permits or obtain, retain or renew other approvals, licences and permits necessary for our business operations in the future. In the inspection, the relevant authorities will consider whether our business or operation activities in the past years have been in compliance with the relevant laws and regulations. If we do not pass the inspection, we may be penalised.

RISK FACTORS

We may be subject to fines for failing to register the lease agreements of leased property.

As at the Latest Practicable Date, we had yet to register some of our lease agreements with the relevant government authorities. As advised by our PRC Legal Advisers, lease agreements have to be registered with the relevant authorities within 30 days of signing according to the Administration Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) and we may be subject to a fine of RMB1,000 to RMB10,000 for each unregistered lease. Our PRC Legal Advisers further advised that the non-registration of lease agreements would however not affect the enforceability of such lease.

We are subject to certain risks relating to third-party payments.

For the year ended 31 December 2024, payments for ticket bulk sales from our ticket selling distributors in respect of our Impression — Dahongpao Scenery Show were settled through third-party payors. For the year ended 31 December 2024, the number of ticket selling distributors who settled payments through third-party payors was 22. We have ceased to accept any third-party payments since 1 January 2025. See “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Operation Stage — Sales of Tickets — Third-party Payments” in this document for details. We are subject to the risks relating to such third-party payments, including (i) potential claims from third-party payors seeking reimbursement of funds as they may not have been contractually obligated to us, and possible claims from liquidators representing these third-party payors; and (ii) potential money laundering risks as we have limited knowledge about the source and purpose of the funds utilised by the third-party payors. In the event of any claims or legal actions, whether civil or criminal, initiated against us by third-party payors or their liquidators regarding third-party payments or for violation or noncompliance of laws and regulations, we would need to allocate financial and managerial resources to defend ourselves, and we may be forced to comply with the court ruling and return the payment for the products that we sold and services that we provided, and our business, prospects, financial condition, results of operations, and cash flows may be adversely affected.

Our customers may make claims against us and/or terminate our services in whole or in part should we fail to meet the requirements for our services or fully satisfy their other requirements and expectations.

Our Impression — Dahongpao Scenery Show and Chatang hotel business are subject to the terms of the agreements with our customers. In the event of any failure to provide the performance or the hotel services according to the specifications and schedule as required under the agreements, our customers may make claims against us or terminate the relevant contracts with or without compensation. In the event that we suffer claims or if our services are terminated by our distributors or customers due to our breach of the relevant contracts, our business, financial condition, results of operations and our reputation could be materially and adversely affected.

RISK FACTORS

The success of our business depends on our exclusive performance right of Impression — Dahongpao Scenery Show and our right to use the “Impression — Dahongpao” brand name. We may fail to adequately protect our intellectual property rights, or could face claims of infringement of the intellectual property rights of others.

We operate in an industry that places a premium on creative abilities and artistic talent, and the reputation attached thereto. Our exclusive performance right in respect of Impression — Dahongpao Scenery Show is obtained from Impression Art Development, and we rely on the reputation of the brand name of “Impression — Dahongpao” to stay competitive in the market. The success of our business depends substantially upon our continued ability to be the exclusive performance operator of Impression — Dahongpao Scenery Show, and to use the “Impression — Dahongpao” brand name in our sales and marketing efforts. The inability to protect the intellectual property rights of Impression — Dahongpao Scenery Show may impact the competitiveness of our performance in the industry, and any negative publicity involving the “Impression — Dahongpao” brand name, whether directly or indirectly caused by us or not, could adversely harm the brand image and reputation of us and our performance shows. These could lead to a drop in our audience numbers, which may have an adverse effect on our business, results of operations, financial condition and prospects.

Moreover, we rely on a combination of trademarks, domain names, confidentiality procedures and contractual provisions to protect our intellectual property rights. Nevertheless, these afford only limited protection, and policing unauthorised use of proprietary information can be difficult and expensive. In addition, the application of laws governing intellectual property rights in China and abroad is evolving and could expose us to substantial risks. Proceedings to enforce our intellectual property rights could divert our efforts and attention from other aspects of our business.

We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce or protect our intellectual property rights may be ineffective, which could have a material adverse effect on our business, results of operations, reputation and prospects.

Our insurance coverage may not adequately cover the risks related to our business and operations.

We maintain property insurance for our equipment, machinery and buildings, and personal injury insurance for our employees, but there can be no assurance that our insurance coverage would be sufficient in case of such major accidents. Certain risks such as risks in relation to customer concentration, our ability to execute new tourism projects, our ability to retain and attract personnel, project and cost management, our ability to maintain and renew our registrations, are generally not covered by insurance because they are either uninsurable or it is not cost-justifiable to insure against such risks. Insurance policies covering losses from acts of war, terrorism, or natural catastrophes are also either unavailable or cost-prohibitive. Further, we may be subject to liabilities against which we are not, or cannot be, insured adequately or at all. Should any significant liability arise due to accidents, natural disasters, or other events which are not covered or are inadequately covered by our insurance, our business may be adversely affected, potentially leading to lawsuits, employee compensation obligations, loss of assets or other forms of economic loss. We cannot guarantee that

RISK FACTORS

our current levels of insurance are sufficient to cover all potential risks and losses. In addition, we cannot guarantee that we can renew our policies or renew on similar or other acceptable terms. If we suffer from severe unexpected losses or losses that far exceed insurance policy limits, our business, financial position, results of operations and prospects could be materially and adversely affected.

We are dependent on our key management team and qualified personnel.

Our continued success is dependent to a large extent on our ability to retain the services of these key management personnel. The loss of their services without timely and suitable replacement could adversely affect our operations and as a result, our revenue and profit.

Our continued success and the implementation of our expansion plans depend largely on our ability to attract and retain high quality personnel, such as performers and business development personnel, who have the necessary and required experience and expertise to conduct our business. If we are unable to attract and retain a sufficient number of suitably skilled and qualified specialists, our business, financial condition, results of operations and prospects could be materially and adversely affected.

The PRC laws and regulations concerning cybersecurity and data protection are subject to changes and updates from time to time. Failure to comply with all applicable laws and regulations could harm our reputation, business, financial condition and results of operations and our [REDACTED] and [REDACTED] may be impeded.

On 28 December 2021, the CAC jointly with other 12 government authorities promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “MCR”), which became effective on 15 February 2022. According to the MCR, the procurement of network products and services by critical information infrastructure operators and the data processing activities conducted by network platform operators, which affect or may affect national security, shall be subject to cybersecurity review. In particular, if critical information infrastructure operators anticipate that their procurement of network products and services affect or may affect national security after such network products and services are put into use, they shall apply for cybersecurity review to the Cybersecurity Review Office. The MCR also provides that network platform operators that possess personal information of over one million users shall apply for cybersecurity review before listing in a foreign country. [REDACTED] in Hong Kong is not treated as a [REDACTED] in a foreign country within the meaning of the MCR. In addition, the relevant government authorities may initiate the cybersecurity review against the relevant operators if the authorities believe that the network products or services or data processing activities of such operators affect or may affect national security. On 30 August 2024, The Cyber Data Security Regulation (《網絡數據安全管理條例》) (the “CDSR”) was promulgated by the State Council, which took effect on 1 January 2025, serves as a comprehensive implementing regulation for the compliance requirements set out by the Cybersecurity Law, Data Security Law, and Personal Information Protection Law. As at the Latest Practicable Date, it remains to be seen how this regulation will be interpreted and implemented, and to what extent it will affect our operations.

RISK FACTORS

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any service, product or data processing activities that might give rise to national security risks based on the factors set out in the MCR and CDSR have not been inquired, investigated, warned or penalised by any PRC authorities in this respect. However, we cannot completely exclude the risks of being subject to cybersecurity review in consideration of the provisions of Article 16 of the MCR which stipulates that relevant authorities may initiate cybersecurity review against relevant operators if the authorities believe that the network products or services or data processing activities of such operators affect or may affect national security. In addition, we cannot assure you that relevant government authorities will not promulgate or interpret the laws and regulations in ways that may adversely affect us. If our [REDACTED] and [REDACTED] or business activities are deemed to “affect or may affect national security,” we may be subject to cybersecurity review and there can be no assurance that we will be able to obtain approval from the regulatory authorities in a timely manner, or at all.

We are subject to risks associated with investments and share losses in our associates, over which we do not have full control.

Our recoverability of the investments in our associates is subject to risks and our ability to generate cash flows depends on the dividend distributed by these invested companies. Investments in our associates are not as liquid as other investment products as there is no cash flow to us until dividends are received even if our associates reported profits under the equity accounting. Furthermore, our ability to promptly sell one or more of our interests in the associates in response to changing economic, financial and investment conditions is limited. The market is affected by various factors, such as general economic conditions, availability of financing, interest rates and supply and demand, many of which are beyond our control. We cannot predict whether we will be able to sell any of our interests in the associates for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a purchaser and to complete the relevant transaction. Therefore, the illiquid nature of our investments in associates may significantly limit our ability to respond to adverse changes in the performance of any of our associates. In addition, if there are no dividends declared from our associates, we will not be able to generate cash flows from investments in these associates.

We also share losses in our associates in which we have limited control. During the Track Record Period, we recorded share of losses from our associates. For the years ended 31 December 2023 and 2024 and the six months ended 30 June 2024 and 2025, our share of losses of associates was approximately RMB25,000, RMB288,000, RMB23,000 and RMB39,000, respectively. For the reasons for the fluctuations in the share of losses with our associates, see “Financial Information — Review of Historical Results of Operations” in this document. Since we have limited control over the operations and financial activities of these associates, they may, among others, take actions to pursue economic or business interests or goals inconsistent with or contrary to ours or have disputes with us as to the scope of their responsibilities and obligations. In addition, we cannot assure that they have been, or will be in compliance with all applicable PRC laws and regulations. We cannot assure you that we will not encounter problems with respect to associates, which may have an adverse effect on our business, results of operations and financial condition. If the performances of such associates deteriorate, the dividend we receive may decrease or we may be required to make additional capital

RISK FACTORS

injection to fund our share of the loss and therefore reduce the funds available to our Group as working capital, capital expenditure, acquisitions, dividends and other general corporate purposes, which could have a certain impact on our Group’s cash flows, results of operations and financial position.

We face risk regarding the recoverability of deferred income tax assets.

As at 31 December 2022, 2023, 2024 and 30 June 2025, our Group’s deferred income tax assets amounted to RMB5.4 million, RMB7.2 million, RMB6.5 million and RMB8.1 million, respectively, which may enable our Group to reduce future income tax payment. However, the recoverability of such deferred income tax assets is dependent on our Group’s ability to generate sufficient future taxable profit. There is no assurance that the deferred income tax assets can be fully recovered. In the case that the deferred income tax assets are determined to be non-recoverable, our Group may have to write-down the deferred income tax assets, which may, to a certain extent, affect our expenditure, profit and loss and financial condition for the respective year.

A severe or prolonged downturn in the global economy could materially and adversely affect our business and financial condition.

With the slowdown of the growth of the regional and global economy in recent years, it remains uncertain whether, and for how long, the regional and global economic downturn will persist. There are considerable uncertainties over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world’s leading economies. Regional economic conditions are sensitive to global economic conditions, changes in domestic economic and political policies as well as the expected overall economic growth rate. It remains unclear whether such challenges and uncertainties will be effectively managed or resolved and what impacts they may have on the global economic conditions in the long term. Any economic downturn or slowdown or negative business sentiment could have an indirect potential impact on our industry. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs. As a result, our business operations and financial performance may be adversely affected.

Deteriorating global economic conditions may reduce disposable income and consumer wealth as well as the growth of wealth among our potential customers, adversely impacting customer demand, which may negatively impact our profitability and put downward pressure on our tickets orders and Chatang hotel business. Therefore, any severe or prolonged downturn or instability in the global economy may materially and adversely affect our business, financial condition and results of operations.

RISK FACTORS

RISKS RELATING TO CONDUCTING BUSINESS IN THE PRC

We are subject to the political, economic and social development as well as laws, rules and regulations in the PRC.

Our corporate headquarters is located in Mount Wuyi, Fujian Province, where we conduct our businesses. As a result, our business is linked to the political, economic and social climate of the PRC, to a material extent. The PRC’s market conditions, including macroeconomic factors such as changes in international, national, regional and local economic conditions, employment levels, consumer demand and discretionary spending significantly influence the cultural tourism sector in which we operate.

Fluctuations in the value of the Renminbi may have an effect on our business.

Our business may be significantly influenced by variations in the exchange rates between the RMB and other major currencies, such as the HKD and the USD. As the [REDACTED] raised from the [REDACTED] will be expressed in HKD, should the Renminbi strengthen against the USD, the Hong Kong dollar, or any other foreign currency, there could be a decrease in the value of our assets that are denominated in those foreign currencies, as well as a reduction in the [REDACTED] from the [REDACTED]. On the contrary, weakening of the Renminbi could negatively impact the value of our H Shares when measured in foreign currency terms, and similarly affect any dividends we declare on these shares.

In addition, the fluctuations in the value of the Renminbi relative to the HKD or USD would affect our financial results in HKD or USD terms, even in the absence of any fundamental changes in our business operations or actual financial performance.

It may be difficult to effect service of process, enforce foreign judgments and arbitral awards against us or our Directors and senior management located in the PRC.

The substantial presence of our operations, assets, and personnel within the PRC jurisdiction has significant implications for our legal and regulatory landscape. Most of our Directors and senior management team are residents of the PRC, and their assets are predominantly located within the PRC. As a result, it presents a challenge in effecting service of process outside of the PRC, including but not limited to jurisdictions such as the United States or Hong Kong. Consequently, shareholders may encounter difficulties in enforcing judgments against our Company or our Directors and senior management team if such judgments originate from courts outside of the PRC.

Holders of our H Shares are subject to the PRC income tax.

Non-PRC resident individuals and enterprises holding our H Shares are subject to PRC tax laws and regulations, which impose different tax obligations on dividends received and gains realised from the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay a 20% individual income tax on dividends received and the gains realised upon the sale or other disposition of the H Shares held by them, as stipulated by the Individual Income Tax Law of the PRC (2018 Revision) (《中華人民共和國個人所

RISK FACTORS

得税法 (2018 修訂)》) and its implementation regulations. We are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdictions in which the foreign individuals reside, reduce or provide an exemption for the relevant tax obligations. Pursuant to the Circular of the State Taxation Administration on Individual Income Tax Collection Issues upon Abolishment of Document Guoshuifa [1993] No. 045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), a tax rate of 5% to 20% (generally 10%) shall apply to the dividends paid by domestic non-foreign-invested enterprises issuing shares in Hong Kong to overseas resident individuals. Such tax rate depends on any applicable tax treaties between China and the jurisdiction in which the non-PRC resident individual holder of H Shares resides, and tax arrangement between the PRC and Hong Kong.

As for non-PRC resident enterprises incorporated under the laws of the foreign country whose actual administration institution is outside the PRC, but have set up institutions or establishments in the PRC or, without institutions or establishments set up in the PRC but have income originating from the PRC, under the PRC EIT Law, dividends paid by us and gains realised by such foreign enterprises from the sale or disposition of H shares are subject to PRC enterprise income tax at a 20% rate, which may be reduced under any special arrangement or applicable tax treaties between China and the jurisdiction in which the non-PRC resident enterprise resides. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) (國稅函[2008]897號) issued by SAT on 6 November 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares has been reduced to 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED] Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval. Holders of our H Shares should consider the potential impact of PRC tax laws on their investment and the possibility of future changes that could affect the tax treatment of their holdings.

Payment of dividends is subject to conditions under the PRC law.

As stipulated under PRC laws, dividends may be paid only out of distributable profits. Distributable profits refer to net profit as determined under PRC GAAP or HKFRSs, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. It may become possible that we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

In addition, because the calculation of distributable profits under PRC GAAP is different from the calculation under HKFRSs in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under HKFRSs,

RISK FACTORS

or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. In an unlikely event that our subsidiaries fail to pay dividends to us, it may have a negative impact on our cash flow and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

RISKS RELATING TO THE [REDACTED]

Our Shares have been quoted on NEEQ since 20 January 2017, and the characteristics of NEEQ and our Shares market may differ.

Our Shares have been quoted on the NEEQ since 20 January 2017. With different trading characteristics, the Stock Exchange and the NEEQ have divergent [REDACTED] volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of the NEEQ may not be comparable to that of the Stock Exchange. Due to the different characteristics of the Stock Exchange and the NEEQ, the historical prices of the NEEQ may not be indicative of the performance of our Shares. You should therefore not place undue reliance on our prior trading history on the NEEQ when evaluating an [REDACTED] in our Shares.

You should not place any reliance on the information published regarding to our prior quotation on the NEEQ.

As our Shares have been quoted on the NEEQ since 20 January 2017 and we were required to comply with the then PRC regulations on periodic reports and other disclosures. Accordingly, we published our relevant information on the NEEQ. However, the information published on the NEEQ was based on the regulatory requirements and market practices of the PRC securities regulatory authorities and the financial information published on the NEEQ was prepared based on accounting principles generally accepted in the PRC which may be different from that applicable to the [REDACTED]. Therefore, such published information does not form a part of this document. As a result, prospective [REDACTED] in our Shares are reminded that, when making their investment decisions as to whether to purchase our Shares, they should rely only on the financial, operating and other information included in this document. By applying for the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and other formal announcements made by us regarding the [REDACTED] in Hong Kong.

There has been no prior [REDACTED] market for our H Shares, and their liquidity and [REDACTED] may be volatile.

Prior to the completion of the [REDACTED], there has been no [REDACTED] market for our H Shares. The [REDACTED] range for our H Shares is the result of negotiations between us and the [REDACTED] (for themselves and on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] for our H Shares following the [REDACTED]. We have applied for [REDACTED] of, and permission to [REDACTED] in, our H Shares on the Stock Exchange. However, there is no assurance that an active and liquid trading market for our H Shares will develop or be sustained after the completion of the [REDACTED]. There is also no guarantee that the [REDACTED] of our H Shares will not decline following the completion of the [REDACTED]. Furthermore, the [REDACTED] and [REDACTED] volume of our H Shares may be

RISK FACTORS

highly volatile. Factors including but not limited to our financial condition, actual or anticipated fluctuations in our operating performance, announcements of competitive developments, acquisitions or strategic alliances in our industry and general political, financial, social and economic conditions may have a material adverse effect on the [REDACTED] and [REDACTED] volume of our H Shares.

Holders of our H Shares are subject to the risk that the price of our H Shares could fall during the period before trading of our H Shares begins.

The price of our H Shares sold to the public under the [REDACTED] will be determined on the [REDACTED] date. However, our H shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be several business days after the [REDACTED] date. As a result, investors of our H shares may not be able to sell or otherwise [REDACTED] in our H Shares during that period. Accordingly, holders of our H Shares may be subject to the risk that our H Share trading price could fall during the period before trading of our H share begins as a result of adverse market conditions or other unfavourable developments which arise between the date of sale and the date trading begins.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] market could have a material adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future.

The [REDACTED] of our H Shares could be significantly influenced by the sale or the expectation of the sale of substantial volumes of our H Shares in the [REDACTED]. Such sales, or the perception that they might occur, have the potential to cause a material decrease in the [REDACTED] of our H Shares. This is particularly relevant when considering the potential issuance of new H Shares or securities that are convertible into or exchangeable for H Shares.

In addition to the direct impact on [REDACTED], the issuance of new H Shares or share-linked securities could result in dilution of existing shareholders' holdings, especially if the newly issued securities carry rights or privileges which take priority over those conferred by the H Shares. As a result of such dilution, and the potential for new securities to carry preferential rights, can further contribute to a decline in the [REDACTED] of our H Shares.

You will incur immediate and substantial dilution and may experience further dilution in the future.

The [REDACTED] of our H Shares is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of our [REDACTED] in the [REDACTED] will experience an immediate dilution. Holders of our Shares may experience further dilution of their interest if we issue additional Shares in the future at a price lower than the net tangible asset value to raise additional capital.

We cannot assure you that the Shares will remain [REDACTED] on the Stock Exchange.

Although it is currently intended that our H Shares will remain [REDACTED] on the Stock Exchange, there is no guarantee of the continued [REDACTED] of the H Shares. Among other factors, our Company may not continue to satisfy the [REDACTED] requirements of the Stock Exchange. Holders of the H Shares would not be able to sell their Shares through trading on the Stock Exchange if the Shares were no longer [REDACTED] on the Stock Exchange.

RISK FACTORS

There will be a gap of two days between the [REDACTED] and trading of our H Shares, and the [REDACTED] of our Shares when trading begins could be lower than the [REDACTED].

The initial price to the public of our H Shares sold in the [REDACTED] is expected to be determined on the [REDACTED]. However, the H Shares will not commence trading on the Stock Exchange until they are delivered. As a result, there will be a gap of two days between [REDACTED] and [REDACTED] of our H Shares, and investors may not be able to sell or otherwise [REDACTED] in the H Shares during that period.

Accordingly, holders of our H Shares are subject to the risk that the price of the H Shares when trading begins could be lower than the [REDACTED] as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

We may need additional capital, and the sale or issue of additional H Shares or other equity securities could result in additional dilution to our Shareholders.

We may require additional capital to finance our continued growth or other future developments. If we fail to raise additional funds, the [REDACTED] of our H Shares could decline as a result of future sales or issuances of additional equity securities in the [REDACTED] market, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our H Shares, including part of any future [REDACTED], could also materially and adversely affect the prevailing [REDACTED] of our H Shares and our ability to raise capital in the future at a time and at a price which we deem appropriate.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our H Shares, the [REDACTED] and [REDACTED] volume for our H Shares could decline.

Research reports published by securities or industry analysts about our business may influence the trading market of our H shares. If one or more analysts who cover us downgrade their evaluations of our H Shares, or if they issue reports with negative outlooks or misinformation regarding our operations, it could result in a material decline in the [REDACTED] of our H Shares. If one or more of these analysts cease coverage for us or fail to publish regular reports on us, we could lose visibility in the financial markets, which, in turn, could adversely affect the [REDACTED] or [REDACTED] volume of our H shares.

Our Controlling Shareholders have significant influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Prior to and immediately upon the completion of our [REDACTED], without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], our Controlling Shareholders will remain having substantial control over our Company.

RISK FACTORS

Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholders will possess a majority of the voting power at general meetings, estimated to be approximately [REDACTED]%. This level of control enables them to significantly influence our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management.

The interests of our Controlling Shareholders may not always coincide with those of our other Shareholders. While they can exercise their voting rights in alignment with their preferences, this may not always benefit our Company or its minority Shareholders. Such conflicts of interests could potentially lead to decisions that are detrimental to the value of our Company or for our other Shareholders.

Declaration of dividends on our H Shares in the future is subject to the discretion of our Board and Shareholders’ approval.

There is no assurance as to when and in what form dividends will be paid on our H Shares following the [REDACTED]. Declaring dividends on our H Shares is subject to the discretion of our Board of Directors and is contingent upon a comprehensive assessment of our financial condition, operational results, and capital requirements, among other considerations, and will subject to our Shareholders’ approval. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Certain facts, forecast and statistics contained in this document are derived from publicly available official government sources and they may not be reliable.

This document includes certain facts, forecasts, and statistics that have been derived from publicly available official government publications and databases which are generally believed by us to be reliable. While these government sources are typically considered trustworthy and are publicly accessible, we cannot assure you the accuracy and reliability of such sources.

The information extracted from these official government sources has not undergone independent verification by our company, nor by any of the involved parties in this [REDACTED], including but not limited to, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors, advisers, or any other persons or parties associated with the [REDACTED]. In all cases, investors are advised to exercise discretion when considering the weight and significance they attribute to such official facts, forecasts, and statistics presented in this document.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

Investors should read the entire document carefully and we strongly caution you not rely on any information contained in press articles and/or other media regarding us, our business, our industry and the [REDACTED] prior to the publication of this document, which contained, among other things,

RISK FACTORS

certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorised the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of any information such as press articles or other media coverage, nor the fairness or appropriateness of any estimates, views or opinions expressed by the press or other media regarding the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of such information. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them and you should not rely on such information.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains forward-looking statements relating to us and our operations and strategies made based on our current beliefs, assumptions and information currently available to us.

When used in this document, the words “anticipate,” “believe,” “estimate”, “plan,” “could,” “potential,” “continue,” “expect,” “intend,” “may,” “seek,” “will,” “would,” “should” , “going forward” and any similar terms, as they relate to us or our business, are intended to identify these forward-looking statements. Such statements are necessary estimates that reflect the current views of our Directors and management and subject to risks and uncertainties that may cause actual results to differ materially from those suggested by the forward-looking statements in this document. Whether the actual results of such statements will conform to our predictions is beyond our actual control. As a result, investors should not regard these forward-looking statements as a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement. We do not intend to update these forward looking statements in addition to our ongoing disclosure obligations pursuant to the Listing Rules or other requirements of the Stock Exchange.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, except as otherwise permitted by the Stock Exchange at its discretion, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Given that (i) our Group’s principal business and operations are located, managed and conducted in the PRC through our Company and our PRC operating subsidiaries; (ii) we have only one executive Director; (iii) our executive Director is not a Hong Kong permanent resident or is ordinarily based in Hong Kong; and (iv) our executive Director will continue to be based in the PRC after [REDACTED] to manage our business, therefore, our Company does not, and will not, in the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. The following arrangements have been put in place with the following measures in order to ensure that regular and effective communication is maintained between the Stock Exchange and us:

- (a) we have appointed and will continue to maintain two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two appointed authorised representatives are Mr. Zheng Bin, our executive Director and general manager, and Mr. Chung Ming Fai, a joint company secretary of our Company. Mr. Chung Ming Fai is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. In addition, the usual contact details of the two authorised representatives (including the office and mobile phone numbers, email addresses, correspondence address and facsimile numbers (if available)) have been provided to the Stock Exchange. Accordingly, each of the two authorised representatives of our Company will be readily contactable by the Stock Exchange by telephone and email to deal promptly with enquiries from the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any changes in the authorised representatives and/or their contact details. Both of our authorised representatives are authorised to communicate on our behalf with the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (b) each of the two authorised representatives of our Company has means to contact all members of our Board (including the independent non-executive Directors) promptly at all times when the Stock Exchange wishes to contact the Directors for any matters. Each of the Directors (including the independent non-executive Directors) has provided his/her contact details (including their respective office and mobile phone numbers, email addresses and facsimile numbers (if available)) to the authorised representatives and the Stock Exchange pursuant to Rule 3.20 of the Listing Rules. Our authorised representatives have means for contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters (including means to communicate with the Directors when they are travelling). Each of our Directors who is not ordinarily resident in Hong Kong either possesses, or can apply for, valid travel documents to visit Hong Kong in order to meet with the Stock Exchange within a reasonable period upon the Stock Exchange’s request. In addition, the Directors will provide valid phone numbers or means of communication to the authorised representatives in the event that they expect to travel and/or be out of office, and make themselves readily contactable by the authorised representatives. See “Directors and Parties Involved in the [REDACTED]” in this document for the details of other channels of communication with the Stock Exchange;
- (c) our Company has, in accordance with Rule 3A.19 of the Listing Rules, also appointed Gram Capital Limited as our compliance adviser upon [REDACTED], who will act as an additional channel of communication with the Stock Exchange. The compliance adviser will advise us on ongoing compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong for a period commencing on the [REDACTED] at least until the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our Company’s financial results for the first full financial year after the [REDACTED]. Our Company will inform the Stock Exchange promptly of any changes of our compliance adviser. The compliance adviser will also be available to respond to enquiries from the Stock Exchange. We will ensure that the compliance adviser has prompt access to our Company’s authorised representatives and Directors who will provide to the compliance adviser such information and assistance as the compliance adviser may need or may reasonably request in connection with the performance of the compliance adviser’s duties;
- (d) our Company will appoint other professional advisers (including legal advisers and accountants) to advise our Company on ongoing compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the [REDACTED]; and
- (e) meetings between the Stock Exchange and our Directors could be arranged through our authorised representatives, our compliance adviser, the company secretaries, or directly with our Directors within a reasonable time frame.

Our Company and Directors believe that the said arrangements will ensure that each of our Directors will be promptly informed of any matters raised by the Stock Exchange and that disclosure of information and communication with the Stock Exchange will be made on a timely basis.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 3.28 and Rule 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a Member of The Hong Kong Chartered Governance Institute; or
- (ii) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or
- (iii) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (i) length of employment with the issuer and other issuers and the roles he/she played;
- (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

Pursuant to paragraphs 12 and 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application submitted by an issuer in relation to Rule 3.28 and Rule 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (i) whether the issuer has principal business activities primarily outside Hong Kong;
- (ii) whether the issuer was able to demonstrate the need to appoint a person who does not have the “Acceptable Qualification” (as defined under Chapter 3.10 of the Guide for New Listing Applicants) or the “Relevant Experience” (as defined under Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- (iii) why the directors consider the proposed company secretary to be suitable to act as the issuer’s company secretary.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Further, pursuant to Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. Huang Jinjing (“**Ms. Huang**”) as one of our joint company secretaries. Ms. Huang has extensive experience in human resources and corporate governance and is familiar with the internal administration procedures and our Group’s day-to-day affairs but presently does not possess any of the qualifications under Rule 3.28 and Rule 8.17 of the Listing Rules, and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have also appointed Mr. Chung Ming Fai (“**Mr. Chung**”), who is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of Certified Practising Accountant of CPA Australia and meets the requirements stipulated under Rule 3.28 and Rule 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Huang for an initial period of three years from the [REDACTED] to enable Ms. Huang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set out under Rule 3.28 and Rule 8.17 of the Listing Rules. Apart from discharging his functions in his role as one of the joint company secretaries of our Company, Mr. Chung will work closely and assist Ms. Huang in enabling her to acquire the relevant company secretary experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. In addition, Ms. Huang will attend relevant professional training during each financial year as required under Rule 3.29 of the Listing Rules. See “Directors and Senior Management” in this document for further biographical details of Ms. Huang and Mr. Chung.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted,] a waiver from strict compliance with the requirements under Rule 3.28 and Rule 8.17 of the Listing Rules. Pursuant to Chapter 3.10 of the Guide for New Listing Applicants issued by the Stock Exchange, the waiver is granted on the following conditions:

- (i) Ms. Huang must be assisted by Mr. Chung, who possesses all the requisite qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the three-year waiver period. Mr. Chung will work closely with Ms. Huang to jointly discharge duties and responsibilities as joint company secretaries and assist Ms. Huang to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules. In addition, we will ensure Ms. Huang has access to relevant training and support to familiarise herself with the Listing Rules and the duties required for a company secretary of a company listed on the Stock Exchange; and
- (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

The waiver is valid for an initial period of three years from the [REDACTED]. Before the end of such three-year period, the qualifications and experience of Ms. Huang and the need for on-going assistance of Mr. Chung will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Ms. Huang, having benefited from the assistance of Mr. Chung for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Rule 3.28 and 8.17 of the Listing Rules and decide whether a further waiver will be necessary.

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue certain transactions which will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon the [REDACTED]. We have applied for, and the Stock Exchange [has granted], waivers from strict compliance with the requirements under Chapter 14A of the Listing Rules in relation to certain continuing connected transactions between us and certain connected persons. In particular, we have applied for, and the Stock Exchange [has granted] waivers from strict compliance with the requirements under Rule 14A.52 of the Listing Rules in relation to the unspecified term of the Exclusive Intellectual Property Rights Authorisation Framework Agreement with Impression Art Development. See “Continuing Connected Transaction” in this document for details.

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Residential Address	Nationality
Executive Director		
Mr. Zheng Bin (鄭彬)	Room 103 and Room 203 Block 3, 6 Yanzifeng Road (Fuyangsiji) Mount Wuyi City Fujian Province PRC	Chinese
Non-executive Directors		
Mr. Zhong Baiyi (衷柏夷) (also our Chairman)	Room 1302, Building A South Yijia Garden Mount Wuyi City Fujian Province PRC	Chinese
Ms. Xiao Jianhong (肖建紅)	Room 404, Building 2 Coal Mine Dormitory 307 Wuyi Avenue Mount Wuyi City Fujian Province PRC	Chinese
Mr. Zheng Feng (鄭豐)	Room 603, Building 8 34 Raoshu New Village Mount Wuyi City Fujian Province PRC	Chinese
Ms. Xu Zhoumei (許周妹)	Room 1204, Building 2 Phase 1 Yungu Community Wuyi New District Nanping City Fujian Province PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Residential Address	Nationality
Independent non-executive Directors		
Mr. He Shuqi (何書奇)	Room 1422, Building 3 Guancheng Sanmu Garden 11 Wei Qian Street Gulou District Fuzhou City Fujian Province PRC	Chinese
Mr. Liu Yongquan (劉用銓)	Room 503, 189 Qianpu Yili Siming District Xiamen City Fujian Province PRC	Chinese
Mr. Chan Tsz Kit (陳子傑)	Flat A, 46/F, Tower 2 The Orchards, No. 3 Greig Road Quarry Bay Hong Kong	Chinese (Hong Kong)

See “Directors and Senior Management” in this document for details.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

China Industrial Securities International Capital Limited

a corporation licensed by the SFC to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
32/F, Infinitus Plaza
199 Des Voeux Road Central
Sheung Wan
Hong Kong

Halcyon Capital Limited

a corporation licensed by the SFC to carry on Type 6 (advising on corporate finance) regulated activities under the SFO
Room 3401, 34/F., Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisers to our Company

As to Hong Kong law:

**Eric Chow & Co. in Association with
Commerce & Finance Law Offices**

3401, Alexandra House
18 Chater Road
Central
Hong Kong

As to PRC law:

AllBright Law Offices (Fuzhou)

37/F, IFC
1 Wang Long Er Road
Taijiang District
Fuzhou City
Fujian Province
PRC

**Legal Advisers to the Joint Sponsors
and the [REDACTED]**

As to Hong Kong law:

Hogan Lovells

11/F, One Pacific Place
88 Queensway
Admiralty
Hong Kong

As to PRC law:

Commerce & Finance Law Offices

12-15/F, China World Office 2
1 Jianguomenwai Avenue
Beijing
PRC

Auditors and Reporting Accountants

Grant Thornton Hong Kong Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

Industry Consultant

**Frost & Sullivan (Beijing) Inc., Shanghai
Branch Co.**

Room 2504, Wheelock Square
1717 West Nanjing Road
Shanghai
PRC

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

CORPORATE INFORMATION

Registered Office	Inside the Digital Tea Expo Hall Tea Expo Park, Resort Area Mount Wuyi City Fujian Province PRC
Head Office and Principal Place of Business in the PRC	Impression Villa (Yinxiang Bieyuan) 62 Sangu Street, Resort Area Mount Wuyi City Fujian Province PRC
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre 248 Queen’s Road East Wan Chai Hong Kong
Company’s Website	<u>https://www.yxdhp.com.cn/</u> <i>(the information on this website does not form part of this document)</i>
Joint Company Secretaries	Ms. Huang Jinjing (黃金晶) Room 503, Building 2 Wuyi Huating 79 Zhanqian Avenue Mount Wuyi City Fujian Province PRC Mr. CHUNG Ming Fai (鐘明輝) 40/F, Dah Sing Financial Centre 248 Queen’s Road East Wan Chai Hong Kong
Authorised Representatives (under the Listing Rules)	Mr. Zheng Bin (鄭彬) Room 103 and Room 203 Block 3, 6 Yanzifeng Road (Fuyangsiji) Mount Wuyi City Fujian Province PRC Mr. CHUNG Ming Fai (鐘明輝) 40/F, Dah Sing Financial Centre 248 Queen’s Road East Wan Chai Hong Kong

CORPORATE INFORMATION

Audit Committee Mr. Liu Yongquan (劉用銓) (*Chairman*)
Mr. Zheng Feng (鄭豐)
Mr. Chan Tsz Kit (陳子傑)

Nomination Committee Mr. He Shuqi (何書奇) (*Chairman*)
Mr. Liu Yongquan (劉用銓)
Ms. Xu Zhoumei (許周妹)

Remuneration Committee Mr. He Shuqi (何書奇) (*Chairman*)
Mr. Zheng Bin (鄭彬)
Mr. Liu Yongquan (劉用銓)

Strategy Committee Mr. Zhong Baiyi (衷柏夷) (*Chairman*)
Mr. He Shuqi (何書奇)
Mr. Liu Yongquan (劉用銓)

Compliance Adviser **Gram Capital Limited**
Room 1209
12/F, Nan Fung Tower
88 Connaught Road Central
173 Des Voeux Road Central
Central
Hong Kong

[REDACTED]

Principal Bank **Agricultural Bank of China, Mount Wuyi Branch**
275 Zhongshan Road
Mount Wuyi City
Fujian Province
PRC

INDUSTRY OVERVIEW

Certain information and statistics set out in this section and elsewhere in this document are derived from various government and other publicly available sources and from the market research report prepared by Frost & Sullivan. We believe that the sources of such information and statistics are appropriate for such information and statistics and have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information and statistics are false in any material respect or misleading or that any fact has been omitted that would render such information or statistics false in any material respect or misleading. None of our Company, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED], any of our or their respective directors, officers, employees, agents or advisers, or any other persons or parties involved in the [REDACTED] (except Frost & Sullivan), has verified the information and statistics from official government sources, thus makes no representation as to the accuracy of the information and statistics from official government sources.

SOURCE OF INDUSTRY INFORMATION

In connection with the [REDACTED], we have engaged Frost & Sullivan, an independent market research consultant, to conduct a detailed analysis on China’s tourism market and China’s cultural tourism performance market and prepare a report for use in this document, for which we have agreed to pay an engagement fee of RMB350,000, which we believe to be consistent with market rates.

Frost & Sullivan was founded in 1961 and has over 40 global offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists. It offers industry research and market strategies, and provides growth consulting and corporate training. Frost & Sullivan entered the Greater China market with its offices in Beijing, Shanghai, Shenzhen and Hong Kong since 1990’s. Frost & Sullivan Greater China has provided industry consulting services for more than 20 years.

BASIS OF ASSUMPTION

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan adopted the following assumptions: (i) global social, economic and political environment is likely to remain stable from 2025 to 2029 (the “**Forecast Period**”); (ii) purchasing power is expected to continue to rise moderately in emerging regions and to grow steadily in developed regions; and (iii) related industry key drivers are likely to drive the market in the Forecast Period.

RESEARCH METHODOLOGY

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Frost & Sullivan has prepared the Frost & Sullivan Report based on (i) detailed primary research which involved discussion of the status of the China’s tourism market and China’s cultural tourism performance market with certain leading industry participants; and (ii) secondary research which involved reviewing company reports, independent research reports and data based on its own research database. After taking reasonable care, we consider the information and statistics are reliable.

INDUSTRY OVERVIEW

THE TOURISM MARKET IN CHINA

China’s dynamic and diverse tourism industry has undergone rapid growth and evolution. However, the COVID-19 pandemic from 2020 to 2022 significantly impacted the country’s tourism sector over the period, due to the lockdowns and travel restrictions. Total tourist arrivals in China plummeted to approximately 2,906.5 million person-times in 2020 and the lowest number of tourist arrivals, being approximately 2,550.0 million person-times, were recorded in 2022. In 2023, the total tourist arrivals in China recorded a noticeable rebound at year-on-year growth of approximately 95.0%, mainly attributable to the official end of the COVID-19 pandemic announced by the World Health Organisation, followed by lifting of restrictions, as well as the release of pent-up demand in tourism that had been suppressed during the lockdown. In 2024, the total tourist arrivals recovered stably to approximately 5,751.9 million person-times, with the CAGR of approximately 18.6% from 2020 to 2024. Aligned with the fluctuation in tourist arrivals, the total tourism spending in China also plunged to approximately RMB2,380.8 billion in 2020 and bottomed out at approximately RMB2,130.0 billion in 2022, followed by a pronounced recovery to approximately RMB6,396.6 billion in 2024, representing a CAGR of approximately 28.0% from 2020 to 2024. In the first quarter of 2025, the domestic tourism spending recorded a period-to-period increase of approximately 18.6% according to the Ministry of Culture and Tourism of People’s Republic of China, indicating a continuous release of domestic tourists’ purchasing power in the tourism market.

Along with the introduction of supportive policies and surge in local and regional tourism markets, China is projected to continue its sustained growth trend in tourism market in the coming years. Total tourist arrivals are expected to reach approximately 8,718.2 million person-times in 2029, representing a CAGR of approximately 8.7% from 2024 to 2029. The total tourism spending is expected to reach approximately RMB10,829.9 billion in 2029, representing a CAGR of approximately 11.1% for the same period.

In addition, China’s unique and rich cultural heritage fosters the development of cultural tourism. China is entering a new era where cultural shaping and tourism experiences are closely integrated, with the cultural tourism market becoming a new driver and engine for tourism growth. In 2022, “The 14th Five-Year Plan for the Development of the Tourism Industry” (《“十四五”旅遊業發展規劃》) issued by the State Council, highlighted the importance of integrating culture with tourism to promote cultural exchanges and enrich cultural connotations of tourism products. Since then, there has been a notable shift towards more profound cultural experience tourism in terms of depth and diversity, implying that tourists have become more interested in innovative tourism products combining local culture and entertainment. In 2024, in-destination spending on cultural tourism in China was approximately RMB292.4 billion, surpassing that of 2022 by threefold. It is expected that the in-destination spending on cultural tourism in China will remain steadfast in fostering ongoing growth, rising to approximately RMB482.4 billion by 2029 with a CAGR of approximately 10.5% from 2024 to 2029.

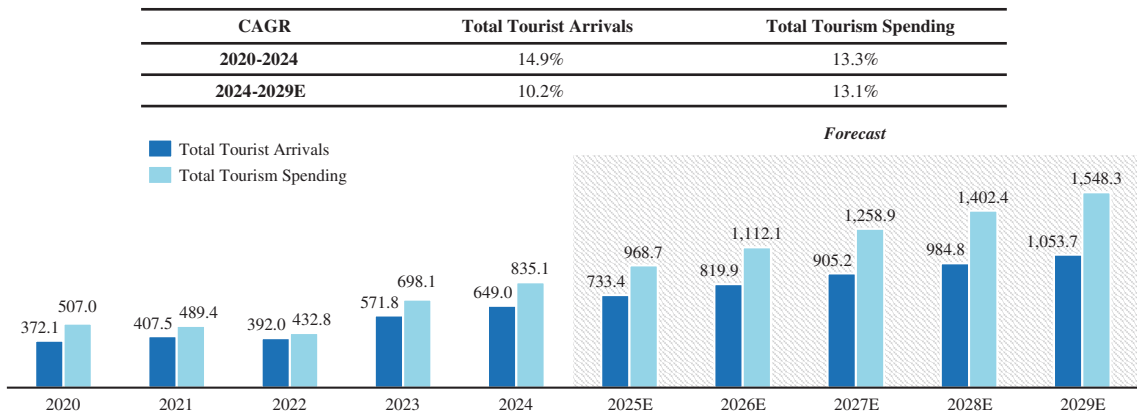
INDUSTRY OVERVIEW

The Tourism Market in Fujian Province

The tourism industry in Fujian Province has experienced fluctuations due to COVID-19 between 2020 and 2022 and has subsequently demonstrated its resilience followed by gradual recovery from the COVID-19 impacts since 2023. As a result, the total tourist arrivals in Fujian Province increased from approximately 372.1 million person-times in 2020 to approximately 649.0 million person-times in 2024, demonstrating a growth at CAGR of approximately 14.9%. Meanwhile, the total tourism spending in Fujian Province finally stood at approximately RMB835.1 billion in 2024. The figure indicated that the tourism market in Fujian Province had reversed to pre-pandemic level. However, the average spending per tourist has yet fully reversed to pre-pandemic level, at approximately RMB1,286.8 in 2024, mainly stemming from the increased prudence in spending observed after the pandemic. In the first quarters of 2025, according to Fujian Provincial Department of Culture and Tourism (福建省文化和旅遊廳), total tourist arrivals and total tourism spending in Fujian Province saw a period-to-period increase of approximately 14.2% and 15.5%, respectively, indicating a continuous boost in demand trend.

With rich natural scenery and profound cultural heritage, Fujian Province’s tourism market has been growing steadily and actively developing new tourism projects, such as eco-tourism and cultural tourism, with the aim to achieve a total tourism spending of over RMB1.0 trillion and total tourist arrivals of more than 730.0 million person-times by 2026. Such ambition indicates that the provincial government is committed to fostering an environment conducive to the growth of local tourism. In recent years, the tourism industry in Fujian Province has shown a prosperous trend. As a result, It is expected to achieve the above-mentioned target of tourist arrivals by 2025, reaching approximately 733.4 million person-times, and total tourism spending is projected to meet the target by 2026, amounting to approximately RMB1,112.1 billion. Looking forward, total tourist arrivals and total tourism spending in Fujian Province are projected to continue thriving, reaching approximately 1,053.7 million person-times and RMB1,548.3 billion by 2029, yielding a CAGR of approximately 10.2% and 13.1% from 2024 to 2029, respectively.

Total Tourist Arrivals and Total Tourism Spending, Fujian Province, China
Million person-times; RMB Billion; 2020-2029E



Source: Fujian Provincial Bureau of Statistics, Frost & Sullivan
Note: The total tourism spending refers to the total expenditures on travelling, including transportation, lodging and in-destination activities

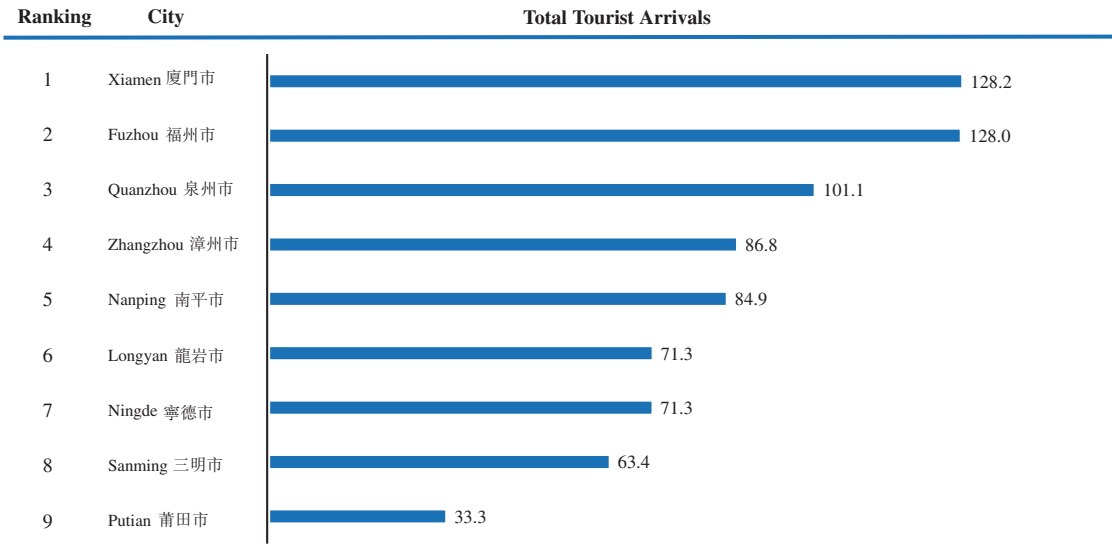
INDUSTRY OVERVIEW

With innovation and fine-tune of local cultural tourism products, the growth trend in in-destination spending on cultural tourism in Fujian Province is anticipated to sustain. In-destination spending within the province is projected to reach approximately RMB74.2 billion by 2029, representing a CAGR of approximately 14.2% from 2024 to 2029.

The Landscape of Fujian Tourism Market

The rankings of the top cities in Fujian Province in terms of the number of tourists arrivals and corresponding tourism spending in 2024 are set out below:

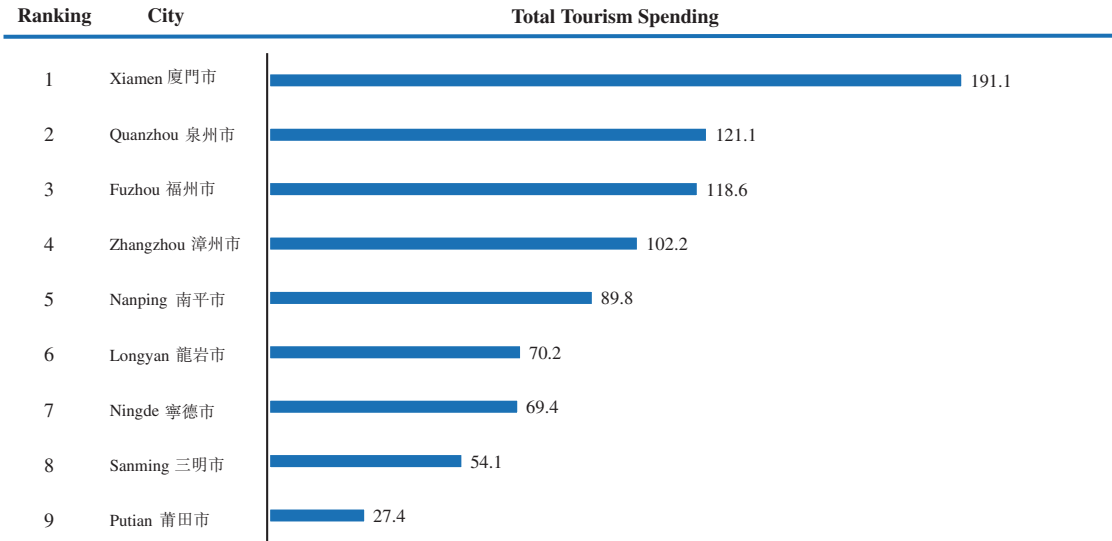
Ranking of Cities in Fujian Province by Total Tourist Arrivals, China
Million Person-Times; 2024



Source: The Bureau of Statistics of each city in Fujian Province, Frost & Sullivan

INDUSTRY OVERVIEW

Ranking of Cities in Fujian Province by Total Tourism Spending, China
RMB Billion; 2024



Source: The Bureau of Statistics of each city in Fujian Province, Frost & Sullivan
Note: The total tourism spending refers to the total expenditures on travelling, including transportation, lodging and in-destination activities.

The Tourism Market in Mount Wuyi City

Mount Wuyi City, as a popular tourist destination in Fujian Province, is under the jurisdiction of Nanping City and is situated in the Minjiang River Basin and is characterised by its picturesque. The UNSECO — recognised Mount Wuyi is famous for its unique natural splendour and cultural significance, with many cultural relics and ancient sites that attract history enthusiasts and scholars for visiting. Mount Wuyi City has also embraced its tea production, particularly the Mount Wuyi rock tea (Dahongpao), which is highly valued for its unique flavour and aroma. The tea tourism offers travellers the opportunities to learn more about the traditional tea-making process and to participate in tea ceremonies.

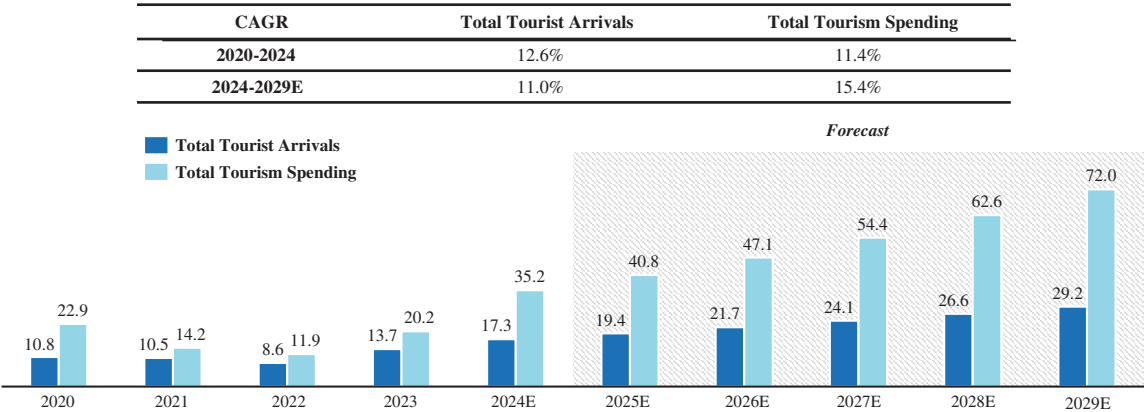
With Mount Wuyi scenic area as the core attraction and with traditional sightseeing as the main tourism activity over the past few years, Mount Wuyi City has been particularly affected by the pandemic, with total tourists arrivals dropping to approximately 8.6 million person-times and total tourism spending dropping to approximately RMB11.9 billion in 2022, respectively. The tourism market in Mount Wuyi City recorded a relatively striking recovery in 2023, with a year-on-year growth of tourist arrivals and total tourism spending reaching approximately 58.3% and 70.0% respectively. In 2024, the total tourist arrivals in Mount Wuyi City reached approximately 17.3 million person-times and the total tourism spending recorded was approximately RMB35.2 billion, which accounted for approximately 2.7% and 4.2% of the total tourist arrivals and total tourism spending in the tourism market of Fujian Province, respectively. Additionally, in 2024, the total tourist arrivals and total tourism spending in Mount Wuyi City accounted for approximately 20.4% and 39.2% of the total tourist arrivals and the total tourism spending in Nanping City, respectively.

INDUSTRY OVERVIEW

Mount Wuyi is one of the most significant tourist attractions in Mount Wuyi City, which is known for its breathtaking landscapes characterised by featuring dramatic cliffs, deep gorges, flowing rivers and lush forests. Beyond its natural beauty, Mount Wuyi holds significant cultural and historical value, housing ancient temples, tea estates and traditional villages that safeguard centuries-old Chinese tea traditions and Taoist customs. In 2024, Mount Wuyi Scenic Area drew approximately 4.4 million person-times, representing approximately 25.4% of the total tourist arrivals in Mount Wuyi City, which is lower than the figure of 32.7% in 2023 mainly due to the increase in rainy weather days.

Taking the construction of the National Park No. 1 Scenic Road (武夷山國家公園1號風景道) as an opportunity in 2024, Mount Wuyi City has fully integrated the city itself into the Great Wuyi Cultural Tourism Circle (武夷山大文化旅遊圈). Further impelled by the shift in tourists demand towards cultural engagement, strong focus on enhancing the quality and economic impact of outdoor tourism activities, Mount Wuyi City has been endeavouring to explore the potential of its tourism industry by further developing tourism routes such as self-driving tours, cycling tours and hiking tours. Mount Wuyi City has also been actively carrying out various tourism activities, deeply integrating local characteristic tea culture and tourism projects with unique experiences. Additionally, the synergy and innovation of Mount Wuyi’s tourism products have been improved in recent years. As a result, the growing trend in tourist arrivals and tourism spending in Mount Wuyi City is expected to retain, which is expected to increase to approximately 29.2 million person-times and RMB72.0 billion by 2029, with a CAGR of approximately 11.0% and 15.4% from 2024 to 2029, respectively.

Total Tourist Arrivals and Total Tourism Spending, Mount Wuyi City
Million person-times; RMB Billion; 2020-2029E



Source: Mount Wuyi Municipal Bureau of Statistics, Frost & Sullivan
Note: The total tourism spending refers to the total expenditures on travelling, including transportation, lodging and in-destination activities.

INDUSTRY OVERVIEW

THE CULTURAL TOURISM PERFORMANCE MARKET IN CHINA AND FUJIAN PROVINCE

Definition and Classification

Cultural tourism performance refers to the shows which are performed at the tourism spots. These shows or performances are designed to entertain or appeal to tourists and encompass a wide spectrum of cultural storytelling, artistic presentation, immersive experiences and historical reenactments that highlight local traditions, heritage and innovation. Cultural tourism performance can be further classified into three main categories, namely, (i) tourism scenery performance, (ii) theme park performance and (iii) theatre performance.

Tourism scenery performance refers to performances that occur in natural landscapes or historical sites, incorporating the distinctive aspects of local culture, folklore, customs and the everyday lives of local residents. These performances are renowned for providing a one-of-a-kind and irreplaceable sensory experience. Typically conducted outdoors, tourism scenery performances combine elements of natural discovery with cultural immersion.

Theme park performance refers to performances integrating contents that align closely with the park’s theme. These performances combine interactive elements, storytelling and immersive effects, with key features being strong thematic focus.

Theatre performance refers to theatrical performances occurred in professional theatres or renovated theatres within tourist destinations. These performances include a variety of formats such as traditional operas, musicals, dramas and dance; and are featured by impressive set designs as well as advanced stage technology.

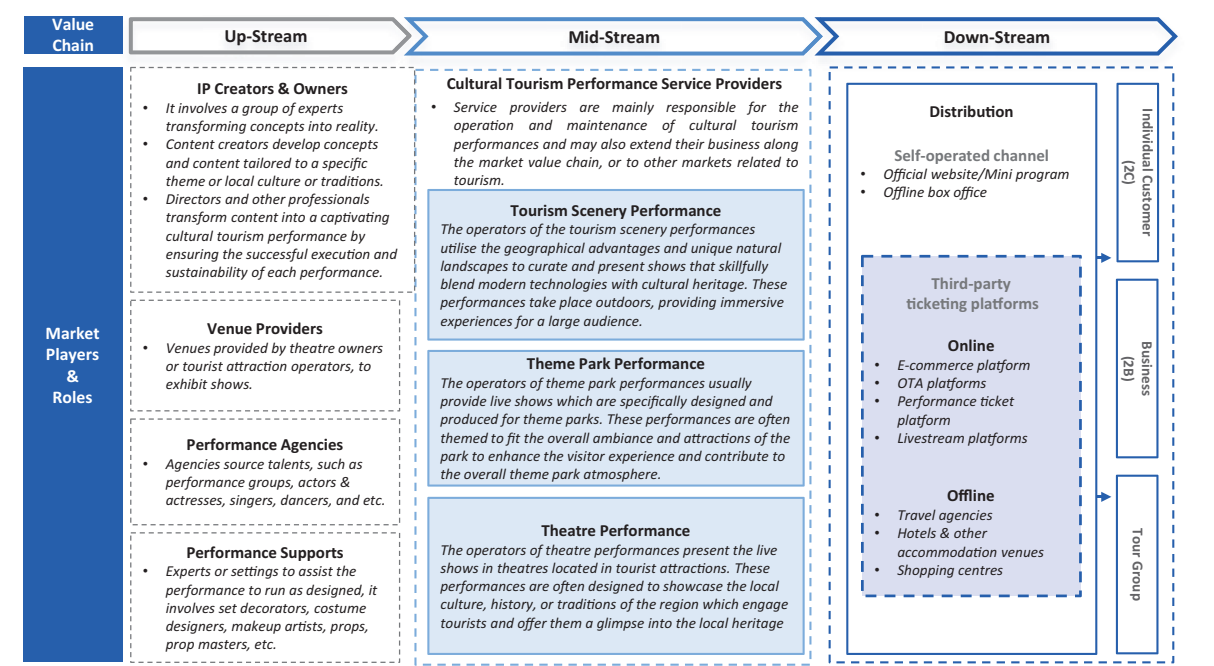
Value Chain Analysis of Cultural Tourism Performance Market

The cultural tourism performance market has a well-defined value chain. The upstream involves IP creators and owners, venue providers, performance agencies and performance supports. IP creators and owners are critical components that include the conceptualisation and production of the performances through which concepts are transformed into reality.

The midstream consists of cultural tourism performance service providers who are mainly responsible for the operation and maintenance of cultural tourism performances. They may extend their businesses along the market value chain, or to other tourism-related markets, covering performance-related catering and accommodation services.

The downstream represents ticket distribution channels including self-operated channels and third-party ticket selling platforms such as travel agencies, e-commerce platforms and hotels and other accommodation venues.

INDUSTRY OVERVIEW



Source: Frost & Sullivan

Life Cycle of Cultural Tourism Performance

Based on the years following the performance’s premier, the operation stage can be further divided into four phases: the incubation phase, the growth phase, the maturity phase and the innovation and enhancement phase. These phases constitute the entire lifecycle of a cultural tourism performance project.

The incubation phase: This phase typically occurs within the first one to two years after the cultural tourism performance is launched. At this time, the project has just been introduced to the market and has not yet been widely recognised by the audience. Meanwhile, the supporting products and services are not fully established, and the market demand cannot be guaranteed. Cultural tourism performance companies often engage in marketing activities and other market initiatives to gradually cultivate the market through strategic planning.

The growth phase: This phase typically occurs around five years after the cultural tourism performance is launched. The project has gradually gained preliminary market acceptance, and its visibility and number of audience attendance steadily increases, with the emergence of revisiting audience. The supporting products and services are also improving. Cultural tourism performance companies continuously make adjustments and optimisations to their products based on market feedbacks, and simultaneously collaborate with surrounding tourism attractions to carry out relevant promotional activities, further enhancing the market awareness of the cultural tourism performance.

INDUSTRY OVERVIEW

The maturity phase: This phase typically occurs around 10 years after the cultural tourism performance is launched. The project has been widely accepted by the market and enjoys a high level of brand awareness and good reputation. Tourists have clear expectations for the performance. Box office receipts have peaked and are trending towards stability. Supporting products and services are already well-established. Meanwhile, cultural tourism performance companies typically adopt brand strategies, strengthen the construction and operation of both online and offline channels, extend a series of experiential activities, and enhance the cooperation with surrounding tourism spots, hotels and travel agencies. These measures aim to clarify the brand positioning and enhance its brand influence, thereby strengthening its risk resistance capabilities.

The innovation and enhancement phase: This phase typically occurs around 15 years after the cultural tourism performance is launched. With the continuous introduction of new cultural tourism performances in the market, consumer interests are shifting. Therefore, cultural tourism performance companies need to regularly adjust and optimise the performance to maintain its high quality and attractiveness. For example, they can expand into new themes or storylines to enrich the performance content, launch a series of performances based on different seasons or festivals to attract audience to watch multiple times, and experiment with new performance forms or artistic elements to bring audiences an entirely new visual and auditory experience. At the same time, companies will increase their promotional efforts, utilising emerging marketing methods such as social media and influencer marketing, to continuously maintain the brand’s influence and coverage.

Overall, cultural tourism performances, through continuous enhancement and innovation, as well as adaptations such as seasonal editions, are able to extend their life cycles. Currently, the top 5% of cultural tourism performance projects in terms of revenue in the industry have all been launched for more than a decade. China’s cultural tourism performance industry can be traced back to 1982 with the debut of “Imitation of Tang Music and Dance”, marking a 43-year history to the end of 2024. “Songcheng Eternal Love”, a prominent production in the theme park performance, has been in operation for almost 30 years since its launch. As a pioneering work in tourism scenery performance industry of China, “Impression — Liu Sanjie” has also been staged for 21 years. In the realm of stage play, “Thunderstorm”, which is first performed in 1934, stands as one of the longest-running and most influential Chinese plays. It has evolved into a classic intellectual property (IP) and continues to tour on a regular basis. In terms of overseas market, the opera performance “Cats” and “The Phantom of the Opera”, which was premiered in 1981 and 1986 respectively, have since maintained performance histories of 44 and 39 years, respectively. Additionally, Broadway itself boasts a theatrical heritage dating back to the early 19th century, with over 200 years of continuous development.

Cultural Tourism Performance Market in China and Fujian Province

As national disposable income continues to rise, people have more funds available for consumption that is beyond basic living needs. In terms of consumption concepts, people are increasingly focused on spiritual satisfaction and personalised experiences, with their consumption preferences shifting from traditional materials to high-quality and diversified services. Specifically in the context of tourism sector. The increase in disposable income enables tourists to afford more expensive tourism products and also makes them more willing to invest time and money in gaining a deep understanding of the cultural connotations behind the destinations.

INDUSTRY OVERVIEW

This phenomenon is pronounced among the post-90s and post-00s generations, who are becoming the force driving the development of cultural tourism in China. Having grown up in an era of material abundance, the younger generation is more eager to seek spiritual fulfilment and cultural identity through in-depth travel experiences. On the one hand, they pursue personalised experiences, and immersive performances and folk activities happen to meet their demand for diversification. On the other hand, they are deeply influenced by social media, cultural tourism destinations and performance projects rapidly attract widespread attention through social media sharing, prompting a surge of interest and participation. In addition, a higher level of education enables the younger generations to have a deeper understanding of culture, and travel becomes an important way for them to broaden their horizons.

This generational preference, together with the upgrading of tourists’ preferences, reshapes the tourism market landscape, drives the cultural tourism market to continuously innovate its supply, jointly giving rise to the rapid growth in demand for cultural tourism experiences and immersive travel experiences. Among them, cultural tourism performances, with their unique cultural involvement and entertainment, are attracting an increasing number of audiences.

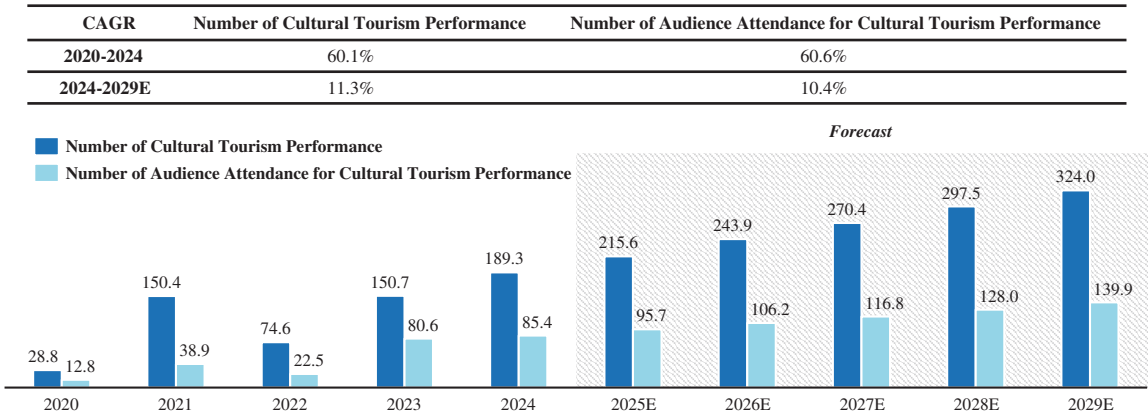
This is demonstrated by the fact that the number of the cultural performances in China in 2023 has doubled, compared with that of in 2022, and arrived at approximately 189.3 thousand performances in 2024. Established shows that have gained widespread recognition from both the market and audience are anticipated to expand their number of performances to reach a broader audience coverage. Additionally, new shows are expected to be introduced to diversify cultural tourism performances. Therefore, the number of cultural tourism performances is forecasted to reach approximately 324.0 thousand performances by 2029, representing a CAGR of approximately 11.3% from 2024 to 2029.

Although China’s cultural tourism performance market experienced fluctuations due to the negative impact of the COVID-19 pandemic from 2020 to 2022, it demonstrated a strong market rebound in 2023, which was mainly attributed to the resurgence of the domestic tourism market and the growing demand for local cultural experience travelling. In 2024, the upward trend sustained, and the number of audience attendance for cultural tourism performance further rebounded to approximately 85.4 million attendance. In the following years, the tourism market is expected to continue to recover, particularly in the popularity of short-distance domestic travel and the demands for immersive culture experience, as well as the diversified cultural tourism performance which is empowered by advanced technology and creative contents to significantly enhance the audience experience. Therefore, China’s cultural tourism performance market will sustain the long-term growth going forward. The audience attendance is projected to achieve approximately 139.9 million attendance by 2029, representing a CAGR of approximately 10.4% from 2024 to 2029.

INDUSTRY OVERVIEW

Number of Cultural Tourism Performance and Number of Audience Attendance for Cultural Tourism Performance, China

Thousand; Million Attendance; 2020-2029E



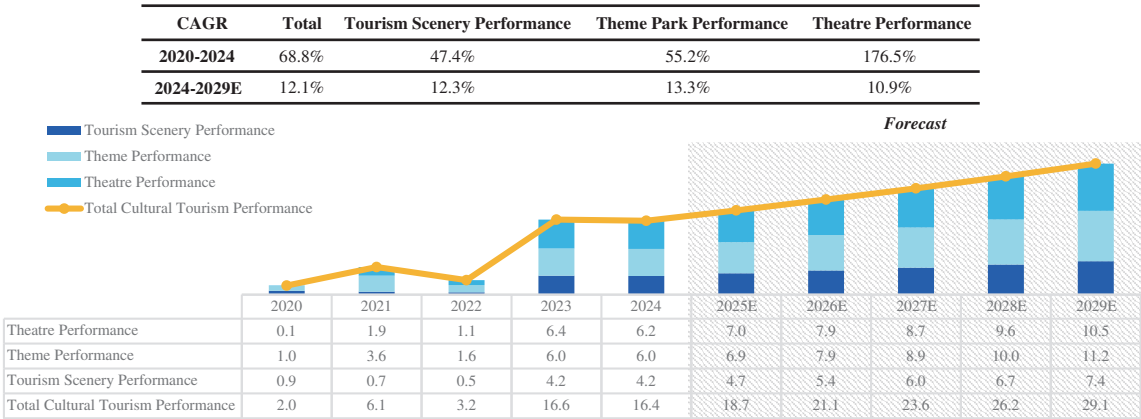
Source: China Association of Performing Arts, Frost & Sullivan

In 2023, China’s cultural tourism performance market, as measured by box office receipts, had recovered, with box office receipts reaching approximately RMB16.6 billion, representing a year-on-year growth of approximately 416.2% compared to 2022. In 2024, China’s cultural tourism performance market slightly decreased to approximately RMB16.4 billion with a CAGR of approximately 68.8% from 2020 to 2024. The tourism performances are normally based on the local culture, history or traditions which are centred around specific themes, offering the audience an immersive experience and reinforcing the distinctive characteristics of the destination. Additionally, technological advancement has enhanced the audience engagement experience during the cultural tourism performances. As a result, the box office receipts of cultural tourism performance are projected to reach approximately RMB29.1 billion by 2029, representing a CAGR of approximately 12.1% from 2024 to 2029.

Furthermore, the box office receipts generated by tourism scenery performances surged from approximately RMB0.9 billion in 2020 to approximately RMB4.2 billion in 2024. These performances took place in natural landscapes within tourist attractions, where the backdrop of the natural splendour itself becomes an integral part of the performance, enhancing the visual spectacle. Moreover, performances in natural settings often showcase local myths, legends, traditions and cultural practices in an authentic manner which are deeply rooted in the region. By intertwining local history with the natural surroundings, these performances create a profound cultural and emotional bond for travellers. Projections indicate that the box office receipts from tourism scenery performance market is expected to continue its upward trajectory, with a forecasted CAGR of approximately 12.3% from 2024, reaching approximately RMB7.4 billion by 2029 and maintaining a consistent growth trend during this period.

INDUSTRY OVERVIEW

Box Office Receipts of Cultural Tourism Performance by Type, China
RMB Billion; 2020-2029E



Source: China Association of Performing Arts, Frost & Sullivan
Note: The market size refers to the box office receipts of tourism scenery performance, theme park performance and theatre performance

The diverse regional culture and extensive historical heritage of Fujian Province have established a strong foundation for the growth of its cultural tourism market. In recent years, with the thriving cultural tourism performance market across China, Fujian Provincial People’s Government (福建省人民政府) is strategically developing the cultural tourism market within the province. In 2023, Fujian Provincial Department of Culture and Tourism (福建省文化和旅游廳) reckoned the live performance as a major driver in developing the local tourism market. The live performance market in Fujian Province achieved a year-on-year growth rate of approximately 485.9% and 67.5% in 2023 and 2024, respectively. This initiative aims to deepen tourists’ interest for natural beauty of local attractions into an exploration of the rich culture experience that Fujian Province offers.

On the basis that Fujian Province is enhancing its reputation as a cultural hub, the provincial government further highlighted the concept of “cultural tourism performance +” to promote the blend of local culture with iconic heritage spots. The wealth of cultural resources provides a rich source of inspiration for performance creators. High-quality performance can play a critical role in driving the growth of the cultural tourism performance market, fostering resonance with tourists. More specifically, the province boasts stunning natural landscapes which serve as pristine backdrops for tourism scenery performances. Leveraging the advantage of its long-standing cultural heritage and diverse geographical landscape, tourism scenery performances in Fujian Province encompass the potential to create substantial added value, which thus forms a driving force the cultural tourism market in Fujian Province.

Growth Driver of China’s Cultural Tourism Performance Market

- Government regulations and policies:** China’s regulations and policies have always been conceived to be the cornerstone of creating a robust framework for growth and development. For example, the Guiding Opinions on Promoting the Development of Cultural Tourism Performing Arts (《關於促進旅遊演藝發展的指導意見》) sets the ambitious tone for the quality and branding of cultural tourism performances, aiming to fully leverage the role of cultural tourism

INDUSTRY OVERVIEW

performances as an important vehicle for the integration of culture and tourism. In terms of the policy environment, cultural tourism performance enterprises that meet the criteria for high-tech enterprise certification can enjoy tax preferences in accordance with the law. At the same time, the promotion of the Public-Private Partnership (PPP) model in the cultural tourism performance sector is supported. Efforts are also made to actively guide private equity funds and various investment institutions to invest in cultural tourism performance projects. The 14th Five-Year Plan for the Development of the Tourism Industry (《“十四五”旅遊業發展規劃》) further highlights the importance of integrating culture with tourism to promote cultural exchanges and enrich the cultural connotations of tourism products. At the same time, it is proposed to build around 30 demonstration cities to drive the continuous growth of cultural tourism consumption, and to select more than 200 national-level clusters for night-time cultural tourism consumption.

- **Robust recovery of tourism industry after pandemic:** The post-pandemic resurgence of China’s tourism sector has cultivated a favourable landscape for the expansion of cultural tourism performance within tourist hotspots. Emerging from stifling lockdowns and travel constraints for the paramount sanitation and health consideration, Chinese travellers became keen on offsetting the lost travel opportunities as a result of the lockdowns and travel constraints during the pandemic. Travellers gravitated towards domestic locations, particularly the short-distance domestic travel and immersive culture experience travel. In 2023, domestic tourism expenditure surged by an impressive 140.3% year-on-year, reaching approximately RMB4.9 trillion. With the rebound in domestic travel, traveller’s attention has been diverted to explore enriching and interactive experiences, driving a heightened demand for cultural showcases, live entertainment and participatory events at renowned sites. Particularly, the cultural tourism performances with the regional heritage and local traditional elements gained popularity, offering travellers deeper connections to the locale they explore.
- **Increasing demands for cultural and experiential travel:** With the gradual economic recovery, the disposable income of residents is expected to increase, which enables people to have more capacity to pursue high-quality and personalised travel experiences. Cultural tourism performances, particularly those rich in heritage and local culture, meet travellers’ demands perfectly by allowing tourists to enjoy natural scenery and to experience the local history, culture, and folk customs. These live shows transcend mere observation, enabling travellers to find and display a seamless and strong affinity with the region’s cultural tapestry. At the same time, the Generation Z is gradually becoming the main force in the tourism market in China. This group enjoys a more affluent material life and places greater emphasis on experience. They opt to explore the world and learn about different cultures through travel, and are keen on sharing their travel experiences on social media platforms. In addition, with the rise of social media and short video platforms, more and more travel destinations have become popular online as “Internet-famous tourist spot”, which further stimulates people’s interest in cultural experiential tourism.

INDUSTRY OVERVIEW

- **Abundant regional culture cultivates vibrant cultural tourism performance:** The exploration of regional traditional cultures has emerged as a key avenue for advancing cultural development. China boasts an immensely diverse array of regional cultural assets, showcasing its unique traditions, historical legacies, ethnic practices and natural scenery. These intricate traditions, deeply rooted in the histories, beliefs and principles of local populations, form a dynamic canvas for cultural tourism performances. These traditions captivate tourists on an emotional and intellectual level, fostering a deeper appreciation for indigenous cultures as well. Through harnessing these resources, tourist destinations can craft genuine and immersive encounters that can not only draw in travellers but also safeguard and showcase the distinctive cultural essence of each locale.

Future Trends of China’s Cultural Tourism Performance Market

- **Tourism scenery performance with immersive and multi-sensory experience will be appreciated:** The cultural tourism performance with natural landscape in tourism attractions will become a defining type of touring performance. Natural landscapes often carry significant cultural, historical and spiritual meaning for local communities and possess significant magnetism for incoming travellers. By hosting cultural tourism performances against backdrop of such landscapes, tourism attractions are able to showcase not just the beauty of nature but also the stories, traditions and values inherent to the land. Additionally, cultural tourism performances in natural settings create an immersive and multi-sensory experience for tourists, which is far more engaging than indoor performances.
- **Integration of traditional culture with modern technology:** One of the most prominent trends in China’s cultural tourism performance industry is the integration of traditional cultural elements with modern technology. Traditional art forms and regional culture elements are being revitalised through technological innovations. This fusion of traditional and novelty enables cultural tourism performance to reach a broader and more digitally literate audience, especially younger generations who are increasingly drawn to modern entertainment experiences.
- **Continue to explore regional culture as performance content:** Cultural tourism is increasingly focused on authenticity. Tourists want to engage with performances that are deeply rooted in the region’s local culture, traditions and heritage. This trend is reshaping cultural tourism performances. Additionally, market players are encouraged to explore local cultural characteristics and the ways to present stage content. By delving into local culture and folklore, along with the continuous improvement from production teams, more unique and appealing cultural tourism performances are expected to be created in the market.
- **Established market players to create multiple growth curves:** Market players enjoy strong reputations are well-positioned to employ a variety of strategies to create multiple growth curves. These market players could expand their performance repertoire or create new performances to cater to a broader range of audience. They could also diversify their revenue streams by developing merchandising and licensing opportunities, as well as operating tourism properties. These strategies help such market players stay competitive, attract more audience and maintain a long-term and sustainable business model that continuously adapts to the changing audience tastes.

INDUSTRY OVERVIEW

Entry Barriers of China’s Cultural Tourism Performance Market

- **Barriers in geographic location and cultural profundity:** Cultural tourism performances are commercial entertainment activities that primarily showcase the regional cultural backgrounds or local customs and traditions. The performance venues are mostly situated in tourist hotspots. Geographical location affects both seasonality adaptability of cultural tourism performances and performance contents, as these contents, to a great extent, rely on the specific local culture in order to create a distinctive tourism product. Additionally, the non-replicability is also reflected in the surrounding landscape of the performance, even more pronounced in tourism scenery performance. The first tourism scenery performance has the first-mover advantage over the specific landscape which is no longer available to latecomers.
- **Barriers in performance content and stage arrangement:** A balance between artistry, marketability, cultural heritage and technological innovation serves as the cornerstone for cultural tourism performance to be a blockbuster and its sustainable development afterwards. In particular, a high degree of unity between artistic quality and marketability is the lifeblood for cultural tourism performances. Therefore, the creators, scriptwriters and directors need to focus on presenting modern artistic expressions and providing audience with an impressive viewing experience. Experienced production teams can discern evolutions in tourist demands and accurately target the position of the performance, allowing audience to resonate deeply and empathise profoundly, thereby forming a positive word-of-mouth in the market.
- **Barriers in brand effect and marketing strategy:** The competitive landscape of cultural tourism performance market in China has evolved from a small-scaled and scattered market towards an energetic market consisting of integrated enterprises with brand value. Over years of publicity, these enterprises will become able to build brand awareness and gain high recognition among travellers. As a result, they have accumulated rich experience in respect of marketing strategies, providing a solid safeguard for brands’ long-term prosperity. Cultural tourism performances from pioneering brands are more likely to be preferred by travellers, leading to a sustained and steady growth in audience base and forming an intractable entry barrier for new entrants.
- **Barriers in synergistic operational capability:** Most established tourism performance enterprises have shown a preference for a multi-business model. This model involves a horizontal expansion of their businesses around the core operation of cultural tourism performance, where the tourism entertainment products and services ancillary to the performance content are provided to travellers to reach a diverse service portfolio. In light of the above, enhance their competitiveness and business sustainability. This model overcomes the limitations of a single performing program, providing a richer tourist experience and enhancing the linkage and synergetic effects among various business segments. Under this trend, operational capability will become increasingly important since the integration of the tourism industry with other sectors aggravates the complexity of resource allocation, requiring the performance team to remain agile to market dynamics in order to make timely adjustments in response to market changes.

INDUSTRY OVERVIEW

COMPETITIVE LANDSCAPE OF CHINA’S CULTURAL TOURISM PERFORMANCE MARKET

China’s cultural tourism performance companies operate within a moderately fragmented landscape. In 2024, the sales revenue of top 10 market players reached approximately RMB4,310.0 million, accounting for approximately 26.3% of China’s cultural tourism performance market.

The table below sets out the top 10 cultural tourism performance companies in China in terms of sales revenue in 2024.

Ranking of Leading Cultural Tourism Performance Companies in China,
by Sales Revenue, 2024, RMB Million

Ranking	Company	Sales Revenue ⁽¹⁾	Market Share ⁽²⁾
1	Company A ⁽³⁾	1,800.0	11.0%
2	Shaanxi Tourism Culture Industry Holding Co., Ltd 陝西旅遊文化產業股份有限公司	738.6	4.5%
3	Company B ⁽⁴⁾	510.0	3.1%
4	Company C ⁽⁵⁾	340.0	2.1%
5	Company D ⁽⁶⁾	250.0	1.5%
6	Company E ⁽⁷⁾	165.0	1.0%
7	Company F ⁽⁸⁾	140.4	0.9%
8	Our Group	130.0	0.8%
9	Company G ⁽⁹⁾	126.0	0.8%
10	Company H ⁽¹⁰⁾	110.0	0.7%
Total		4,310.0	26.3%

Note:

- (1) The sales revenue refers to the revenue generated from cultural tourism performance products. The tickets for the performances operated by each of Company A, B and D are included in the admission tickets for the respective theme park or scenic area, rather than being sold separately. As a result, the total revenue from admission tickets is used as the ranking basis.
- (2) Denominator of the percentage is the total sales revenue of cultural tourism performance in China.
- (3) Company A is a company listed on Shenzhen Stock Exchange and it is headquartered in Hangzhou, Zhejiang Province. Established in 1994, it provides high-quality cultural and tourism products, using theme parks as the platform.
- (4) Company B is a private company headquartered in Wuxi, Jiangsu Province. Established in 2012, it operates a tourist spot in Wuxi and provides tourism products with a common theme of Zen culture.
- (5) Company C is a private company headquartered in Weihai, Shandong Province. Established in 2009, it provides tourism products of cultural performing arts, tourist spots, ocean parks, theme parks and theme resort hotels.

INDUSTRY OVERVIEW

- (6) Company D is a subsidiary of a group company operating theme parks and it is headquartered in Jingzhou, Hubei Province. Established in 2018, it operates a theme park in Jingzhou and provides entertainment products and services.
- (7) Company E is a private company headquartered in Jinzhong, Shanxi Province. Established in 2011, it provides the tourism product and services of a well-known cultural tourism performance.
- (8) Company F is a company listed on Shenzhen Stock Exchange and it is headquartered in Lijiang, Yunnan Province. Established in 2001, it provides tourism products including cableway and cultural tourism performance.
- (9) Company G is a private company headquartered in Kaifeng, Henan Province. Established in 1998, it operates a large-scale theme park with the historical culture of Song Dynasty as its background.
- (10) Company H is a private company headquartered in Qufu, Shandong Province. Established in 2012, it operates a cultural tourism attraction in Qufu City and provides cultural exchange, cultural experience and educational products.

Traveller-to-audience Conversion Rate of the Impression — Dahongpao Scenery Show

For the years ended 31 December 2022, 2023 and 2024, the traveller-to-audience conversion rate of the Impression — Dahongpao Scenery Show was approximately 4.6%, 6.7% and 4.7%, respectively. In 2024, the Impression — Dahongpao Scenery Show accounted for approximately 0.8% of total culture tourism performance market with box office receipts of approximately RMB129.8 million and the number of audience of more than 800,000, representing a traveller-to-audience conversion rate of approximately 4.7% among all tourists visiting Mount Wuyi in the same year. Such rate surpassed the industry average traveller-to-audience conversion rate of approximately 1.5%. While the conversion rate is a widely accepted metric for assessing the popularity of a show, it is also highly sensitive in terms of fluctuations in its denominator, i.e., the total number of tourist arrivals to a specific city. Compared with China’s top 5 most visited tourist destinations in 2024, Mount Wuyi is generally regarded as an emerging and boutique travel destination, recording approximately 17.3 million tourist arrivals in 2024. The relatively small tourist base in Mount Wuyi City could result in a higher traveller-to-audience conversion rate for the Impression — Dahongpao Scenery Show. Therefore, relying solely on the conversion rate, a relative indicator, to assess a show’s growth potential provides an incomplete perspective.

INDUSTRY OVERVIEW

The table below sets out the top 10 cultural tourism performances in China in terms of box office receipts, number of audience attendance and the number of performances in 2024, to comprehensively and fairly demonstrate the landscape and growth potential of cultural tourism performances in China.

Ranking of the Cultural Tourism Performances
by Box Office Receipts, China, 2024

Ranking	Performance	Type	Box Office Receipts (RMB Million)	Market Share	Performance Period (Years)	Number of Attendance (Thousand)	Number of Performance Held	Conversion Rate
1	A Song of Everlasting Sorrow (長恨歌)	Tourism Scenery Performance	680.8	4.2%	19	2,493.5	947	6.5%
2	Songcheng Eternal Love (宋城千古情)	Theme Performance	605.6	3.7%	29	4,588.8	3,059	3.3%
3	Lijiang Eternal Love (麗江千古情)	Theme Performance	276.2	1.7%	12	2,092.9	1,395	2.6%
4	The Legend of Camel Bells (駝鈴傳奇)	Theatre Performance	252.0	1.5%	9	2,120.4	1,143	0.7%
5	Guangdong Eternal Love (廣東千古情)	Theme Performance	243.1	1.5%	1	1842.0	1,386	3.0%
6	Guilin Eternal Love (桂林千古情)	Theme Performance	194.8	1.2%	8	1,475.9	984	0.9%
7	Sanya Eternal Love (三亞千古情)	Theme Performance	166.8	1.0%	13	1,263.9	843	4.8%
8	Seeing Ping Yao (又見平遙)	Theatre Performance	165.0	1.0%	13	868.4	965	4.8%
9	Impression — Lijiang (印象麗江)	Tourism Scenery Performance	140.4	0.9%	20	1,598.8	757	2.2%
10	Impression — Dahongpao Scenery Show (印象大紅袍)	Tourism Scenery Performance	129.8	0.8%	16	822.5	517	4.7%

Notes: The market share refers to the percentage of the box office receipts generated from the performance of the show in total box office receipts generated from cultural tourism performance.

Source: Frost & Sullivan

INDUSTRY OVERVIEW

The Sustained Popularity of A Song of Everlasting Sorrow

As a benchmark for tourism scenery performance in China, the evolution of A Song of Everlasting Sorrow illustrates how the popularity and commercial value of a tourism scenery performance can be enhanced and sustained through continuous innovation and refinement. Since 2014, the production has steadily improved in both quality and scale through ongoing technical upgrades and creative content enhancements. In 2014, the show upgraded its stage mechanics by introducing a fully concealed stage design with computerised intelligent controls. This significantly reduced the likelihood of mechanical failures and improved overall operational stability. In 2021, a winter edition was launched, making it one of the few outdoor live performances in northern China to run year-round, thus expanding the total number of annual shows. In 2024, further improvements were made to stage effects, including enhancements to costumes, props, audio equipment, and lighting systems, along with the addition of laser effects to elevate the visual experience.

As a result of these sustained improvements, A Song of Everlasting Sorrow achieved an impressive CAGR of approximately 21.1% in box office revenue from 2014 to 2024. During the same period, the number of performances increased by a factor of 3.6, while total audience attendance grew 4.7 times.

The box office receipts, number of performances, number of audience attendance and traveller-to-audience conversion rate of “A Song of Everlasting Sorrow” are listed in the table below:

A Song of Everlasting Sorrow	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Box office receipts (Million)	100.0	120.1	121.2	139.0	179.4	209.8	111.5	139.2	76.4	541.6	680.8
Number of performances	265	286	312	317	338	359	257	290	226	836	947
Number of audience attendance (Thousand)	526.3	632.1	635.0	713.0	712.5	833.6	442.9	553.1	318.9	2,144.0	2,493.5
Traveller-to-audience conversion rate	10.1%	11.0%	10.6%	6.2%	5.4%	6.0%	10.0%	10.6%	23.9%	6.1%	6.5%

Notes: The traveller-to-audience conversion rate refers to the percentage of the audience attendance among the total tourist arrivals in the city that the performance is held.

Source: Frost & Sullivan

The Sustained Popularity of Impression — Lijiang

Impression — Lijiang is a large-scale tourism scenery performance which was planned, created, and directed by the “Impression Trio”. The performance draws cultural elements from local intangible cultural heritage skills, such as Miao silverware forging, Naxi ancient music performance, and Bai ethnic group’s Three-Course Tea ceremony. Moreover, the leading roles are played by local ethnic minority villagers. Among the 1,200 performers in Impression Lijiang, 90% are indigenous residents from the foot of Yulong Snow Mountain. Due to intense competition with Lijiang Eternal Love in the local market, the box office receipts of Impression — Lijiang declined from 2014 to 2018. However, in 2019, the company successfully reversed this trend by strengthening the marketing and promotion of Impression — Lijiang and bundling it with the tourism products of Yulong Snow Mountain. In

INDUSTRY OVERVIEW

addition, to leverage the trend of travel photography, the company collaborated with local travel photography teams at the Impression — Lijiang venue to launch a travel photography product and packages that include performance tickets. These products focus more on cultural connotations and unique immersive scenes, making full use of the distinctive theatre and performance resources of Impression — Lijiang and incorporating more ethnic cultural elements, thereby further increasing the traffic for the Impression — Lijiang performance.

Despite experiencing fluctuations in the box office receipts during the pandemic, a stable positive trend has been observed over the past few years. Impression — Lijiang achieved a CAGR of approximately 19.8% in box office revenue from 2020 to 2024. During the same period, the number of performances increased by a factor of 2.1, while total audience attendance grew 2.7 times.

The box office receipts, number of performances, number of audience attendance and traveller-to-audience conversion rate of Impression — Lijiang are listed in the table below:

Impression — Lijiang	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Box office receipts (Million)	254.3	218.8	163.6	105.4	96.7	177.4	68.1	46.1	28.4	137.1	140.4
Number of performances	987	896	750	535	520	828	368	334	277	739	757
Number of audience attendance (Thousand)	2359.0	2020.0	1540.0	997.2	1068.5	1859.6	651.4	477.6	300.2	1560.0	1743.8
Traveller-to-audience conversion rate	8.9%	6.6%	4.4%	2.5%	2.3%	3.4%	2.5%	1.7%	0.5%	2.3%	2.2%

Notes: The traveller-to-audience conversion rate refers to the percentage of the audience attendance among the total tourist arrivals in the city that the performance is held.

Source: Frost & Sullivan

The Sustained Popularity of Songcheng Eternal Love

Songcheng Eternal Love is a cultural tourism performance located within the Songcheng scenic area in Hangzhou, with a history of almost 30 years. In 2018, Songcheng Eternal Love underwent a holographic technology upgrade. By using large-scale panoramic LED screens and holographic projection imaging technology, combined with on-site lighting, sound, and live performances, it vividly presented the prosperity of Songcheng and the charm of Hangzhou. In 2024, the performance incorporated more modern elements, such as augmented reality (AR) technology. This integration of ancient stories with modern technology created an unprecedented immersive experience.

However, unlike A Song of Everlasting Sorrow and Impression — Lijiang, Songcheng Eternal Love is a theme park performance. Although both theme park performances and tourism scenery performances fall within the category of cultural tourism performance, there are significant differences between the two. Tourism scenery performances are based on specific natural landscapes or historical sites, with the venue and performance content deeply integrated, making them difficult to replicate. This uniqueness endows tourism scenery performances with irreplaceability, making them a symbolic project for local tourism. In contrast, theme park performances are more flexible and replicable. The performances are not restricted by natural conditions and can be replicated through the construction of venues and investment in equipment.

INDUSTRY OVERVIEW

The box office receipts, number of performances, number of audience attendance and traveller-to-audience conversion rate of Songcheng Eternal Love are listed in the table below:

Songcheng Eternal Love	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Box office receipts (Million)	321.0	324.2	375.2	337.2	579.3	665.7	653.5	800.1	889.1	872.9	272.5	461.6	198.0	622.4	605.6
Number of performances	1,622	1,637	1,895	1,703	2,926	3,363	3,301	4,041	4,491	4,409	1,377	2,331	1,000	3,144	3,059
Number of audience attendance (Thousand)	2432.5	2456.5	2843.5	2555.4	4389.9	5044.6	4951.9	6062.6	6737.2	6614.9	2065.2	3497.6	1500.3	4716.5	4588.8
Traveller-to-audience conversion rate	3.7%	3.3%	3.3%	2.6%	4.0%	4.1%	3.5%	3.7%	3.7%	3.2%	2.4%	3.9%	1.9%	4.2%	3.3%

- Notes:
1. The traveller-to-audience conversion rate refers to the percentage of the audience attendance among the total tourist arrivals in the city that the performance is held.
 2. The tickets for the performances operated by Songcheng Eternal Love are included in the admission tickets for the respective theme, rather than being sold separately. As a result, the total revenue from admission tickets is used as the box office receipts.

Source: Frost & Sullivan

The box office receipts of the top five tourism scenery performances reached approximately RMB1,176.0 million, accounting for approximately 28.3% of total box office receipts of tourism scenery performance in China in 2024. The figure indicates that tourism scenery performance market is relatively concentrated compared with the cultural tourism performance market.

The table below sets out the top five tourism scenery performances in China in terms of box office receipts in 2024.

Ranking of the Leading Tourism Scenery Performances in China, by Box Office Receipts, 2024, RMB Million

Ranking	Performance	Box Office	Market Share ⁽¹³⁾
		Receipts	
1	A Song of Ever-lasting (長恨歌)	680.8	16.4%
2	Impression — Lijiang (印象麗江)	140.4	3.4%
3	Impression — Dahongpao Scenery Show (《印象大紅袍》山水實景演出)	129.8	3.1%
4	Shen You Legend (神遊傳奇秀)	117.0	2.8%
5	Impression — Liu Sanjie (印象劉三姐)	108.0	2.6%
Total		1,176.0	28.3%

Note:

(13) Denominator of the percentage is the total box office receipts of tourism scenery performance market in China.

INDUSTRY OVERVIEW

The Sustained Popularity of the Impression Series

The Impression series (excluding “Impression — Mazu” 印象媽祖), which has been jointly created by the Impression Power Trio (印象鐵三角), being Mr. Zhang Yimou, Ms. Wang Chao and Mr. Fan Yue, pioneered domestic tourism scenery performance, with the debut of Impression — Liu Sanjie (印象劉三姐) in 2004. Impression — Liu Sanjie has rapidly become a landmark cultural tourism performance brand in China since then. In terms of the popularity of the Impression series, including the Impression — Dahongpao Scenery Show, each of the shows taps into China’s rich cultural heritage and historical narratives, incorporating elements of folklore, traditional music and regional myths. Such design creates an emotional resonance with audience, who feel a sense of pride and connection to their cultural roots. Additionally, the Impression series goes beyond the confines of conventional theatres by incorporating vast natural landscapes into its stage design. It features a large ensemble of actors and actresses, with the application of lighting effect seamlessly merges traditional performance art with the allure of nature and contemporary stage technology. The information of each Impression series show is set out below:

No.	Performance	Year of Debut	Location	Box Office Receipts in 2024 (RMB Million)	Market Share ⁽¹⁾
1	Impression — Lijiang (印象麗江)	2006	Ganhai Blue Moon Valley Theatre, Yulong Snow Mountain, Lijiang, Yunnan Province	140.0	3.4%
2	Impression — Dahongpao Scenery Show (印象大紅袍)	2010	Mount Wuyi, Fujian Province	129.8	3.1%
3	Impression — Liu Sanjie (印象劉三姐)	2004	Lijiang Scenic Theatre, Yangshuo County, Guilin, Guangxi Province	108.0	2.6%
4	Impression — West Lake (印象西湖)	2007	West Lake District, Hangzhou, Zhejiang Province	70.0	1.7%
5	Impression — Wulong (印象武隆)	2012	Taoyuan Grand Canyon, Wulong, Chongqing Province	68.3	1.6%
6	Impression — Putuo (印象普陀)	2010	Guanyin Cultural Park, Zhujiajian, Zhoushan, Zhejiang Province	30.6	0.7%
7	Impression — Hainan Island (印象海南島)	2009	Haitang Bay, Sanya, Hainan Province	N/A ⁽²⁾	N/A

INDUSTRY OVERVIEW

No.	Performance	Year of Debut	Location	Box Office Receipts in 2024 (RMB Million)	Market Share ⁽¹⁾
8	Impression — Mazu (印象媽祖)	2024	Meizhou Island, Putian, Fujian Province	N/A ⁽³⁾	N/A
Total				547.1	13.2%

Notes:

- (1) The market share refers to the percentage of the box office receipts generated from the performance of the show in total box office receipts generated from tourism scenery performance.
- (2) The market share was not applicable as at the end of 2024 as the performance of show was suspended in July 2014.
- (3) The market share was not applicable as at the end of 2024 as the performance of the show commenced in October 2024 and accordingly, no official data was available as at the end of 2024.

The popularity of the Impression series is illustrated in the following dimensions:

- **Box office receipts:** in 2024, there were approximately 450 cultural tourism performances being performed in China, with only 16 shows achieving RMB100.0 million in box office receipts in the year. The box office receipts of these top 16 shows, in aggregate, reached approximately RMB3.5 billion in 2024, representing approximately 21.6% of the total cultural tourism performance market in terms of the box office receipts in the year. Notably each of Impression — Lijiang, Impression — Dahongpao Scenery Show, and Impression — Liusanjie recorded box office receipts over RMB100.0 million in 2024, contributing to total box office receipts of approximately RMB378.2 million for the top 16 performances. Overall, the total box office receipts of the six Impression series shows that were performed in 2024 reached approximately RMB547.1 million, accounting for approximately 13.2% of the total cultural tourism performance market with total box office receipts in the same year.
- **Number of performance and audience attendance:** Impression — Liu Sanjie marked its 20th anniversary and has been performed more than 8,000 times since its debut and up to the end of 2023, attracting over 20.0 million audience. Meanwhile, Impression — Lijiang, since its debut in 2006, has been performed more than 10,000 times and attracted over 24.0 million audiences.

INDUSTRY OVERVIEW

The Sustained Popularity of the Impression — Dahongpao Scenery Show

The Impression — Dahongpao Scenery Show is the first large-scale outdoor immersive culture tourism performance in Fujian Province and the only culture scenery performance in Mount Wuyi which integrates the historical and culture significance of Dahongpao tea into the aesthetics of nature. Notably, the show is selected into the Ministry of Culture and Tourism’s “2023 National Cultural Tourism Performance Excellence Projects”.

In addition to the awards and accolades the show has obtained, we believe the sustained popularity of the Impression — Dahongpao Scenery Show can be illustrated in the following dimensions:

- **Box office receipts:** The box office receipts of the Impression — Dahongpao Scenery Show amounted to approximately RMB129.8 million in 2024, marking it the third among all the tourism scenery performances and the ninth among all the cultural tourism performances in terms of box office receipts in China.

According to Frost & Sullivan, box office receipt is the most direct operating-and-financial data that reflecting the actual demand from audiences for a particular performance. High box office receipt indicates that a large number of viewers are willing to spend money on tickets, which not only signifies recognition of the performance content but also affirms the efforts of the actors, directors and the entire production team. Box office receipt is also a crucial component of the economic benefits of performing arts projects. For investors and producers, box office performance directly influences the project’s profitability and the confidence in its future investments.

- **Number of performance and audience attendance:** Since its debut on 29 March 2010 and up to 31 December 2024, the show had been performed over 6,700 times and attracted more than 9.5 million audience. The average ticket issuance rate of our show was approximately 75.7% for the year ended 31 December 2024.
- **Traveller-to-audience conversion rate of the show:** The Impression — Dahongpao Scenery Show attracted more than 800,000 audience in 2024, representing a traveller-to-audience conversion rate of approximately 4.7% among tourists visiting Mount Wuyi City in the same year. This rate surpassed the industry average traveller-to-audience conversion rate of approximately 1.5% in 2024. Meanwhile, the box office receipts of the Impression — Dahongpao Scenery Show represented approximately 0.4% of the total tourism spending in Mount Wuyi City in 2024.

INDUSTRY OVERVIEW

From a rational perspective, while the traveller-to-audience conversion rate is a commonly used reference indicator in the tourism performance market to measure a show’s appeal among local tourists, its applicability and comparability are influenced by various structural factors.

- Significant Differences in Tourist Resources and Scale: First-tier cities or well-known tourist destinations may receive a significantly higher total number of tourists each year compared to other second- and third-tier cities. Even if their tourist-to-audience conversion rates are relatively low, the absolute number of actual audiences may far exceed that of cities with a smaller tourist base but higher conversion rates.
- Differences in Tourist Composition: The composition of tourists in different cities (such as the ratio of domestic to international tourists, age demographics, spending power and length of stay) also directly affects their willingness to engage with and spend on the performance.
- Influence of External Factors: Finally, factors such as infrastructure, frequency of performances, marketing efforts, and pricing strategies can also impact the final traveller-to-audience conversion rate. Cities with more frequent performances are better positioned to capture a wider range of tourist time slots. Projects with substantial marketing investment can enhance visibility and ticket sales, while ticket prices directly influence the consumption threshold, thereby affecting conversion effectiveness.

As Mount Wuyi is a destination centred on tea culture and natural heritage, drawing a stable and high-quality influx of visitors each year, most of these tourists are medium- to short-distance travellers with a strong willingness to engage in cultural experiences. This audience inherently possesses a higher baseline interest and openness to cultural products like traditional performing arts. They seek immersive experiences connecting them to the place’s essence. In contrast, holiday crowds in generic cities include many seeking shopping, nightlife, generic sightseeing, or simply a getaway; cultural performing arts are often a lower priority or easily overlooked amidst diverse options. In such case, Mount Wuyi’s characteristics and tourist composition is more conducive to the penetration and conversion of performing arts products. Taking into the aforementioned factors and considering that Mount Wuyi city is able to attract approximately 12.0 million tourists on an annual basis, which is relatively stable for domestic tourist destinations. The traveller-to-audience conversion rate for the Impression Dahongpao Scenery Show, being approximately 4.7% in 2024, has placed the show at a competitive level in the tourism performance market in China, which demonstrates strong market appeal.

- **Traveller-to-audience conversion rate in Mount Wuyi scenic area:** Notably, the traveller-to-audience conversion rate in Mount Wuyi scenic area reached approximately 18.7%. The box office receipts of the Impression — Dahongpao Scenery Show represented approximately 33.0% of the total tourism spending in Mount Wuyi scenic area in 2024.

INDUSTRY OVERVIEW

- **Continuous adaptation and innovations:** Obviously, Impression — Dahongpao Scenery Show, A Song of Everlasting Sorrow and Impression — Lijiang share notable similarities. All these productions are set within China’s top-tier 5A-rated tourist attractions. Besides, each show skilfully integrates its natural setting with rich humanistic storytelling, and are deeply rooted in traditional Chinese culture.

The Impression — Dahongpao Scenery Show is currently in the innovation and enhancement phase. As the adaptations and innovations made in the performances aforementioned. Impression — Dahongpao Scenery Show has undergone fine-tunes for four time during the Track Record Period to ensure its popularity and appeal to the audience. These efforts are aimed at sustaining its popularity, enhancing audience appeal, and maintaining its commercial value amid intense market competition. At the same time, the company will continuously innovate and adjust the Impression — Dahongpao Scenery Show based on market feedback, update the content and forms in a timely manner, and ensure that the shows always remain vibrant and appealing.

Since it has demonstrated that continuous upgrades and enhancements can lead to sustained growth in both popularity and commercial value. Impression — Dahongpao Scenery Show, given its similarities to tourism scenery performances like A Song of Everlasting Sorrow and Impression — Lijiang, may achieve comparable results through similar efforts.

- **Competitive landscape in the Mount Wuyi Area:** Currently, there are no other competing cultural performance shows in Mount Wuyi, and the Impression — Dahongpao Scenery Show is the sole outdoor scenic performance themed at tea culture in Fujian Province.
- **Media exposure:** The Douyin account held by our Company promoting the Impression — Dahongpao Scenery Show had received more than 2.7 million likes, amassed over 170,000 followers and featured more than 340 videos, with several achieving over a million views. Additionally, Baidu index (百度指數) indicated an average daily search score of 315 since September 2011, which was far above the average search index. The search coverage included provinces such as major provinces including Fujian, Beijing, Shanghai, Zhejiang, Guangdong, Jiangsu and Jiangxi, indicating the appeal of show nationwide.
- **Tourism Impact and Reach:** from 2022 to 2023, the WeChat index (微信指數) for the show was higher than that of “Impression — Liu Sanjie”. Media reports indicated that from 2018 to 2023, Mount Wuyi received more than 70.0 million travellers, with more than 63.2% being from outside Fujian Province. Most visitors opted to watch the show, achieving a 100% coverage rate in local travel packages from over 20 travel agencies.
- **Strong Market Reputation:** The brandname “Impression — Dahongpao” itself enjoys a positive market reputation, with extensive media coverage, including features on national news platforms like CCTV (中國中央電視台) and positive evaluations from well-known publications such as the People’s Daily (人民日報) and Guangming Daily (光明日報). It has been recognised as a “famous trademark of Fujian Province” (福建省企業知名字號) by the Fujian Provincial Administration for Industry and Commerce (福建省工商行政管理局), further underscoring its significant cultural and economic impact.

INDUSTRY OVERVIEW

While some performances that rely on large-scale marketing campaigns to boost box office receipts and traveller-to-audience conversion rate may achieve positive results in the short term, nonetheless, if these performances lack substantial artistic value, it is challenging to maintain lasting vitality. In this regard, a performance team’s commitment to upgrading the performance contents for the purpose of maintaining the performance’s appeal remains crucial. In respect the Impression — Dahongpao Scenery Show, the performance team fine-tuned the performance contents of the show for four times during the Track Record Period. The continuous efforts to enhance performance contents ensured that the performance resonated with contemporary themes and artistic standards, ultimately strengthening its long-term viability and success.

MULTI-INDUSTRY SYNERGY MODEL OF CULTURAL TOURISM PERFORMANCE MARKET IN CHINA

China’s cultural tourism performance market has undergone a significant change, signifying multi-industry synergy, with the introduction of novel business models such as “cultural tourism towns + performance” and “hotels + performance”. These integrated approaches leverage the strengths of various sectors to enhance tourist experiences and drive a linkage growth among various business segments. The cultural tourism town model, which combines cultural tourism performance with a cultural tourism town of a unique cultural characteristics related to the cultural tourism performance, has also gained traction. The introduction of cultural tourism towns in the cultural tourism industry deepens the connection between tourists and the local culture, offering a more profound understanding of the region’s history and traditions. It also helps uncover local tourism resources and striking a balance between developing brand intellectual property and integrating local culture, since the extension of the industry chain enriches the tourists’ immersive experience, thereby enhancing the appeal and recognisability of the intellectual property of cultural tourism performance IP. Additionally, various derivatives in the cultural tourism town, such as cultural and creative products as well as special cultural events, further realise the commercial value of the cultural tourism performance. Going forward, these multi-industry synergy models are anticipated to keep expanding as they do not only respond to the evolving demands of modern tourists in China’s cultural tourism performance market but also serve as a strategic initiative to enhance cultural appreciation.

REGULATORY OVERVIEW

This section summaries the main relevant PRC laws, regulations and policies, which affect the key aspects of our cultural tourism industry.

LAWS AND REGULATIONS RELATING TO COMMERCIAL PERFORMANCES

In accordance with the Regulations for the Administration of Commercial Performances (《營業性演出管理條例》), which was promulgated by the State Council on 7 July 2005, and subsequently amended on 22 July 2008, 18 July 2013, 6 February 2016 and 29 November 2020, respectively; foreign investors may legally establish performance brokerage agencies within the territory of the PRC. To engage in commercial performance business activities, a performance brokerage agency shall have three or more full-time performance brokers and requisite funds for the relevant business, and shall file an application with the culture administrative department of the people’s government of a province, autonomous region or centrally-administered municipality. The relevant culture administrative department shall make a decision within 20 days from receipt of the application. Upon approval, a commercial performance permit (《營業性演出許可證》) shall be issued. To establish a performance venue operation entity, it shall legally complete registration with the administrative department for industry and commerce to obtain a business license, and complete approval procedures in accordance with the provisions of relevant laws and administrative regulations. No entity or individual may counterfeit, alter, rent, lend, buy or sell any commercial performance permit, approval document or business license. Furthermore, if a performance brokerage agency engages in any commercial performance business activity without such permit, the culture administrative department of the people’s government at county level prohibits such behaviour and will confiscate its performance equipment and illegal proceeds, and impose a fine in the range of eight to ten times of its illegal proceeds. Where there are no illegal proceeds or the illegal proceeds are less than RMB10,000, a fine ranging from RMB50,000 to RMB100,000 shall be imposed. In addition, if any entity or individual illegally establishes a performance venue operation entity or engages in commercial performance business activities without authorisation, the administrative department for industry and commerce shall lawfully ban such act and impose penalties.

On 28 August 2009, the then Ministry of Culture of the PRC (currently known as the Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅游部)) promulgated the Implementation Rules to the Administrative Regulations on the Commercial Performance (《營業性演出管理條例實施細則》), which was subsequently amended on 15 December 2017 and 13 May 2022, respectively. The said rules define the commercial performance as on-site cultural and artistic performances to the public for profit-making purposes with methods including but not limited to selling tickets or obtaining sponsors, paying or remunerating performing entities or individuals, using the performances as a medium for promotions or for promoting sales of products and in other profitable forms.

LAWS AND REGULATIONS RELATING TO HOTEL OPERATION

Regulations on Control of Security in the Hotel Industry

According to the Measures for the Control of Security in the Hotel Industry (《旅館業治安管理制度》), which was promulgated by the State Council on 10 November 1987, subsequently amended on 8 January 2011, 29 November 2020 and 29 March 2022, respectively; and the Decision of the State Council on Establishing Administrative License for Necessarily Retained Items Requiring Administrative Examination and Approval (《國務院對確需保留的行政審批項目設定行政許可的決

REGULATORY OVERVIEW

定》) promulgated by the State Council on 29 June 2004, subsequently amended on 29 January 2009 and 25 August 2016, respectively, anyone who applies to operate a hotel is subject to examination and approval by the local public security authority and must obtain a special industry license. The Measures for the Control of Security in the Hotel Industry impose certain security control obligations on the hotel operators. For example, the hotel must examine the identification card of any guest to whom accommodation is provided and accurate registration of identity is required. The hotel must also report to the local public security authority if it discovers anyone violating the law or behaving suspiciously or an offender wanted by the public security authority. Pursuant to the Measures for the Control of Security in the Hotel Industry, hotels which fails to obtain the special industry license may be subject to warnings or fines up to RMB200. If a hotel initiates operation without registration, the public security authorities shall assist the administration for industry and commerce in dealing with the non-registration in accordance with the laws. In addition, pursuant to the Law of the PRC on Penalties for the Violation of Public Security Administration (《中華人民共和國治安管理處罰法》) which was promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) on 28 August 2005 and subsequently amended on 26 October 2012, and various local regulations, hotel operators failing to obtain the special industry license may be subject to detention and fines. Hotel operators who have obtained the special industry license but violate applicable administrative regulations may also be subject to revocation of licenses in serious circumstances.

Regulations on Food Safety

In accordance with the Food Safety Law of the PRC (《中華人民共和國食品安全法》), with was promulgated by the SCNPC on 28 February 2009 and subsequently amended on 29 April 2021, and the Implementation Rules of PRC the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》), which promulgated by the State Council on 20 July 2009 and subsequently amended on 11 October 2019, the state sets up a system consisting of the supervision, monitoring and appraisal on the food safety risks, compulsory adoption of food safety standards. To engage in food production, sales or catering services, the business operators shall obtain a licence in accordance with the relevant laws and regulations. Violations of these laws and measures may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension of manufacturing or business operation, confiscation of tools, equipment, food ingredients and other articles used in the illegal food production or trading, and criminal penalties in serious circumstances.

According to the Administrative Measures for Food Operation Licensing and Record-filing (《食品經營許可和備案管理辦法》), which was promulgated by the State Administration for Market Regulation (the “SAMR”) on 15 June 2023 and became effective on 1 December 2023, entities engaging in sales of foods and catering services within the PRC shall obtain a food operation license which is valid for five years except for certain circumstances. Applications for a food operation license shall be filed according to food operators’ types of operation and classification of operation projects. Food operators shall display in prominent position their original food operation licenses or their electronic certificate at their sites of operation. If any licensing items which are indicated on a food operation license change, the food operator shall, within 10 business days after the changes take place, applies to the market regulatory authority which has originally issued the license for alteration of the operation license. Those who engage in food operation activities but fail to obtain a required food operation license shall be punished by the local market regulatory authorities at or above the county level according to Article 122 of the Food Safety Law of the PRC.

REGULATORY OVERVIEW

Regulations on Public Sanitation

The State Council promulgated the Administrative Regulations on Sanitation of Public Places (《公共場所衛生管理條例》) on 1 April 1987 and subsequently amended the regulations 6 February 2016, 23 April 2019 and 6 December 2024, respectively. According to the said regulations, a hotel must obtain a public area hygiene license before opening for business. Additionally, hotels which fail to obtain a public area hygiene license may be subject to the following administrative penalties depending on the seriousness of their respective activities: (i) warnings; (ii) fines; (iii) orders to suspend business for rectification; or (iv) revocation of hygiene license. On 10 March 2011, the National Health and Family Planning Commission (中華人民共和國國家衛生和計劃生育委員會) promulgated the Implementation Rules of the Administrative Regulations on Sanitation of Public Places (《公共場所衛生管理條例實施細則》), which came into force on 1 May 2011 and was subsequently amended on 19 January 2016 and 26 December 2017, respectively, according to which, hotel operators shall establish sanitation management systems and keep records of sanitation management.

Regulation on Fire Control

Pursuant to the Fire Control Law of the PRC (《中華人民共和國消防法》) which was promulgated by the SCNPC on 29 April 1998 and last amended on 29 April 2021, where a construction project that is subject to fire protection final inspection according to the law fails or is nonconforming as established by the fire protection final inspection, it shall be prohibited from being put into use; and any other construction project that is nonconforming as established by the random inspection conducted under the law shall cease to be used. Article 13 of the Fire Control Law of the PRC (《中華人民共和國消防法》) further provides that the constructing entity is obligated to make the safe safety acceptance filing with the competent housing and urban-rural development authorities.

Pursuant to the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) issued by the Ministry of Housing and Urban-Rural Development on 1 April 2020 and subsequently amended on 21 August 2023, special construction projects that have not passed the fire prevention inspection or have failed to pass the fire prevention inspection are prohibited from being put into use. Construction projects other than special construction projects shall go through the fire safety acceptance filing, and the competent housing and urban-rural development authorities shall conduct random inspections on the fire safety acceptance of other construction projects filed. If the construction projects fail to pass the random inspection on fire safety acceptance, such projects shall be stopped.

LAWS AND REGULATIONS RELATING TO LAND

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) which was promulgated by the SCNPC on 25 June 1986 and subsequently amended on 26 August 2019, and the Regulations for the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》) which was promulgated by the State Council on 27 December 1998 and subsequently amended on 2 July 2021, the state-owned land use rights may be used by third parties

REGULATORY OVERVIEW

through grant, allocation, lease, capital contribution and other methods prescribed by laws. Parties who have obtained the state-owned land use rights may legally use, profit from and dispose of the state-owned land use rights insofar as the actual use of such rights does not contravene the statutory term of use and scope of intended use.

According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), which was promulgated by the State Council on 24 November 2014 and subsequently amended on 10 March 2024 which came into effect on 1 May 2024, the real estate registration shall be filed with the real estate registration authorities of the people’s government at or above the county level.

According to the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the National People’s Congress (the “NPC”) on 28 May 2020 and implemented on 1 January 2021, the creation, alteration, alienation, or extinguishment of a property right of the real property that is required by law to be registered becomes effective at the time when it is recorded in the register of real property. The real estate right certificate is the proof of the holder’s entitlement to the real estate.

The Interim Regulations on Real Estate Registration and the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》), which was promulgated by the Ministry of Natural Resources of the PRC (中華人民共和國自然資源部) on 1 January 2016 and subsequently amended on 9 May 2024, provide that, among others, the state implements a uniform real estate registration system and the registration of real estate shall be strictly administered in a way that provides convenience for people.

LAWS AND REGULATIONS RELATING TO LEASING

Pursuant to the Civil Code of the PRC, a leasing agreement generally include clauses such as parties’ names, quantity and uses of the leased goods, term, rent, deadlines and methods for rent payments, the maintenance and repair of the leased goods, etc. The lessee may sublease the leased premises to a third party, with the consent of the lessor.

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on 5 July 1994 and subsequently amended on 26 August 2019, in case of house leasing, the lessor and lessee are required to enter into a written lease agreement, including the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of parties. Parties must also go through registration and filing procedures with the relevant real estate administration department.

In addition, according to the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development (中華人民共和國住房和城鄉建設部) on 1 December 2010, parties to a housing lease shall enter into a lease agreement in accordance with the law. Within 30 days from the initial execution of a housing lease agreement, the parties to the lease shall go to the competent department of construction (real estate) of the people’s government at municipal, city or county level where the leased housing is located to register and file the housing lease. In case of contravention of the said requirements, the competent construction (real estate) departments of the people’s government at municipality directly

REGULATORY OVERVIEW

under the central government, city or county level shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine up to RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine ranging from RMB1,000 to RMB10,000 shall be imposed.

LAWS AND REGULATIONS RELATING TO LABOR AND SOCIAL WELFARE

Labour Protection

According to the Labour Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on 5 July 1994 and subsequently as amended on 27 August 2009 and 29 December 2018, respectively, enterprises and institutions shall establish and improve their system of labour safety and sanitation, strictly abide by national rules and standards on labour safety, and educate employee in labour safety and sanitation. Matter and issues relating to labour safety and sanitation facilities shall be conducted in accordance with the applicable prescribed national standards. The enterprises and institutions shall provide employees with labour safety and sanitation conditions, which comply with State stipulations.

According to the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on 29 June 2007 and was subsequently amended on 28 December 2012, and the Regulation on the Implementation of the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council on 18 September 2008, labour contracts must be executed in writing. Upon meeting of minds after due negotiation, an employer and an employee may execute a fixed-term labour contract, a non-fixed-term labour contract, or a short-term labour contract specifically for certain work assignments. An employer may terminate a labour contract in certain circumstances with conditions insofar as relevant laws and regulations permit. Labour contracts entered into prior to the promulgation of the Labour Contract Law remain valid.

Social Insurance and Housing Fund

As required under the Regulation of Insurance for Labour Injury (《工傷保險條例》) promulgated and implemented by the State Council on 1 January 2004 and amended on 20 December 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) promulgated and implemented by the then Ministry of Labour of the PRC (currently known as the Ministry of Human Resources and Social Security of the PRC) on 1 January 1995, the Decisions on the Establishment of a Unified Program for Basic Old-Aged Pension Insurance of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued by the State Council on 16 July 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated by the State Council on 14 December 1998, The Unemployment Insurance Measures (《失業保險條例》) promulgated by the State Council on 22 January 1999, the Interim Regulations Concerning the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on 22 January 1999 and implemented on the same day and amended on 24 March 2019 and the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on 28 October 2010 and amended on 29 December 2018, enterprises are obliged to provide their employees in the PRC with welfare schemes covering pension

REGULATORY OVERVIEW

insurance, unemployment insurance, maternity insurance, labour injury insurance and medical insurance, and the employers and employees shall pay social insurance premiums in accordance with laws. Employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fee computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

In accordance with the Regulations on the Administration of Housing Fund of the PRC (《住房公積金管理條例》), promulgated by the State Council on 3 April 1999 and was subsequently amended on 24 March 2002 and 24 March 2019, respectively, enterprises must register at the competent housing fund management centre and upon the examination by such housing fund manager centre, these enterprises shall complete procedures for opening an account for the deposit of employees' housing funds. Enterprises are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner. Failure to open housing provident account for employees will result in a fine between RMB10,000 and RMB50,000. Failure to pay housing provident funds will result in a court order that would compel us to settle the unpaid housing provident funds.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Copyright

On an international scale, China is a signatory to a number of major international conventions on the protection of copyright and became a member of the Berne Convention for the Protection of Literary and Artistic Works in October 1992, the Universal Copyright Convention in October 1992, and the Agreement on Trade-Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organisation in December 2001. Domestically, China has enacted and promulgated a number of laws and regulations relating to the protection of copyright.

According to the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on 7 September 1990, and subsequently amended on 27 October 2001, 26 February 2010 and 11 November 2020, respectively, and the Implementation of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), which was promulgated on 2 August 2002, and subsequently amended on 30 January 2013, copyright includes the following personal rights and property rights: (1) publication right, i.e., the right to decide whether a work is made public; (2) right of authorship, i.e., the right to be named as author of a work; (3) right of revision, i.e., the right to revise a work or to authorise others to revise a work; (4) right to preserve the integrity of work, i.e., the right to protect a work from distortion or tampering; (5) reproduction right, i.e., the right to reproduce one or more copies of a work by printing, photocopying, rubbing, audio recording, video recording, duplication, photographic reproduction, etc.; (6) distribution right, i.e., the right to provide the original copy or replicas of a work to the public by sale or gift; (7) rental right, i.e., the right to license the temporary use the original or copy of audiovisual works and computer software by others for a fee, except where the computer software is not the main subject of lease; (8) exhibition right, i.e., the right to put the original copy or replicas of art works and photographic works on public display; (9) performance right, i.e., the right to put up a public performance of a work and publicly broadcast performance of a work through various means; (10) screening right, i.e., the right to put up a public screening of art works, photographic works, audiovisual works, etc. through technical

REGULATORY OVERVIEW

equipment such as film projector, slide projector, etc.; (11) broadcasting right, i.e., the right to publicly broadcast or transmit a work through cable wireless method, the right to transmit a broadcasting work to the public through a loudspeaker or other tools for transmission of symbols, sounds and images; (12) information network transmission right, i.e., the right to provide a work to the public through cable or wireless method so that the public may have access to the work at their individually selected time and venue; (13) filming right, i.e., the right to produce a work on a medium through film making; (14) adaptation right, i.e., the right to adapt a work, thus creating a new work with originality; (15) translation right, i.e., the right to convert the written text of a work from one language to another language; (16) compilation right, i.e., the right to select or arrange a work or parts of a work for compiling into a new work; and (17) any other rights belong to a copyright holder.

A copyright holder may grant a license to others to exercise the rights among the aforementioned item (5) to item (17), and receive payment from the users in consideration for such grant of the use rights pursuant to the licensing agreement or the relevant provisions of the Copyright Law of the PRC. And a copyright holder may transfer all or some of the rights within the scope of the aforementioned among the item (5) to item (17), and receive payment from the transferees for such transfer of copyrights pursuant to the transfer agreement or the relevant provisions of the Copyright Law of the PRC.

Under the Copyright Law of the PRC, productions of citizens, legal persons or unincorporated organisations in China, whether published or not, shall enjoy copyright. An individual, legal person or unincorporated organisation named on a work as its author shall be the author of the productions and therefore, have the corresponding rights to the said productions, unless otherwise is proved to the contrary. Authors and other copyright owners may complete the registration of their works with a registration agency recognised by the State copyright authority.

Furthermore, the period of protection of publication rights of works of a legal person or unincorporated organisation and works created in the course of employment in which copyright, except for right of authorship, belongs to a legal person or unincorporated organisation, and the rights within the aforementioned scope of item (5) to item (17) shall be 50 years, and shall expire on the 31st December of the 50th year following the first publication of the production. Where the production is not published within 50 years from completion of the creation of the work, it shall not be protected by the Copyright Law of the PRC. As for audiovisual works, the period of protection of publication rights shall be 50 years, ending on 31st December of the 50th year after the creation of the work; and the rights with the aforementioned scope of item (5) to item (17) shall be 50 years, and shall expire on 31st December of the 50th year following the first publication of the work. Where the work is not published within 50 years from completion of the creation of the work, it shall not be protected by the Copyright Law of the PRC.

Trademark

Trademarks in the PRC are protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on 23 August 1982 and subsequently amended on 22 February 1993, 27 October 2001, 30 August 2013 and 23 April 2019, respectively; respectively, and the Implementing Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Counsel on 15 September 2002 and subsequently amended on 29 April 2014. The trademark bureau under the State Administration for Industry and Commerce

REGULATORY OVERVIEW

of the PRC (中華人民共和國國家工商行政管理總局) are responsible for trademark registration and authorising registered trademarks for a validity period of 10 years. Trademark registrants may apply for renewal of registration, and the validity of a renewed registered trademark shall be valid for another 10 years. For trademarks, the Trademark Law of the PRC adopts the principle of “prior application” while handling trademark registration. Where a trademark under registration application is identical with or similar to the trademark of another party that has, in respect of the same or similar goods or services, been registered or, after examination, preliminarily approved, the application for trademark registration shall be rejected. Anyone who applies for trademark registration shall not impair any existing prior right of anyone else, or forestall others in registering a trademark by improper means which others have already begun to use and enjoyed certain impact.

Domain names

The Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) promulgated the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) on 24 August 2017. According to the said measures, domain name owners are required to register their domain names and the said ministry is in charge of administration of PRC internet domain names. The domain name services follow a “first come, first file” principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to the domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

In accordance with each of the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated on 26 December 1989 and subsequently amended on 24 April 2014 by the SCNPC, the Law on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) promulgated on 30 October 1995 and subsequently amended on 29 April 2020 by the SCNPC, and the Law on the Prevention and Control of Environmental Noise Pollution (《中華人民共和國噪聲污染防治法》) promulgated by the SCNPC on 24 December 2021, enterprises, public institutions and other producers and operators that discharge pollutants shall adopt measures to control environmental pollution and harm resulting from dust, solid waste materials, noise and vibration at construction sites.

Entities may be subject to various regulatory measures or penalties for breach of environmental protection laws in accordance with the extent of the pollution and the circumstances of the breach, which include warnings, fines, and remedial actions within prescribed timelines, suspension or cessation of operations. Entities in breach will also be liable to indemnify entities who have suffered losses as a result of the pollution.

LAWS AND REGULATIONS RELATING TO PRODUCTION SAFETY

On 29 June 2002, the SCNPC formulated and issued the Production Safety Law of the PRC (《中華人民共和國安全生產法》), which was subsequently amended on 10 June 2021 and became effective on 1 September 2021. In accordance with the provisions of the Production Safety Law of the PRC, the State implements a system of accountability for production safety accidents. Production and operation units must implement national or industry standards formulated in accordance with the law

REGULATORY OVERVIEW

to ensure safe production, and provide safe production conditions that meet the requirements of laws, administrative rules and national or industry standards. Production and business units shall set up conspicuous safety warning signs in production and business sites and relevant facilities and equipment with relatively high potential hazard. The design, manufacture, installation, use, testing, maintenance, transformation and scrapping of safety equipment shall comply with national or industry standards.

LAWS AND REGULATIONS RELATING TO CYBERSECURITY AND DATA PROTECTION

On 7 November 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》). As the first programmatic law for the field of cybersecurity and data protection, the Cybersecurity Law of the PRC covers a wide range of areas. With regard to network operation security, the Cybersecurity Law of the PRC requires network operators, including Internet information service providers, to take technical measures and other necessary measures in accordance with the provisions of laws and regulations and the compulsory requirements of national standards to ensure the safe and stable operation of the network, effectively respond to cybersecurity incidents, prevent illegal criminal activities committed on the network, and maintain the integrity, confidentiality and availability of network data. With regard to the protection of critical information infrastructures, the Cybersecurity Law of the PRC establishes the basic principle that critical information infrastructures require additional protection and, on that basis, puts forward national security examination requirements for the procurement of network products and services by operators of critical information infrastructures that may have an impact on national security, and clarifies the principle requirement that personal information and important data collected and generated by operators of critical information infrastructures within China should be stored within the country, and that when travelling abroad due to business needs, they need to pass a data cross-border transfer security assessment. With regard to the protection of personal information, the Cybersecurity Law of the PRC sets out the basic principles and provisions for the protection of personal information, such as the requirements relating to the collection, use, processing, storage and disclosure of personal information, and Internet information service providers shall take technical and other necessary measures to ensure the safety of personal information collected and to prevent the leakage, destruction or loss of personal information.

On 10 June 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》), which became effective on 1 September 2021. Compared to the Cybersecurity Law of the PRC, the Data Security Law focuses on regulating the security of data flows. The Data Security Law of the PRC establishes a data protection system based on data types and security levels, in accordance with the importance of data for economic and social development and the potential harm that the illegal use of data may cause to national security, public interests or the interests of individuals and organisations. With regard to data types, the Data Security Law of the PRC specifies the types of important data and the obligations of their processors, and important data processors shall specify the person in charge of data security and set up a management organisation in charge of data security, and relevant data processors shall carry out regular risk assessments of their data processing activities and submit the assessment reports to the relevant regulatory authorities. With regard to data flows, the Data Security Law of the PRC includes the cross-border transfer of important data by data processors other than operators of critical information infrastructures in the special regulatory procedures for the cross-border transfer of data, and restricts the unauthorised provision of data stored in China to judicial or law enforcement agencies outside the country. Data related to the safeguarding

REGULATORY OVERVIEW

of national security, interests and the fulfilment of international obligations are subject to China’s export controls. The Data Security Law of the PRC further emphasises and stipulates that the state will establish a data security review system to conduct national security reviews of data processing activities that affect or may affect national security. The Data Security Law of the PRC stipulates that violations of the Data Security Law of the PRC may result in relevant entities or individuals being subject to warnings, fines, suspension of business for rectification, revocation of permits or business licenses, and/or even being pursued for criminal liability.

On 20 August 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), which came into effect on 1 November 2021. The Personal Information Protection Law of the PRC aims to protect the rights and interests of personal information, regulate the processing of personal information, safeguard the orderly and free flow of personal information in accordance with the law, and promote the rational use of personal information. The Personal Information Protection Law of the PRC establishes a comprehensive system of rules for the processing of personal information, including that the processing of personal information shall have a clear and reasonable purpose, that the processing of sensitive information is subject to additional protection, that the provision of personal information to outsiders and the entrusted processing of personal information requires the signing of a special agreement to ensure security, that the preservation, deletion, disclosure and automated decision-making of personal information should comply with special rules, and that processors of personal information should have appropriate organisational, institutional and technical measures in place. The Personal Information Protection Law of the PRC provides four compliance approaches for the cross-border transfer of personal information, namely, passing the data cross-border transfer security assessment organised by the Cyberspace Administration of China (中央網絡安全和信息化委員會辦公室) (the “CAC”), signing and filing a Standard Contract for the Cross-border Transfer of Personal Information (《個人信息出境標準合同》) applying for Personal Information Protection Certification (《個人信息保護認證》), and complying with international treaties or agreements concluded by China or to which it is a party. Processing of personal information in violation of the provisions of the Personal Information Protection Law of the PRC or failure to comply with the relevant personal information protection obligations will result in the relevant entity being subject to warnings, fines, suspension of business for rectification, revocation of business permits and business licenses, and/or even being pursued for criminal liability.

On 30 July 2021, the State Council promulgated the Critical Information Infrastructure Protection Regulations, (《關鍵信息基礎設施安全保護條例》) which came into effect on 1 September 2021. Pursuant to the Critical Information Infrastructure Protection Regulations, critical information infrastructure means any of network facilities and information systems in important industries and fields, such as public communication and information services, energy, transportation, water conservancy, finance, public services, e-government, and science, technology and industry for national defence, that may seriously endanger national security, national economy and people’s livelihood, and public interests in case of destruction, loss of function or leak of data. The Critical Information Infrastructure Protection Regulations stipulates that the aforementioned competent authorities and supervision and administration authorities of important industries and fields are the authorities responsible for critical information infrastructure security protection. Such agencies shall be responsible for organising the determination of critical information infrastructure in the industry

REGULATORY OVERVIEW

and field concerned according to the determination rules, and inform the operators of the determination results in a timely manner and notify the public security department under the State Council of the same. An operator shall assume strict operator responsibilities after being recognised as a critical information infrastructure operator.

On 24 September 2024, the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the “**Regulation on Cyber Data Security**”) was published by the State Council, which came into effect on 1 January 2025. The Regulation on Cyber Data Security stipulate the general regulations for cyber data processing activities, rules of personal information protection, important data security protection, network data cross-border transfer management, and the responsibilities of internet platform service providers. According to the Regulation on Cyber Data Security, cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations.

On 28 December 2021, a number of departments, including the Ministry of State Security, jointly issued the Cybersecurity Review Measures (《網絡安全審查辦法》), which came into effect on 15 February 2022. The Cybersecurity Review Measures stipulate that critical information infrastructure operators procuring network products and services and network platform operators conducting data processing activities that influence or may influence national security should be subject to rigorous cybersecurity review by the Cybersecurity Review Office (網絡安全審查辦公室) set up by the CAC. In addition, network operators holding the personal information of more than 1 million users and newly listing on foreign markets must report for cybersecurity review with the said Cybersecurity Review Office. If network platform products and services, data-processing activities or foreign listing acts affect or may affect national security, the Network Security Review Office, after reporting to the Central Cyberspace Affairs Commission for approval, may conduct a cybersecurity review in accordance with the provisions of the Cybersecurity Review Measures. Pursuant to the Cybersecurity Review Measures, any violation is subject to penalties under the Cybersecurity Law and the Data Security Law, including government enforcement actions and investigations, fines, penalties, and suspension of non-compliant operations.

COMPANY LAW AND LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

Companies established and operating in the PRC shall be subject to Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the SCNPC on 29 December 1993 and subsequently amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013 and 26 October 2018 respectively, and was latest revised on 29 December 2023 and came into effect on 1 July 2024. Pursuant to the Company Law, companies are classified into two categories, namely limited liability companies and companies limited by shares. The Company Law provides for the establishment, corporate structure and corporate management of companies, which also applies to foreign-invested enterprises in the PRC, unless otherwise provided in the PRC foreign investment laws.

On 15 March 2019, the NPC approved the PRC Foreign Investment Law (《中華人民共和國外商投資法》) (the “**FIL**”), which came into effect on 1 January 2020 and replaced three existing laws on foreign investments in the PRC, namely, the PRC Equity Joint Venture Law (《中華人民共和國中外合資經營企業法》), the PRC Cooperative Joint Venture Law (《中華人民共和國中外合作經營企業法》) and the PRC Wholly Foreign-owned Enterprises Law (《中華人民共和國外資企業法》). On 26

REGULATORY OVERVIEW

December 2019, the State Council issued the Regulations on Implementing the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which came into effect on 1 January 2020 and replaced the Regulations on Implementing the Equity Joint Venture Law (《中華人民共和國中外合資經營企業法實施條例》), Provisional Regulations on the Duration of Equity Joint Venture Law (《中外合資經營企業合營期限暫行規定》), the Regulations on Implementing the Wholly Foreign-Owned Enterprise Law (《中華人民共和國外資企業法實施細則》) and the Regulations on Implementing the Sino-Foreign Cooperative Joint Venture Enterprise Law (《中華人民共和國中外合作經營企業法實施細則》). The FIL embodies a predictable PRC regulatory trend to rationalise its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the PRC’s corporate legal requirements for both foreign and domestic invested enterprises. The FIL establishes the basic framework for the access to, and the promotion, protection and administration of foreign investments in view of investment protection and fair competition.

On 30 December 2019, the MOFCOM and the State Administration for Market Regulation (the “SAMR”) issued the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) which became effective on 1 January 2020. According to the Measures on Reporting of Foreign Investment Information, foreign investors or foreign investment enterprises shall submit investment information to the commerce administrative authorities through the Enterprise Registration System and the National Enterprise Credit Information Publicity System. Foreign investment enterprises shall also submit the annual report for the preceding year during 1 January to 30 June annually through the National Enterprise Credit Information Publicity System.

The Catalogue of Industries for Encouraged Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) (the “**Encouraging Catalogue**”) was jointly promulgated by the National Development and Reform Commission(the “NDRC”) and the MOFCOM on 26 October 2022. And it came into effect on 1 January 2023. The Encouraging Catalogue and the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**2024 Negative List**”), which was effective on 1 November 2024, categorises the industries into three categories, including “encouraged”, “restricted”, and “prohibited”. Foreign investment in areas not listed in the 2024 Negative List is permitted and treated equally with domestic investment. The Encouraging Catalogue and the 2024 Negative List are subject to review and update by the PRC Government from time to time.

LAWS AND REGULATIONS RELATING TO DIVIDEND DISTRIBUTIONS

Pursuant to the FIL, foreign investors, according to the present PRC Law, may freely remit into or out of the PRC, in RMB or any other foreign currency, their capital contributions, profits, capital gains, income from asset disposal, intellectual property royalties, lawfully acquired compensation, indemnity or liquidation income and so on within the territory of PRC. In addition, pursuant to the Company Law, a company established in PRC must accrue 10% of its after-tax profit based on PRC accounting standards each year as its statutory reserves. The company may stop such accrual if its cumulative total reserve funds reach 50% of its registered capital. These reserve funds, however, may not be distributed as cash dividends.

REGULATORY OVERVIEW

Pursuant to the Arrangement between the Mainland of China and the Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed by the PRC Government and the Government of the Hong Kong on 21 August 2006, the PRC Government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) issued by the State Taxation Administration (the “STA”) and became effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the STA on 14 October 2019, non-resident taxpayers are entitled to preferential treatment under the tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding declaration through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and be subject to subsequent administration by tax authorities.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income Tax

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), promulgated by the SCNPC on 16 March 2007 and became effective from 1 January 2008 and newly amended on 29 December 2018, and the Regulation on the Implementation of Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on 6 December 2007 and subsequently amended on 6 December 2024, enterprises are classified as either “resident enterprises” or “non-resident enterprises”. The “resident enterprises” are defined as enterprises set up in the PRC under the PRC laws or set up according to the foreign country/region’s laws whereas whose actual or de facto control is administered from within the PRC. Enterprises established under the foreign country/region’s laws with “de facto management bodies” outside the PRC, but have set up institutions or establishments in the PRC, or without institutions or establishments set up in the PRC, have income originating from the PRC, shall be considered as “non-resident enterprises”. A resident enterprise shall pay Enterprise Income Tax (“EIT”) on its income originating from both inside and outside the PRC at an EIT rate of 25%. A non-resident enterprise that has establishments or places of business in the PRC shall pay EIT on its income originating from the PRC obtained by such establishments or places of business, and on its income which deriving outside PRC but has an actual connection with such establishments or places of

REGULATORY OVERVIEW

business, at the EIT rate of 25%. A non-resident enterprise that does not have an establishment or place of business in the PRC, or it has an establishment or place of business in the PRC but the income has no actual connection with such establishment or place of business, shall pay EIT on its income derived from the PRC at a reduced EIT rate of 10%.

Value-Added Tax

According to the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated on 13 December 1993 by the State Council and was subsequently amended on 10 November 2008, 6 February 2016 and 19 November 2017, respectively, and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the MOF on 25 December 1993, respectively and was subsequently amended on 15 December 2008 and 28 October 2011, respectively (collectively, the “VAT Law”), any entities or individuals who engaged in the sale of goods, the provision of processing, repairing and replacement services, selling service, intangible assets or immovable property or import goods within the territory of the PRC are taxpayers of value-added tax (the “VAT”) and shall pay VAT in accordance with the laws and regulations. Except those specified listed in the VAT law, tax rate for selling services or intangible assets is 6%.

Furthermore, in accordance with the Notice on Fully Launch of the Pilot Scheme for the Conversion of Business Tax to Value-Added Tax (《關於全面推開營業稅改徵增值稅試點的通知》), promulgated by the MOF and the STA on 23 March 2016 and taking effect on 1 May 2016, the state started to fully implement the pilot program from business tax to value-added tax on 1 May 2016. All taxpayers of business tax in construction industry, real estate industry, financial industry and living service industry, and so on have been included in the scope of the pilot and should pay VAT instead of business tax.

According to the Notice on the Adjustment to VAT Rates (《關於調整增值稅稅率的通知》), which was promulgated by the MOF and the STA on 4 April 2018 and became effective on 1 May 2018, the applicative rate of VAT has adjusted, and the taxpayer who is previously subject to 17% and 11% respectively on VAT-taxable sales activities or imported goods shall have the applicable tax rates adjusted to 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), which was issued by the MOF, the STA and the General Administration of Customs on 20 March 2019 and came into effect on 1 April 2019, for VAT taxable sales or imported goods of a VAT general taxpayer where the VAT rate of 16% applies currently, it shall be adjusted to 13%, the currently applicable VAT rate of 10% shall be adjusted to 9%.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

Under the Administrative Regulations of the PRC on Foreign Exchange (《中華人民共和國外匯管理條例》) (the “**Foreign Exchange Administrative Regulations**”), which was promulgated by the State Council on 29 January 1996 and subsequently amended on 5 August 2008, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but is not freely convertible for capital account items, such as direct investment or engaging in the issuance or trading of negotiable securities or derivatives

REGULATORY OVERVIEW

unless the prior approval by the competent authorities for the administration of foreign exchange is obtained. In accordance with the Foreign Exchange Administrative Regulations, foreign-invested enterprises in the PRC may purchase foreign exchange without the approval of the SAFE for paying dividends by providing certain evidencing documents (board resolutions, tax certificates, etc.), or for trade and service-related foreign exchange transactions by providing commercial documents evidencing such transactions. They are also allowed to retain foreign currency (subject to a cap approval by the SAFE) to satisfy foreign exchange liabilities. In addition, foreign exchange transactions involving overseas direct investment or investment and trading in securities, derivative products abroad are subject to registration with the competent authorities for the administration of foreign exchange and approval or filings with the relevant government authorities (if necessary).

According to the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (Hui Fa [2015] No.13) (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (匯發[2015]13號) (the “**Circular 13**”), which was promulgated by the SAFE on 13 February 2015 and came into effect on 1 June 2015, and was subsequently amended on 30 December 2019, the foreign exchange registration under domestic direct investment and the foreign exchange registration under overseas direct investment are directly reviewed and handled by banks in accordance with the Circular 13. The SAFE and its branches shall perform indirect regulation over the foreign exchange registration via banks.

According to the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《關於改革外商投資企業外匯資金結匯管理方式的通知》) (the “**Circular 19**”), promulgated by SAFE on 30 March 2015, and became effective on 1 June 2015, partially repealed on 30 December 2019 and subsequently amended on 23 March 2023, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretionary Foreign Exchange Settlement (the “**Discretionary Foreign Exchange Settlement**”). The Discretionary Foreign Exchange Settlement refers to the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the entry registration of monetary contribution by the banks) may be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of Discretionary Foreign Exchange Settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined as 100%. The Renminbi converted from the foreign exchange capital will be kept in the designated account. If a foreign-invested enterprise needs to make a payment from such assigned accounts, the banks shall assume authenticity examination responsibilities for handling the payment of RMB funds obtained from the external payment of capital funds and foreign exchange settlement for foreign-invested enterprises. Banks shall, when handling each fund payment, examine the authenticity and regulatory compliance of the certification materials on the previous payment.

Pursuant to the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (Hui fa [2016] No.16) (《關於改革和規範資本項目結匯管理政策的通知》) (匯發[2016]16號) (the “**Circular 16**”), promulgated by SAFE on 9 June 2016, and became effective simultaneously and subsequently amended on 4 December 2023, enterprises registered in the PRC (including PRC funded enterprises and foreign-invested enterprises, excluding financial institutions) may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The Circular 16 provides an integrated standard for converting foreign exchange under capital account items (including but not limited to foreign exchange capital and

REGULATORY OVERVIEW

foreign debts) on a discretionary basis which applies to all enterprises registered in the PRC. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In accordance with the Circular on Further Promoting Cross-border Trade and Investment Facilitation (Hui Fa [2019] No. 28) (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》)(匯發[2019]28號), which was issued and came into effect on 23 October 2019 by the SAFE and amended on 4 December 2023, foreign-invested enterprises engaged in non-investment business are permitted to use capital to make domestic equity investments according to laws and regulations under the condition that the current Special Administrative Measures for Foreign Investment Access (Negative List) are not violated and the relevant domestic investment projects are true and compliant.

According to the Circular of the State Administration of Foreign Exchange on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), which was issued and came into effect on 4 December 2023 by the SAFE, the equity transfer consideration paid in foreign currency by domestic entities owe to domestic equity transferors (including institutions and individuals), as well as the foreign exchange funds raised by domestic enterprises listed overseas, can be remitted to the capital project settlement account directly. The funds in the capital project settlement account can be independently settled and utilised.

LAWS AND REGULATIONS RELATING TO OVERSEAS OFFERING AND LISTING

On 17 February 2023, with the approval of the State Council, the China Securities Regulatory Commission (the “**CSRC**”) promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and relevant five guidelines, which came into force on 31 March 2023.

According to the Trial Measures, (i) PRC domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfil the filing procedure and submit relevant information to the CSRC; if a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines; (ii) domestic companies that seek to offer or list securities overseas directly means that PRC companies limited by shares offer or list securities in overseas securities markets; and (iii) any PRC company limited by shares seeking to list overseas are required to file with the CSRC within three business days after its application for overseas listing is submitted. Failure to complete the filing under the Trial Measures may subject a PRC domestic company to rectification ordered by the CSRC, warning, and fine from RMB1.0 million to RMB10 million.

REGULATORY OVERVIEW

In addition to the above, PRC domestic companies seeking overseas offering and listing shall strictly comply with the laws, administrative regulations and relevant provisions of the PRC Government on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interest and the legitimate rights and interests of domestic investors. The Trial Measures also provide the circumstances where the overseas offering and listing are explicitly prohibited, including: (i) such securities offering and listing is explicitly prohibited by specific PRC laws and regulations; (ii) that constitute threat to or endanger national security; (iii) the PRC domestic company, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic company is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that controlled by the controlling shareholder(s) and/ or the actual controller.

On 24 February 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provision on Confidentiality**”), which came into force on 31 March 2023. According to the Provision on Confidentiality, where any PRC domestic company provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing entities, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing.

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

We are a state-owned cultural tourism service provider headquartered in Mount Wuyi, Fujian Province. According to Frost & Sullivan, we ranked the eighth in terms of sales revenue generated by cultural tourism performance programs in the cultural tourism performance market in China in 2024. Our primary focus has been our signature show, the Impression — Dahongpao Scenery Show, which is the first large-scale outdoor scenic performance in Fujian Province according to Frost & Sullivan.

Our history can be traced back to 2008, when Fujian Mount Wuyi Cultural Tourism Group, one of our Controlling Shareholders, sought to create a large-scale scenic performance project that could showcase local characteristics of Mount Wuyi for the purposes of enhancing Mount Wuyi’s tourism appeal. To this end, Fujian Mount Wuyi Cultural Tourism Group, as the project initiator, decided to (i) collaborate with Impression Art Development to jointly produce the Impression — Dahongpao Scenery Show; and (ii) as a promoter, initiated the establishment of our Company as the operating entity to curate the show with an exclusive performance right. To achieve this, each of Fujian Mount Wuyi Cultural Tourism Group, Impression Art Development and our Company agreed upon the tripartite Contracting Agreement in July 2008 to outline the rights and responsibilities in respect of the show, pursuant to which Fujian Mount Wuyi Cultural Tourism Group was responsible for overall coordination to advance the project, Impression Art Development was responsible for the initial design and direction of the show and we were tasked with implementing of this performance project and curating the show exclusively. Subsequently in January 2009, our Company was established by Fujian Mount Wuyi Cultural Tourism Group, Nanping Industrial and Mount Wuyi Tourism Resort Development with the approval of Mount Wuyi SASAC and Nanping SASAC.

In order to enhance the cooperation between us and Beijing Impression Landscape, the producer of our Impression — Dahongpao Scenery Show, in September 2010, Beijing Impression Landscape invested in our Company by way of capital increase. See “— Corporate Development of our Company — Share Capital Increase by Beijing Impression Landscape” in this section for details. We first launched our Impression — Dahongpao Scenery Show in March 2010. Since then, we have been focusing on the provision of Impression — Dahongpao Scenery Show and performance services. In May 2025, we also launched our new show “Moonlight over Mount Wuyi”. Additionally, we are engaged in Impression Cultural Tourism Town business and Chatang hotel business in parallel. See “Business — Overview” in this document for details.

In January 2016, our Company converted into a joint stock company. Subsequently in January 2017, our Shares were quoted on the NEEQ. See “— Corporate Development of our Company” in this section for details.

HISTORY AND CORPORATE STRUCTURE

BUSINESS DEVELOPMENT MILESTONES

The following table summarises our key business development milestones:

Year	Events
2009	Our Company was established in January in 2009 to curate and perform Impression — Dahongpao Scenery Show.
2010	The debut of our signature Impression — Dahongpao Scenery Show in March 2010. Beijing Impression Landscape invested in our Company in September 2010.
2016	We converted into a joint stock company in January 2016.
2017	Our Shares were quoted on the NEEQ in January 2017. We established our subsidiary Mount Wuyi Chatang Resort to operate Chatang hotel business in November 2017.
2019	We established our subsidiary Impression Dahongpao Cultural to operate our Impression Cultural Tourism Town business in August 2019.
2020	We have been moved from the base layer (基礎層) of the NEEQ to the innovation layer (創新層) of the NEEQ.
2024	We established our subsidiary Moonlight Wuyi to curate and perform our new show, namely Moonlight over Mount Wuyi in September 2024
2025	The debut and premiere of our Moonlight over Mount Wuyi in April and May 2025, respectively

CORPORATE DEVELOPMENT OF OUR COMPANY

Establishment

On 21 January 2009, our Company was established as a limited liability company with the corporate name being Mount Wuyi Impression Dahongpao Cultural Tourism Co., Ltd. (武夷山印象大紅袍文化旅遊有限公司) in the PRC, with an initial registered capital of RMB100.0 million. At the time of establishment, our Company was owned as to 51.0% by Fujian Mount Wuyi Cultural Tourism Group, 30.0% by Nanping Industrial and 19.0% by Mount Wuyi Tourism Resort Development, respectively. Each of the said shareholder, is a state-owned enterprise. Fujian Mount Wuyi Cultural Tourism Group and Mount Wuyi Tourism Resort Development were ultimately controlled by Mount Wuyi SASAC while Nanping Industrial was ultimately controlled by Nanping SASAC. Our Company was established for the purpose of the curation and performance of the Impression — Dahongpao Scenery Show to further develop the tourism resources in Mount Wuyi City. We have been focusing on the performance of the signature show since its debut in March 2010.

HISTORY AND CORPORATE STRUCTURE

Share Capital Increase by Beijing Impression Landscape

In order to enhance the cooperation between us and the Beijing Impression Landscape, producer of our Impression — Dahongpao Scenery Show, in July 2010, Beijing Impression Landscape injected RMB22.5 million into our registered share capital with a total consideration of approximately RMB23.1 million. Such consideration was determined based on arm’s length negotiation with reference to the then valuation of our Company appraised by an independent valuer and was fully settled in July 2010. As at the Latest Practicable Date, Beijing Impression Landscape was ultimately controlled by Sanxiang Impression Co., Ltd. (三湘印象股份有限公司), the shares of which were listed on the Shenzhen Stock Exchange (000863.SZ). Immediately after the said share capital increase, our Company was owned as to 40.8% by Fujian Mount Wuyi Cultural Tourism Group, 24.0% by Nanping Industrial, 20.0% by Beijing Impression Landscape and 15.2% by Mount Wuyi Tourism Resort Development, respectively.

Conversion into a Joint Stock Company

On 28 January 2016, our then Shareholders resolved at a general meeting to approve the conversion of our Company from a limited liability company into a joint stock company with limited liability with a registered capital of RMB82.5 million divided into 82,500,000 Shares with a nominal value of RMB1.00 each, which was determined with reference to the net asset value of our Company of approximately RMB107.4 million as at 31 August 2015, as verified by an independent accountant, with the remaining amount of approximately RMB24.9 million converted to capital reserve. Such conversion was completed on 31 January 2016 with our Company’s Chinese name changed into “印象大红袍股份有限公司”.

Introduction of Employee Incentive Platform

In recognition of the contributions of our eligible employees and to incentivise them to further promote our development by aligning our eligible employees’ interests with ours, on 20 July 2016, our then Shareholders resolved at a general meeting to approve the issue of 7,170,000 Shares to Mount Wuyi Landscape LLP as an employee incentive platform. The consideration for the share capital increase was approximately RMB11.3 million, which was determined based on the then valuation of our Company appraised by an independent valuer and was fully settled in July 2016.

Mount Wuyi Landscape LLP was established in the PRC as a limited partnership on 30 June 2016. Mr. Zheng Bin, our executive Director and general manager is the general partner of Mount Wuyi Landscape LLP who as at the Latest Practicable Date holds approximately 5.8% partnership interest. As at the Latest Practicable Date, Mount Wuyi Landscape LLP had 35 limited partners who are former and existing employees. None of its limited partners is a Director or senior management of our Company.

HISTORY AND CORPORATE STRUCTURE

Upon the completion of the abovementioned shareholding changes, the shareholding structure of our Company is tabulated as below:

Shareholder	Number of Shares	Shareholding percentage (%)
Fujian Mount Wuyi Cultural Tourism Group	33,660,000	37.5
Fujian Wuyi Tourism Group <i>(Note)</i>	19,800,000	22.1
Beijing Impression Landscape	16,500,000	18.4
Mount Wuyi Tourism Resort Development	12,540,000	14.0
Mount Wuyi Landscape LLP	7,170,000	8.0
Total	89,670,000	100.0

Note: With the approval of Nanping SASAC, the entire Shares held by Nanping Industrial were allocated to Fujian Wuyi Tourism Group, a fellow subsidiary of Nanping Industrial which was also ultimately controlled by Nanping SASAC, in August 2013.

Quoting on the NEEQ and Shareholding Changes Thereafter

On 20 January 2017, our Shares were quoted on the NEEQ.

(i) Placing to existing Shareholders

On 27 February 2019, our then Shareholders approved the placing of up to 18,400,000 new Shares to two existing Shareholders on the NEEQ at the price of RMB3.4 per Share, which was determined based on the valuation of our Company appraised by an independent valuer. Pursuant to the allotment result announcement dated 9 April 2019, Fujian Mount Wuyi Cultural Tourism Group and Fujian Wuyi Tourism Group subscribed for 12,184,000 and 6,216,000 new Shares, respectively. The total proceeds of approximately RMB62.6 million were fully paid on 2 April 2019 and were subsequently used for the establishment and development of our Chatang Resort.

Upon the completion of the abovementioned placing, the shareholding structure of our Company is tabulated as below:

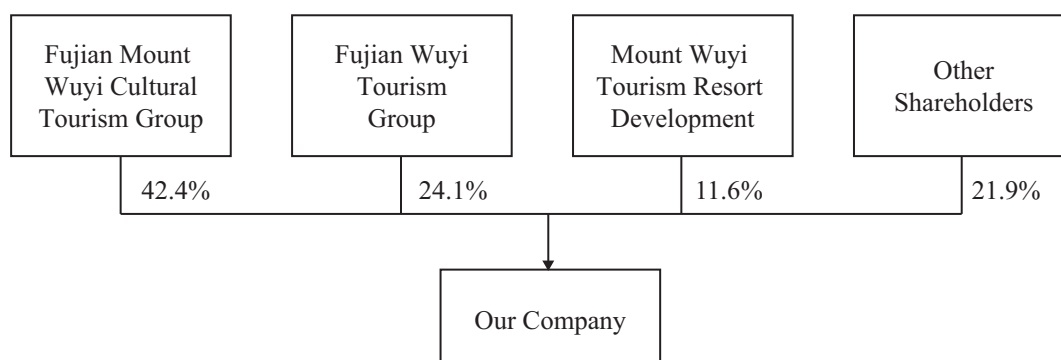
Shareholder	Number of Shares	Shareholding percentage (%)
Fujian Mount Wuyi Cultural Tourism Group	45,844,000	42.4
Fujian Wuyi Tourism Group	26,016,000	24.1
Beijing Impression Landscape	16,500,000	15.3
Mount Wuyi Tourism Resort Development	12,540,000	11.6
Mount Wuyi Landscape LLP	7,170,000	6.6
Total	108,070,000	100.0

HISTORY AND CORPORATE STRUCTURE

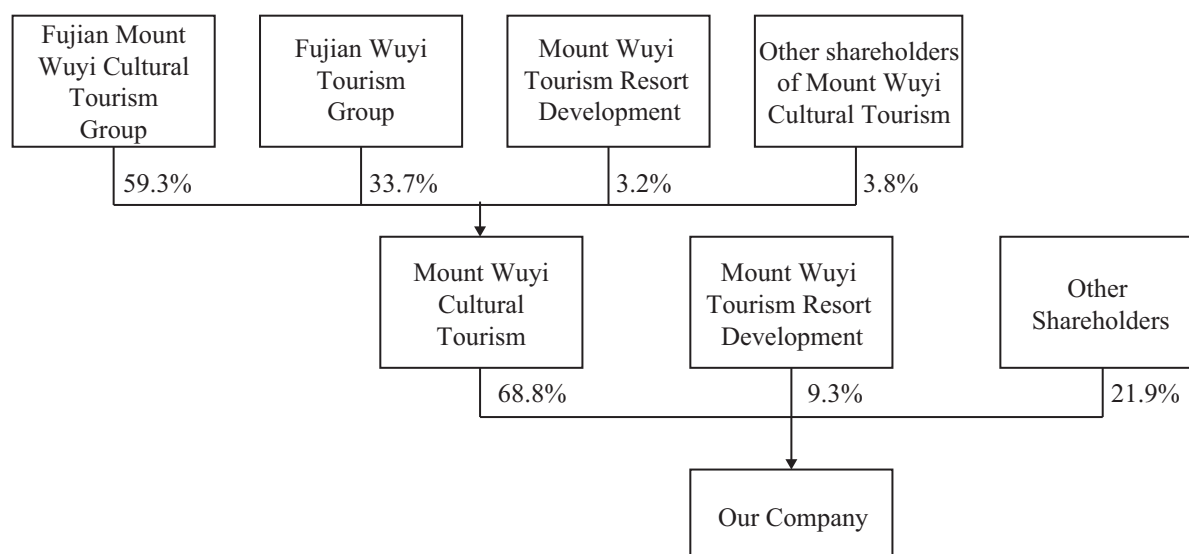
(ii) Share transfer by Shareholders

On 4 June 2020, each of our then three Shareholders, namely Fujian Mount Wuyi Cultural Tourism Group, Fujian Wuyi Tourism Group and Mount Wuyi Tourism Resort Development entered into share transfer agreements with Mount Wuyi Cultural Tourism, respectively, pursuant to which Fujian Mount Wuyi Cultural Tourism Group, Fujian Wuyi Tourism Group and Mount Wuyi Tourism Resort Development transferred 45,844,000, 26,016,000 and 2,471,429 Shares to Mount Wuyi Cultural Tourism at the price of RMB3.4 per Share, representing 42.4%, 24.1% and 2.3% of the then total share capital of our Company, respectively. As the consideration, Mount Wuyi Cultural Tourism issued its registered share capital at the equivalent amount to the purchase price of the transferred Shares to the three transferring Shareholders. The share transfer by Shareholders was completed on 11 September 2020. Our shareholding structure immediately prior to and after the share transfer is set out in the charts below:

Immediately prior to the share transfer



Immediately after the share transfer



HISTORY AND CORPORATE STRUCTURE

(iii) Share purchase by individuals on the NEEQ

From 20 December 2019 to 31 December 2024, there were a series of share transfers among the then Shareholders from time to time, among which certain individuals or entities purchased the Shares from the then existing Shareholders on NEEQ. Such individuals or entities include our former and existing employees independent third parties.

Upon the completion of the abovementioned share transfers and share purchase by other shareholders, as at the Latest Practicable Date, the shareholding structure of our Company is tabulated as below:

Shareholder	Number of Shares	Shareholding percentage (%)
Mount Wuyi Cultural Tourism	74,331,429	68.8
Beijing Impression Landscape	16,500,000	15.3
Mount Wuyi Tourism Resort Development	10,068,571	9.3
Mount Wuyi Landscape LLP ⁽¹⁾	1,571,296	1.4
Other Shareholders ⁽²⁾	5,598,704	5.2
Total	108,070,000	100.0

Notes:

- (1) The number of Shares held by Mount Wuyi Landscape LLP decreased from 7,170,000 to 1,571,296 during the period from 20 December 2019 to the Latest Practicable Date, as certain partners of Mount Wuyi Landscape LLP instructed Mount Wuyi Landscape LLP to sell their Shares in our Company on NEEQ and subsequently reduced or quitted their partnership interest in Mount Wuyi Landscape LLP accordingly.
- (2) According to the latest shareholder list available on the Latest Practicable Date, other Shareholders include (i) Mr. Zheng Bin, an executive Director and the general manager of our Company (0.41%), (ii) Ms. Zheng Lei, the spouse of Mr. Zheng Bin (0.23%), (iii) Ms. Zheng Liuhua, a deputy general manager of our Company (0.48%), (iv) Ms. Li Jianzhen (李建珍), the spouse of Mr. Zheng Qingrong, a deputy general manager of our Company (0.31%) and (v) 120 other individuals or entities who are our employees, former employees and independent third parties.

Our PRC Legal Advisers have confirmed that all the required consents, approvals, authorisation or filings in relation to the changes of our shareholding described above have been made and obtained and the aforesaid changes of our shareholding have been properly and legally completed in accordance with the applicable PRC laws and regulations.

HISTORY AND CORPORATE STRUCTURE

OUR SUBSIDIARIES

As at the Latest Practicable Date, our Company had three subsidiaries in the PRC. Details of each subsidiary are set out below.

Mount Wuyi Chatang Resort

Mount Wuyi Chatang Resort was established on 16 November 2017 as a limited liability company in the PRC with a registered capital of RMB30.0 million and was wholly-owned by our Company since its establishment and up to the Latest Practicable Date. On 26 August 2024, the registered capital of Mount Wuyi Chatang Resort increased from RMB30.0 million to RMB88.0 million, which was subscribed by our Company. The principal business of Mount Wuyi Chatang Resort is Chatang hotel business.

Impression Dahongpao Cultural

Impression Dahongpao Cultural was established on 13 August 2019 as a limited liability company in the PRC with a registered capital of RMB0.5 million and was wholly-owned by our Company since its establishment and up to the Latest Practicable Date. On 23 September 2019, the registered capital of Impression Dahongpao Cultural increased from RMB0.5 million to RMB25.0 million, which was subscribed by our Company. The principal business of Impression Dahongpao Cultural is our Impression Cultural Tourism Town business.

Moonlight Wuyi

Moonlight Wuyi was established on 30 September 2024 as a limited liability company in the PRC with a registered capital of RMB60.0 million and was owned as to 53.3% by our Company and as to 46.7% by Fujian Wuyi Tourism Group at the time of establishment. On 2 July 2025, the registered capital of Moonlight Wuyi increased from RMB60.0 million to RMB80.0 million, which was subscribed by Moonlight Wuyi (Beijing) Cultural Media, an independent third party. Immediately upon completion of the capital increase and up to the Latest Practicable Date, Moonlight Wuyi was owned as to 40% by our Company, as to 35% by Fujian Wuyi Tourism Group and as to 25% by Moonlight Wuyi (Beijing) Cultural Media Co., Ltd., respectively. The increased registered capital was fully paid on 23 June 2025. The principal business of Moonlight Wuyi was for the curation and performance of our new show, namely, Moonlight over Mount Wuyi.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS DURING THE TRACK RECORD PERIOD

During the Track Record Period and up to the Latest Practicable Date, we did not have any major acquisition, disposal or merger.

HISTORY AND CORPORATE STRUCTURE

PREVIOUS A-SHARE LISTING PLAN AND REASONS FOR THE LISTING ON THE STOCK EXCHANGE

Our Shares are currently quoted on the innovation layer of the NEEQ. In view of the growing potential of stock market in the PRC, our Company entered into a tutoring agreement with China Industrial Securities Co., Ltd. (興業證券股份有限公司) in preparation for the listing application on the selected layer under the NEEQ (新三板精選層) (which was subsequently replaced by Beijing Stock Exchange (北交所)) and made a preliminary tutoring filing (上市輔導備案) with the Fujian office of CSRC (中國證券監督管理委員會福建監管局) in August 2020. As at the Latest Practicable Date, we had neither filed any formal A-share listing application with any representative office of the CSRC nor received any material comments or inquiries from the CSRC or the Beijing Stock Exchange. Our Directors have confirmed that our Group had complied with the applicable laws and regulations of NEEQ in all material respects and had not been subject to any material administrative penalties by the regulatory authority; nor the regulatory authorities has imposed any material self-regulatory measures or disciplinary actions against our Company or Directors during its listing on NEEQ. Based on the due diligence performed by the Joint Sponsors, the confirmation from the Directors as mentioned above and the advice from the PRC legal advisors, the Joint Sponsors, concur with the Directors, and is of the view that our Group had complied with the applicable laws and regulations of NEEQ in all material respects and had not been subject to any material investigation or disciplinary actions by any regulatory authority during its listing on NEEQ.

In May 2024, in line with our strategic development and in order to prepare for the [REDACTED] on the Stock Exchange, we terminated the engagement with China Industrial Securities Co., Ltd. for the A-share listing plan and withdrew the preliminary tutoring filing with the Fujian office of CSRC. During the tutoring period in preparation for the A-share listing plan, we did not encounter any disagreements with the professional parties or the CSRC. Our Directors and the Joint Sponsors have confirmed that there are no other matters relating to the A-share listing plan that may affect our Company’s suitability for [REDACTED] on the Stock Exchange or that are required to be brought to the attention of the Stock Exchange.

As advised by the PRC Legal Advisers, based on the documents and materials provided by our Company and the confirmations made by our Company, and after due verification, our Company and Directors have been in compliance with all relevant securities regulatory laws and regulations in all material aspects from the date of our quotation on the NEEQ and up to the Latest Practicable Date. Neither our Company nor any of our Directors has been subject to any material administrative penalties by the CSRC or its dispatched agencies or any other securities regulatory authorities. Additionally, the NEEQ has not imposed any material self-regulatory measures or disciplinary actions on our Company or Directors.

Considering that [REDACTED] on the Stock Exchange would enable us to diversify our financing channels compared with other A-share listed peers in the broader cultural tourism industry by utilising the overseas financing platform to enhance our competitive strengths and raise capital for our further business development, advance our international brand image and further expand our capital structure, we voluntarily decided not to proceed with the A-share listing plan and instead to initiate our [REDACTED] plan on the Stock Exchange in June 2024.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Our Shares quoted on NEEQ are not counted towards our [REDACTED] for the purpose of Rule 19A.13A(1) of the Listing Rules. [REDACTED] H Shares to be issued pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised), representing [REDACTED]% of the total issued H Shares issued upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) will be counted towards the [REDACTED] of our Company. Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected [REDACTED] at the time of [REDACTED] of our Company’s H Shares does not exceed HK\$[REDACTED], at least [REDACTED]% of the total number of H 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 market [REDACTED] of the Company’s H Shares would not exceed HK\$[REDACTED]. As such, our Directors are of the view that our Company will be able to satisfy the [REDACTED] requirement under Rule 19A.13A(1) of the Listing Rules.

Free Float

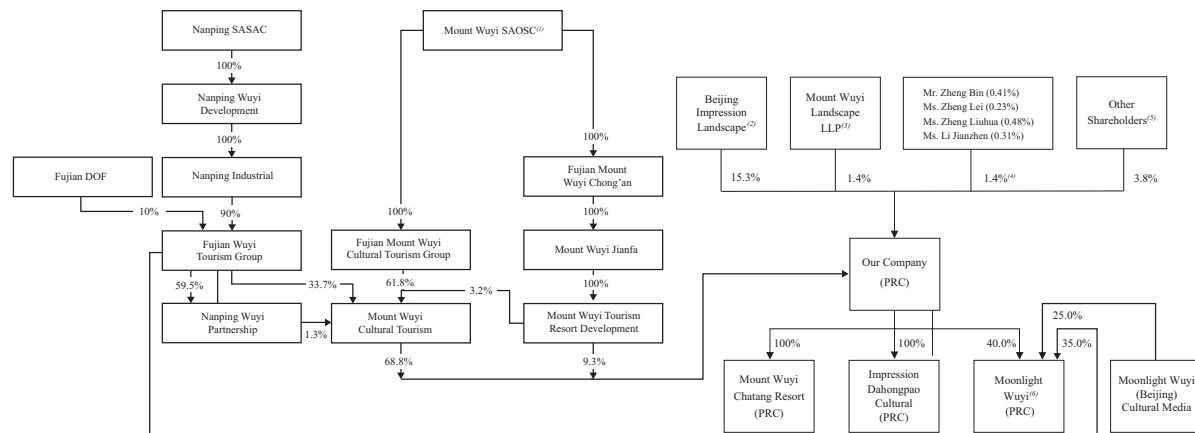
Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other [REDACTED] shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions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

Our Shares quoted on NEEQ are not counted as other [REDACTED] shares for the purpose of Rule 19A.13C(2) of the Listing Rules. To the best knowledge of our Directors, the [REDACTED] H Shares to be issued pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised) are expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on the low-end, mid-point and the upper-end of the indicative [REDACTED] range, respectively, our Company will satisfy the free float requirements under Rule 19A.13C(1) of the Listing Rules.

HISTORY AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

The chart below sets out the shareholding structure of our Group immediately prior to the completion of the [REDACTED]:

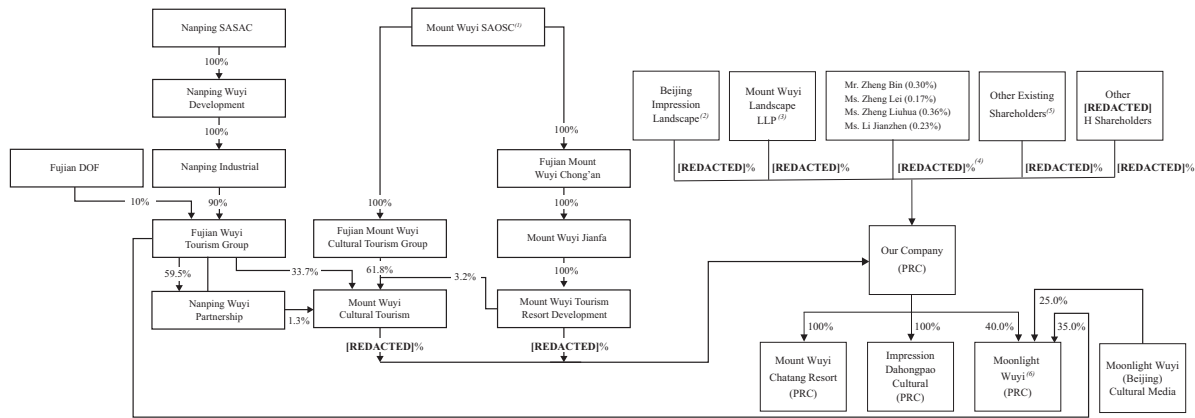


Notes:

- Both Mount Wuyi Cultural Tourism and Mount Wuyi Tourism Resort Development are fellow subsidiaries under the control of Mount Wuyi SAOSC, which is a public institution (事業單位) under the supervision of Mount Wuyi SASAC. See “Relationship with our Controlling Shareholders — Overview” in this document for details.
- Beijing Impression Landscape is a wholly-owned subsidiary of Impression Art Development, which is an indirectly wholly-owned subsidiary of Sanxiang Impression, the shares of which are listed on the Shenzhen Stock Exchange (000863.SZ)
- Mount Wuyi Landscape LLP is our employee incentive platform. See “— Corporate Development of our Company — Introduction of Employee Incentive Platform” in this section for details.
- (i) Mr. Zheng Bin is the executive Director and the general manager of our Company; (ii) Ms. Zheng Lei is the spouse of Mr. Zheng Bin; (iii) Ms. Zheng Lihua is a deputy general manager of our Company and the general manager of Mount Wuyi Chatang Resort, one of our subsidiaries; (iv) Ms. Li Jianzhen is the spouse of Mr. Zheng Qingrong, a deputy general manager of our Company and the general manager of Impression Dahongpao Cultural, one of our subsidiaries. Each of them is a core connected person of our Company.
- According to the latest shareholder list available on the Latest Practicable Date, other existing shareholders include 120 individuals or entities, representing our former and existing employees of our Company and independent third parties. None of the other existing individual Shareholders is a core connected person of our Company.
- The remaining (i) 35.0% equity interest in Moonlight Wuyi is owned by Fujian Wuyi Tourism Group, which holds 33.7% equity interest in Mount Wuyi Cultural Tourism, one of our Controlling Shareholders (with 68.8% shareholding in our Company) as at the Latest Practicable Date. The ultimate beneficial owner of Fujian Wuyi Tourism Group is Nanping SASAC; and (ii) the remaining 25% equity interest in Moonlight Wuyi was owned by Moonlight Wuyi (Beijing) Cultural Media, an independent third party.

HISTORY AND CORPORATE STRUCTURE

The chart below sets out the shareholding structure of our Group immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes:

See notes (1) to (6) as set out in the chart above.

BUSINESS

OVERVIEW

We are a state-owned cultural tourism service provider headquartered in Mount Wuyi, Fujian Province. According to Frost & Sullivan, we ranked eighth in terms of sales revenue generated by cultural tourism performance programs in the cultural tourism performance market in China in 2024. Our business comprise of three main business segments: (i) shows and performance services; (ii) Impression Cultural Tourism Town business; and (iii) Chatang hotel business.

Our shows and performance services segment comprises three main offerings: (i) our signature show, the Impression Dahongpao Scenery Show (《印象大紅袍》山水實景演出); (ii) our new show Moonlight over Mount Wuyi (《月映武夷》) which was launched in May 2025; and (iii) the provision of customised performances for corporate customers, which typically engaged us to perform at their special corporate events, such as team-building activities and annual meetings.

Impression — Dahongpao Scenery Show

Our primary focus has been our signature show, the Impression — Dahongpao Scenery Show. According to Frost & Sullivan, it is the first large-scale outdoor scenic performance in Fujian Province and has been our primary source of revenue historically and during the Track Record Period. Since its debut on 29 March 2010, our Impression — Dahongpao Scenery Show has become a renowned tourism attraction in Mount Wuyi. Our signature show has successfully attracted both domestic and international tourists through word-of-mouth referrals, and supported by the growing influence of our “Impression — Dahongpao” brand (印象大紅袍) 印象大紅袍, a well-known trademark in China. We take pride in our show, which serves as the essence of Mount Wuyi tourism, captivating and engaging audience with its rich cultural heritage and artistry. According to Frost & Sullivan, our signature show ranked third in terms of box office receipts among all the tourism scenery performances, and tenth in terms of box office receipts among all cultural tourism performances in China in 2024.

To date, we have over 15 years of experience in curating and performing the show, and have received multiple awards. Notably, we were nominated as one of the “Top 30 National Cultural Enterprises” (全國文化企業三十強) in 2019 and as one of the “Top 10 Fujian Province Cultural Enterprises” (福建省文化企業十強) in each of 2011, 2012, 2015, 2016, 2018, 2019, 2021, 2022 and 2023. Additionally, we were accredited as a “National Cultural Industry Demonstration Base” (國家文化產業示範基地) by the Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅遊部) in 2024. Our Impression — Dahongpao Scenery Show was honoured as a “2023 National Excellent Performance with Unified Social and Economic Benefits in the Performance Market” (2023年全國演出市場社會效益和經濟效益相統一優秀演出項目) and was selected for inclusion in the Prestigious Dictionary of National Tourist Performing Arts Products (全國旅遊演藝精品名錄) by the Ministry of Culture and Tourism of the PRC in 2023. As at the Latest Practicable Date, our show has achieved an outstanding overall rating of 4.7/5.0 regarding audience satisfaction on Meituan, demonstrating favourable audience feedback and strong market recognition. We are dedicated to offering travellers to Mount Wuyi an unforgettable, cinematic and enchanting experience.

Mount Wuyi is a UNESCO World Natural and Cultural Heritage Site and part of the organisation’s Network of Biosphere Reserves. It is a popular holiday destination in China, generating tourism revenue close to RMB35.2 billion, with tourist arrivals of approximately 17.3 million

BUSINESS

person-times in 2024. The region benefits from the high-speed railway network connecting it to major economic zones such as the coastal areas of Fujian Province, the Pearl River Delta Zone, and the Yangtze River Delta Zone; as well as tourism-driven governmental policies, as elaborated in “— Our Competitive Strengths” in this section. According to Frost & Sullivan, between 2024 and 2029, tourist arrivals in Mount Wuyi City are forecasted to grow at a CAGR of approximately 11.0%. Nestled within the UNESCO-recognised Mount Wuyi, we are well positioned to curate and perform our signature Impression — Dahongpao Scenery Show. Our Impression — Dahongpao Scenery Show serves as a prime example of the integration of nature and culture. The performance is conducted in the beautiful outdoor scenery of Mount Wuyi, with mountains, flowing rivers and ancient architecture, featuring tea culture as its core theme. We aim to leave our audiences feeling that their trips to Mount Wuyi have been worthwhile, allowing them to experience a performance enriched by integrated natural and cultural characteristics. The signature show also represents a groundbreaking initiative in traditional tourism that seeks to address travellers’ growing needs for immersive cultural tourism experiences and elevated aesthetic appreciation. According to Frost & Sullivan, our Impression — Dahongpao Scenery Show, as China’s largest tea house theatre, has pioneered several of “China’s firsts”, featuring (i) a 360-degree rotating auditorium that can accommodate a total of 2,099 audiences, and (ii) a live visual presented on a matrix of 15 available screens.

Our Impression — Dahongpao Scenery Show is part of the acclaimed “Impression” (《印象》) series of large-scale outdoor performances that blend visuals, music, and choreography to highlight local culture and natural scenery. These performances have been brought to life by three famous filmmakers and directors, being Mr. Zhang Yimou (張藝謀), Ms. Wang Chao (王潮歌), and Mr. Fan Yue (樊躍), collectively known as the Impression Power Trio (印象鐵三角). This talented team is well known for its capability of innovative storytelling and creating audience-immersive experiences, which makes their Impression series popular across various scenic locations in China; and uniquely positions the Impression Power Trio within the field of creating large-scale performances for the cultural tourism sector. We have built a specially designed 360-degree rotating auditorium that offers our audience a dynamic view, allowing them to fully immerse in the performance. As at the Latest Practicable Date, our auditorium has 2,099 audience seats, consisting of 1,521 regular seats and 578 VIP seats. Our audience are surrounded by the scenic Dawang Peak (大王峰) Resort Area while enjoying a performance set against a backdrop of mountains, flowing rivers and ancient architecture that showcase the landscape of Mount Wuyi. The Impression — Dahongpao scenery show adopts the interplay of light and shadow, to present its narrative thread, offering deeper insights into the culture of Dahongpao tea. Our brandname is the bedrock of our success. We take pride in the saying: *“If you miss Impression — Dahongpao, you miss the highlight of Mount Wuyi”*. As we continuously fine-tune our Impression — Dahongpao Scenery Show, it adapts to the forefront of innovation while preserving the traditional Chinese culture element, which serves to enhance the vitality of Chinese culture and deepen the integration of cultural and tourism characteristics of Mount Wuyi, promoting the concept of “Performing Arts + Tourism”. As at the Latest Practicable Date, we have performed our Impression — Dahongpao Scenery Show over 6,700 times and attracted audiences of over 9.4 million since its debut in 2010.

We have a broad audience base in China and we recorded strong operating and financial performance during the Track Record Period. We sell our show tickets through our dual ticket sales channels, comprising (i) bulk ticket sales to our ticket selling distributors who then conduct onward sales of tickets and (ii) direct sales of tickets to our audience. We believe our dual ticket sales channels allow us to solidify our ticket-booking coverage and enhance our market presence across

BUSINESS

China. During the Track Record Period, we also provided customised performances for corporate customers, which typically engaged us to perform for their special events, such as team-building activities and annual meetings. For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2024 and 2025, revenue from our Impression — Dahongpao Scenery Show amounted to approximately RMB57.6 million, RMB135.7 million, RMB129.8 million, RMB47.9 million and RMB49.1 million, respectively.

Moonlight over Mount Wuyi

As an expansion of our performance portfolio to cater to wider tourist preferences, we launched a new show, Moonlight over Mount Wuyi (《月映武夷》). The debut of this new show took place on 17 April 2025, followed by the premiere of the show to the public on 1 May 2025. By leveraging on our prior success of the Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi focuses on the core philosophies of “investing things to attain knowledge” (格物致知) and “attaining the knowledge of the goods” (致良知), which embody the Zhuzi culture of Mount Wuyi (武夷山朱子文化), distinguishing it as an indoor live show from the existing Impression — Dahongpao Scenery Show.

Performances services

During the Track Record Period, we also provided customised performances for corporate customers, which typically engaged us to perform for their special corporate events, such as team-building activities and annual meetings.

Impression Cultural Tourism Town

We have been strategically developing our Impression Cultural Tourism Town (印象文旅小鎮). Our Impression Cultural Tourism Town primarily consists of the 4A-rated Scenic Wuyi Tea Park (武夷茶博園4A級景區), Impression Jianzhou Food-themed Street (印象建州美食主題街區) and Wuyi Rock Tea Research Society (武夷茶研習社), as well as other entertainment venues such as the Impression Market (印象市集), providing travellers with additional leisure options.

Chatang hotel

We have expanded our business to include a Chatang (茶湯) hotel within the national tourist resort area of Mount Wuyi. Differentiating itself from traditional hotel accommodations, our Chatang hotel features a bespoke style by offering butler service to hotel guests. Our Chatang hotel features 50 well-furnished guest rooms with distinctive styles, each of which is decorated with traditional Chinese elements, showcasing natural garden aesthetics.

Leveraging the rich tourism heritage and the unparalleled Dahongpao tea culture of Mount Wuyi, we have established ourselves as a cultural tourism service provider in China. We are deeply rooted in, and committed to the cultural tourism market; and remain focused on unlocking the tourism potential of Mount Wuyi by generating synergies from our diverse service offerings. For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2024 and 2025, our total revenue amounted to approximately RMB63.0 million, RMB143.9 million, RMB137.2 million, RMB51.5 million and RMB55.9 million, respectively.

BUSINESS

The following table sets out a breakdown of our revenue by business line for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Shows and Performance Services	57,933	91.9	136,363	94.8	129,990	94.7	47,950	93.1	51,996	93.1
Impression Cultural Tourism Town Business	3,028	4.8	3,610	2.5	3,405	2.5	1,669	3.2	1,915	3.4
Chatang Hotel Business	2,078	3.3	3,914	2.7	3,805	2.8	1,898	3.7	1,973	3.5
Total	63,039	100.0	143,887	100.0	137,200	100.0	51,517	100.0	55,884	100.0

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths provide the foundation of our position as one of the cultural tourism service providers in Fujian Province.

We have an exclusive performance right to curate and perform our Impression — Dahongpao Scenery Show and possess the experience and capability to create, manage and operate more than one show

Our signature Impression — Dahongpao Scenery Show holds a strong industry position in Fujian Province and across China. According to Frost & Sullivan, our signature show ranked third in terms of box office receipts among all the tourism scenery performances in China in 2024. Back in 2008, Fujian Mount Wuyi Cultural Tourism Group, one of our Controlling Shareholders, sought to create a large-scale scenery performance project that could showcase local characteristics of Mount Wuyi for the purposes of enhancing its tourism appeal. To this end, Fujian Mount Wuyi Cultural Tourism Group, in its capacity as a project initiator, decided to (i) collaborate with Impression Art Development to jointly produce the Impression — Dahongpao Scenery Show; and (ii) as one of the promoters, initiated the establishment of our Company as the operating entity to curate and perform the show with an exclusive performance right. See “History and Corporate Structure — Corporate Development of our Company — Establishment” in this document for details. To achieve this, each of Fujian Mount Wuyi Cultural Tourism Group, Impression Art Development and our Company agreed upon a tripartite arrangement to outline the rights and responsibilities in respect of the show. Pursuant to the tripartite arrangement, Fujian Mount Wuyi Cultural Tourism Group was responsible for the overall coordination to advance the project, Impression Art Development was responsible for the initial design and direction of the show; and we were tasked with curating the show. See “— Shows and Performance Services — Impression — Dahongpao Scenery Show — Preparatory Stage — Obtaining the Exclusive Performance Right” in this section for details. This exclusivity provides us with a distinct competitive edge as the undisputed market leader in the tourism scenery performance market and cultural tourism performance market in China. Our show offers a scenic visual experience

BUSINESS

through utilising the natural scenery of Mount Wuyi as a backdrop, but also benefits from its UNESCO-recognised location that encompasses both cultural and natural heritage. This prime geographical advantage is complemented by convenient transportation, featuring a modern multi-dimensional transport network that integrates air travel, highways and high-speed rail, providing easy access for domestic and international travellers.

Our Impression — Dahongpao Scenery Show is the only large-scale outdoor live scenery show in China showcasing Chinese tea culture according to Frost & Sullivan. Woven around the theme of Mount Wuyi Dahongpao tea, our show portray a tale, divided into seven chapters that encompass the essence of Mount Wuyi and its vibrant local culture. With over 190 performers, the spectacle explores the rich tapestry of tea history, the artistry of tea-making and the timeless Chinese legends. Through innovative storytelling, immersive stage shows and melodies, our audience are not only entertained but also enlightened by the profound connection between humanity and nature. Our show features a tea house theatre experience which differs from the traditional notion of sightseeing, offering travellers to Mount Wuyi a panoramic tea culture experience that integrates the visuals of the natural landscape with the art of tea appreciation. Our show is the only live show in the name of the Impression series curated and performed within a UNESCO World Natural and Cultural Heritage Site. It is the sole large-scale outdoor live scenery show intertwined with the history of traditional Chinese tea culture. Additionally, our show utilises advanced technologies including sound and light support, multimedia special effects and a specially designed 360-degree rotating auditorium. As at the Latest Practicable Date, we recorded an aggregate audience number of approximately 9.4 million since the debut of our Impression — Dahongpao Scenery Show in 2010.

With a proven track record in the cultural tourism performance market in China through our signature Impression — Dahongpao Scenery Show, we have developed a deep understanding of cultural storytelling, audience engagement and operational excellence. Our cohesive management team, along with a diligent performance team, ensures that we can consistently deliver high-quality performances which continue to resonate with our audience. We believe we are well-equipped to introduce a new show that can enrich our live show portfolio and elevate the cultural landscape of Mount Wuyi. Through a public bidding process, Moonlight Wuyi engaged a directorial team in 2024, which provided directorial services to Moonlight Wuyi. The premiere of the show has taken place on 1 May 2025. Through the successful launch of Moonlight over Mount Wuyi, we have become one of the few cultural tourism service providers to offer more than one performance. By leveraging on our success of the Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi focuses on the core philosophies of “investing things to attain knowledge” (格物致知) and “attaining the knowledge of the goods” (致良知), which embody the Zhuzi culture of Mount Wuyi (武夷山朱子文化). See “— Moonlight over Mount Wuyi” in this section for a detailed introduction of Moonlight over Mount Wuyi.

Established market position in the tourism scenery performance market and cultural tourism performance market in China supported by the renowned “Impression” brand and robust governmental policies

We take pride in showcasing the natural beauty of Mount Wuyi and the local cultural heritage through the acclaimed “Impression” brand. Created by the talented Impression Power Trio, the Impression series consists of eight large-scale outdoor live shows that blend panoramic visuals,

BUSINESS

elaborate sets, and synchronised choreography with music to craft immersive experiences for the audience. Each show is designed to resonate deeply with its audience, offering a unique glimpse into the rich cultural tapestry of the region in which it is performed with a backdrop of the Mount Wuyi landscape.

From 2020 to 2024, Fujian Province experienced an increase in tourist arrivals, increasing from approximately 372.1 million person-times approximately 649.0 million person-times with a CAGR of approximately 14.9%, according to Frost & Sullivan. Prompted by its abundant natural scenery and profound cultural heritage, Fujian Province aims to further tap into local cultural resources and roll out diverse tourism productions with distinct regional features. Tourist arrivals in Fujian Province are expected to grow continuously, reaching approximately 1,053.7 million person-times by 2029, representing a CAGR of approximately 10.2% from 2024 to 2029. The cultural tourism market is set to benefit from several market conditions, of which includes favourable government policies aimed at promoting tourism. The local government has endeavoured to increase flight and railway connections between Mount Wuyi and other major hub cities, while allocating resources towards promoting the tourism industry. Fujian Province’s rich regional culture and extensive historical heritage provide a solid foundation for the growth of its cultural tourism market. In recent years, as the cultural tourism performance sector has flourished across China, the Fujian Provincial Government has strategically focused on developing the local cultural tourism market. In 2023, the Fujian Provincial Department of Culture and Tourism identified live performances as a key driver for boosting local tourism. The live performance market in Fujian experienced remarkable year-on-year growth rates of approximately 485.9% in 2023 and 67.5% in 2024. This initiative aims to deepen tourists’ appreciation for the natural beauty of local attractions by encouraging exploration of the rich cultural experiences that Fujian has to offer. As Fujian enhances its reputation as a cultural hub in China, the provincial government has emphasised the concept of “cultural tourism performance +,” promoting the integration of local culture within iconic heritage sites. The abundance of cultural resources serves as a rich source of inspiration for performance creators. High-quality performances can significantly drive the growth of the cultural tourism market and resonate with visitors. Specifically, the province’s natural landscapes provide scenic backdrops for tourism performances. By leveraging its deep-rooted cultural heritage and diverse geography, tourism performances in Fujian have the potential to contribute high-impact value, serving as a driving force in the region’s cultural tourism market.

Synergies between our Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi, Impression Cultural Tourism Town business and Chatang hotel business

As the home of Dahongpao tea, Mount Wuyi serves as the backdrop for our cultural tourism service offerings. By strategically aligning our four core service offerings, we are able to generate synergies that enhance overall tourist experiences and strengthen our competitive positioning in the local cultural tourism market. At the heart of our business is our signature outdoor live show, Impression — Dahongpao Scenery Show, which captures the essence of Dahongpao tea and the natural splendour of Mount Wuyi with natural landscape as the backdrop of the show. This performance is a major attraction in Mount Wuyi City and is often considered as a must-see itinerary for tourists, drawing travellers to Mount Wuyi and fuelling demand for our other tourism services. Adding to our performance portfolio is our new Moonlight over Mount Wuyi show launched in May 2025. It serves to diversify performance show options available in Mount Wuyi City, and offers a completely different theatrical and cultural experience. It promotes the traditional Chinese philosophy of Zhuzi

BUSINESS

culture of Mount Wuyi, and boasts key technical features of a performance stage which is lauded as the “World’s Largest Single Structure Indoor Water Curtain Stage”, as endorsed by the World Record Certification Limited on 1 May 2025. This new show complements our signature Impression — Dahongpao Scenery Show.

To further enrich the tourist experience, we have been strategically developing our Impression Cultural Tourism Town, primarily consisting of the 4A-rated scenic Wuyi Tea Park, Impression Jianzhou Food-themed Street and Wuyi Rock Tea Research Society. To extend the consumption chain for visitors before they watch our Impression — Dahongpao Scenery Show, we cultivate the town as a blend of “culinary dining, folk culture, commercial shopping, and leisure entertainment”. Additionally, we created an indoor landscape in the name of “Nine Curves on the Shore” (岸上九曲) in the town, fostering a consumption-rich environment with Mount Wuyi characteristics. Our Impression Cultural Tourism Town business enables travellers to immerse themselves in Mount Wuyi’s rich heritage and traditions centred around Dahongpao tea. To heighten tourist experience and diversify our business portfolio, we successfully established our Chatang hotel business in 2017, with its opening in 2021. Our Chatang hotel offers a tea-themed hot bath wellness experience, seamlessly integrating Dahongpao tea into our guest offerings. The integrated operations centred around Mount Wuyi Dahongpao tea generate synergies among our three business segments.

By integrating our four core service offerings, we provide a comprehensive one-stop travel experience to travellers to Mount Wuyi City. Tourists can explore our Impression Cultural Tourism Town, enjoy local tea culture, attend our indoor live show Moonlight over Mount Wuyi in the afternoon, attend our signature outdoors live show Impression — Dahongpao Scenery Show in the evening or at night, and stay in our uniquely themed Chatang hotel. This variety not only enriches travellers’ experiences but also extends their stay in Mount Wuyi and increases per-visitor spending. The unified brand image centred around “Impression Dahongpao” strengthened through this integration emphasises our quality service and unique cultural experiences, thereby enabling us to attract more tourists. In particular, since the theatre of Moonlight over Mount Wuyi is located close to our Chatang hotel, the launch of this new show brought more foot traffic to the nearby areas. This gives rise to more cross-selling opportunities and enhances the appeal of our packaged sales deals across our suite of service offerings. Our joint marketing strategies leveraging a shared brand narrative across different platforms further enhance our market coverage. In connection with our steady expansion of our business portfolio, the synergistic potential among our signature Impression — Dahongpao Scenery Show, our new Moonlight over Mount Wuyi show, Impression Cultural Tourism Town business and tea-themed Chatang hotel business can create a virtuous cycle, driving long-term and stable growth. We believe these synergies can provide us with more stable income, growth prospects and business sustainability in the long run.

Our synergised operations, immersed in Dahongpao tea culture also reflect our unwavering commitment to local culture and society. We carry “Impression — Dahongpao” brand in our business operations, making it a representative cultural symbol of Mount Wuyi. The brand effect not only elevates our visibility but also plays a pivotal role in promoting the heritage of Mount Wuyi Dahongpao tea culture, thereby contributing to the development of the local tea industry. As a cultural tourism showcase for Mount Wuyi, our signature Impression — Dahongpao Scenery Show serves as a major attraction to a large number of travellers, directly boosting the growth of the tea industry in Mount Wuyi and enhancing the brand recognition and market competitiveness of local tea products. According to Frost & Sullivan, the local tea production in Mount Wuyi reached approximately 30,100

BUSINESS

tonnes, reflecting a year-to-year increase of approximately 7.1%, while sales of tea products exceeded RMB2.8 billion, with a growth rate of approximately 28.1% in 2024, according to Frost & Sullivan. On 29 November 2022, the craftsmanship of Mount Wuyi rock tea (Dahongpao) was officially recognised by UNESCO and included in the Lists of Intangible Cultural Heritage. Companies engaging in tea-related businesses in Mount Wuyi, as essential components of Mount Wuyi’s socio-economic landscape, actively promote our show to their customers through word-of-mouth referrals; and provide us with a steady potential audience base for our show, further enhancing our show’s influence and appeal. This collaborative relationship underscores mutual empowerment that not only drives the sustained growth of the tea industry in Mount Wuyi but also positions our show as an example of the integration of local tea culture and tourism.

Continuous innovation in pursuit of excellence and a versatile professional performance team

At the core of our success lies our pursuit of excellence. Over the past decade and up to the Latest Practicable Date, we have been introducing audience-and-performer interactive sessions and service upgrades as well as pre-performance vibrant street shows prior to show time to engage audiences. Notably, we have fine-tuned the performance contents for Impression — Dahongpao Scenery Show during the Track Record Period. To accommodate bad weather conditions whilst ensuring the performance can still maintain a perfect artistic presentation, we introduced a “wind-and-rain” version of the show in March 2024. In April 2024, we engaged professional dance instructors to provide guidance in order to elevate dance techniques and content expression. Additionally, for the purpose of increasing the interaction between our performance team and the audience, we introduced a “tea-offering” performance session for the show in the same month. In respect of the “tea-making” performance of the show, we integrated original music and dance in the session, enriching the portrayal of Dahongpao tea culture and the lives of tea artisans in May 2024. In addition to the upgrades to the show’s performance content, we also conducted regular maintenance to refurbish and repair our performance stage, as well as our sound and lighting systems. For example, we undertook refurbishments of our lighting and sound systems, creating new light and shadow effects that immerse our audience in our performances on an annual basis. This generally happened at the end of each year. Our meticulously designed auditorium rotates 360 degrees, offering a continuously changing viewing point. We also integrated multimedia interactive technology, allowing our audience to engage directly with our performers, further elevating their immersive experience. These enhancements allowed us to integrate audio-visual sensory elements into the show, solidifying its status as one of the premier cultural events in Mount Wuyi and throughout China. The popularity of our show is demonstrated by an average ticket issuance rate of the show amounting to approximately 75.7% for the year ended 31 December 2024 and approximately 71.4% for the six months ended 30 June 2025.

As for our Moonlight over Mount Wuyi show, given its debut not long ago, our directorial and performance team is continuously working to improve the performance quality through constant monitoring of feedback, regular evaluation and implementation of upgrades and tweaks.

BUSINESS

The diligence of our performance team is a core pillar of our ongoing success. Comprised of professionally trained actors and descendants of tea-farming families, our performance team brings a mix of artistic talent and deep knowledge of local tea culture in performing our signature show. We provide rigorous training that adheres to our performance standards and operational protocols. Additionally, we have established comprehensive guidelines for managing costumes and props, guaranteeing both visual impact and overall quality of our show.

Dual ticket sales channels translating into broader market coverage and scalability and optimised operating performance

Our dual ticket sales channels enable us to reach a diverse range of audience. Such channels include (i) ticket bulk sales to our ticket selling distributors who conduct onward sales of tickets and (ii) direct sales of tickets to our audience. In particular, through ticket bulk sales to our ticket selling distributors, we are able to gain extensive ticket-booking coverage, thereby securing the scalability and reach of our show and amplifying our market presence across China.

We manage our ticket-booking process through formulating a standardised booking channel management protocol and hosting promotional activities responding to seasonality, helping us strike a balance between sales volume and yield. Said protocol also applies to management of our ticket selling distributors, who are able to leverage their resources to capture a diverse audience base. Our proactive ticket-selling management provides resilience against variable market conditions, helping us minimise seating vacancy rate. Furthermore, engaging ticket selling distributors allows us to stay abreast of evolving market trends, allowing timely responses to environmental changes. The engagement of ticket selling distributors was high-yielding, recording a segment revenue contribution of approximately RMB53.2 million, RMB126.2 million, RMB120.0 million, RMB44.2 million and RMB46.6 million for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, respectively.

Our dual ticket sales channels ensure broader ticket sales coverage, and therefore enable us to focus on solidifying and upgrading our signature show and creating our new show, while further exploring other synergistic opportunities surrounding our Impression Cultural Tourism Town business and improving our Chatang hotel business. Such an operating model allows us to concentrate our efforts on fortifying our core business while exploring new business opportunities in the broader cultural tourism market.

An experienced management team with in-depth knowledge and experiences in cultural tourism industry

We boast a long-serving and cohesive management team with a proven track record in the cultural tourism industry in China. Mr. Zheng Bin (鄭彬), our executive Director and general manager, has over two decades of experience in the tourism industry and corporate management. Mr. Zheng was awarded the title of Outstanding Entrepreneur of Fujian Province (福建省優秀企業家) in September 2020 and recognised as a candidate for the Ministry of Culture and Tourism’s Excellent Expert (國家文化和旅遊部優秀專家推薦人選) in June 2020. Mr. Zhong Baiyi (衷柏夷), our non-executive Director and Chairman of our Board, has over three decades of experience in tourism development. Both Mr. Zheng Bin and Mr. Zhong Baiyi have successfully navigated our Group through various economic cycles by deploying strategic initiatives, including our branding and business expansion.

BUSINESS

We have also appointed Mr. Zheng Qingrong (鄭青榮), our deputy general manager, as the project principal of our Impression Cultural Tourism Town, primarily responsible for our cultural tourism market penetration. Mr. Zheng Qingrong has over two decades of experience in the tourism industry, possessing solid experience in the management of tourist locations and operation of cultural tourism service companies. Mr. Zheng Qingrong is currently managing our Impression Cultural Tourism Town business and its expansion, and is working with our senior management to seek opportunities to diversify our cultural tourism performance projects. See “Directors and Senior Management” in this document for the introductions of Mr. Zheng Bin, Mr. Zhong Baiyi and Mr. Zheng Qingrong.

Our corporate culture is embroidered with devotion, dedication and collegiality, fostering an inspiring environment for our employees in pursuit of excellence. We are committed to developing tailored growth plans that nurture individual strengths. Most of our senior management members have over a decade of working experience within our Group, having been trained and organically promoted based on their performance and growth potential. We also recruit well-rounded talents with valuable skills and experiences gained outside our Group which will enrich our diverse group culture. We value both our internally trained talents, who offer loyalty and home-grown capabilities, as well as our external hires, who contribute complementary skill sets and experiences. We have set up an employee incentive platform, namely, Mount Wuyi Landscape LLP, to incentivise eligible employees, motivating employee performance and retention, and encouraging employee loyalty, which aligns our employees’ long-term interests with our future developments, among other initiatives. See “History and Corporate Structure — Corporate Development of our Company — Establishment — Introduction of Employee Incentive Platform” in this document for details. We believe our accommodating group culture is key to our success and serves as the backbone of our continuous and sustainable growth.

OUR STRATEGIES

To solidify our market position in Fujian Province and further propel our business growth, we intend to pursue the following business strategies:

Continue focusing on innovation and reinforce the leadership position of our Impression — Dahongpao Scenery Show

We plan to enhance the viewing experience and artistic value of our signature show through an upgrade initiative designed to meet growing audience demands. Key improvements will focus on innovating our show’s contents and presentation, as well as upgrading hardware and venue facilities. This includes a complete overhaul of the show’s structure; an upgrade of the performance script; the addition of new segments featuring rituals with red silk, tea picking, and tea production in terraced fields; along with re-recording existing dialogue. Such plans align with our pursuit of excellence in respect of the quality and appeal of our show. During the Track Record Period, we have fine-tuned the performance contents of our signature show four times. For details, see “— Our Competitive Strengths — Continuous innovation in pursuit of excellence and a versatile professional performance team” in this section. The sound system will undergo complete renovation, and the lighting system will be revamped to enhance the audience experience. We believe these enhancements will enrich the performance content, increase interactiveness, and deeply engage our audience, further establishing

BUSINESS

our show as a premium platform for exploring the culture of Dahongpao tea in Mount Wuyi. By merging modern technology with artistic expression, we aim to create a unique, immersive and interactive audio-visual travelling experience for travellers to Mount Wuyi through our signature show.

To achieve this goal, we will focus on four main aspects of improvement for the show. In terms of contents, the entire program structure and script will undergo a comprehensive revision, incorporating new segments, alongside re-recording the program’s scene dialogue. In terms of lighting, upgrades will be made to the fixtures in areas such as the auditorium, terraced fields, rooms, bamboo forests, water features and mountainous regions. This will involve calibrating integrated ambient lighting to improve overall lighting effects. Specific measures include replacing and adding waterproof slice lights, laser lights and high-power searchlights to meet the lighting requirements for our performance. In terms of audio, we will update the speakers in our 360-degree rotating auditorium and supplement them throughout the auditorium. A professional sound engineer will conduct precise tuning of the entire audio system to create a “surround sound” effect. Furthermore, we will upgrade our high-lumen laser projectors and replace the existing integrated video servers to improve visual quality. The control room will also be thoughtfully redesigned to include additional VIP seating and artistic enhancements to existing facilities, further enhancing the overall audience experience.

Through these comprehensive measures, we can elevate the artistic quality and interactivity of our show, while optimising infrastructure and service experiences. This initiative will promote the integration of culture and technology, enhancing our brand image and expanding our market presence. We also believe the upgrade will further strengthen the recognition of the show locally, while providing out-of-town travellers with a more attractive cultural tourism experience. Furthermore, by increasing the artistic and social value of our show, we will make a contribution to the cultural tourism industry in Mount Wuyi and positively impact the economic and social development of Fujian Province.

Enlarge the service portfolio of Impression Cultural Tourism Town

We plan to expand the business of our Impression Cultural Tourism Town and enhance its influence, creating a unique, multi-faceted entertainment venue that integrates tourism, leisure, entertainment, education, performances, and dining, with the aim of creating another renowned destination in Mount Wuyi.

Specifically, we plan to further develop our Impression Jianzhou Food-themed Street to make it an area featuring arts performance; comprehensively renovate the 4A-rated scenic Wuyi Tea Museum; and further develop the Impression Cultural Tourism Town with the enhancement of surrounding scenic views, including the introduction of a promenade, i.e., Binxi Road (濱溪路). See “— Impression Cultural Tourism Town Business — Expansion of our Impression Cultural Tourism Town Business”, “— Impression Cultural Tourism Town Business — Strategic Importance of our Impression Cultural Tourism Town” in this section and “Future Plans and [REDACTED] — [REDACTED]” in this document for details.

BUSINESS

Pursue strategic acquisition of another quality cultural tourism performance project, increasing market influence in the broader cultural tourism performance market

Building on our solid experience of curating our Impression — Dahongpao Scenery Show and launch of Moonlight over Mount Wuyi, we plan to replicate this success in a new cultural tourism performance project. When selecting our target, we adopt a comprehensive set of evaluation criteria, including analysing the historical operational performance of the targets, their financial performance, and the potential of the performance. See “Future Plans and [REDACTED] — [REDACTED]” in this document for details. We seek to achieve scalable operations of multiple shows and leverage our established brand resources for repaid market penetration. As the cultural tourism industry continues to evolve, we will also engage in the development and planning of new projects, further broadening our business scope and achieving diversification. As at the Latest Practicable Date, we had identified some potential targets primarily in Fujian Province; but we had not entered into any acquisition agreement.

Enhance digital management and improve operating efficiency

We aim to enhance our operational systems, including upgrading our ticket management system and our ticket selling distributor management system. Currently, the two systems are tailored specifically for our Impression — Dahongpao Scenery Show. Our ticket management system allows our ticket selling distributors to place purchase orders by lodging ticket requests into the system. Through the introduction of modern intelligent operational systems, we aim to establish a more efficient and flexible management framework. Introduction of a modern ticket management system will enable real-time monitoring of ticket sales and issuance status, automate order processing, and forecast ticket demand fluctuations. Additionally, we will also upgrade our ticket management system to cover the ticket sales of our new show, Moonlight over Mount Wuyi. Notably, the upgraded ticket management system will cover the sales of rooms of our Chatang hotel as well such that we will become able to manage our different business segments in a centralised manner. Simultaneously, the ticket selling distributor management system will enhance communication and collaboration with our ticket selling distributors, ensuring accurate and timely information transfer and minimising delays and errors caused by intermediaries. Furthermore, by integrating data analytics tools, we will gain better insights into market trends and promptly adjust marketing strategies in response to the ever-changing competitive landscape. In parallel, our ticket selling distributor system only records the details of our ticket selling distributors with whom we have executed tripartite ticket bulk sales master agreements in respect of our Impression — Dahongpao Scenery Show. Given that the premiere of our Moonlight over Mount Wuyi has taken place on 1 May 2025, we will update our ticket selling distributor system to cover the management of ticket selling distributors of this new show. We believe digital management can streamline access to a range of our cultural tourism service offerings, and will standardise and enhance our transparency of operational processes. Additionally, we will develop a mobile application that integrates all of our cultural tourism service offerings combined with local dining and other leisure options. The application’s key features include one-stop ticket purchasing, real-time information access, personalised itinerary recommendations, online customer support and tourist reviews. By combining all services into a single platform, we aim to elevate the tourist experience and enhance customer satisfaction.

BUSINESS

Enhance brand image and expand clientele

We will continuously enhance our brand image and increase our business presence, focusing on elevating the visibility of each of the upgraded signature show, the new show, Impression Cultural Tourism Town, and the Chatang hotel. We recognise branding is essential for boosting our market competitiveness. To this end, we will strengthen our brand marketing and promotion through integrated online and offline strategies that expand our influence and increase market share.

Our promotional efforts for existing cultural tourism projects will be intensified by leveraging digital marketing techniques, such as social media outreach and partnerships with online travel platforms, to attract more tourist consumers. In addition, we plan to utilise well-known platforms to enhance brand recognition and promote our brandname. By participating in cultural tourism events, we will not only showcase our latest achievements but also attract the attention of more tourists. Through these series of brand-building and market expansion initiatives, we believe we can establish a more distinct brand image for Impression — Dahongpao Scenery Show, further consolidating and enhancing our leadership position in the cultural tourism industry in China.

SHOWS AND PERFORMANCE SERVICES

Our shows and performance business segment forms the core of our business operations, comprising : (i) our signature show, the Impression — Dahongpao Scenery Show (《印象大紅袍》山水實景演出); (ii) our new show, Moonlight over Mount Wuyi (《月映武夷》) which was launched in May 2025; and (iii) the provision of customised performances for corporate customers, which typically engaged us to perform at their special corporate events, such as team-building activities and annual meetings.

The following table sets out a breakdown of our revenue within our shows and performance business segment.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Impression — Dahongpao Scenery Show	57,595	99.4	135,673	99.5	129,826	99.9	47,912	99.9	49,068	94.4
Moonlight over Mount Wuyi	—	—	—	—	—	—	—	—	2,367	4.5
Performance services	338	0.6	690	0.5	164	0.1	38	0.1	561	1.1
Total	57,933	100.0	136,363	100.0	129,990	100.0	47,950	100.0	51,996	100.0

BUSINESS

Impression — Dahongpao Scenery Show

Overview

Our signature Impression — Dahongpao Scenery Show is the cornerstone of our business and is a standout production in the acclaimed Impression series of large-scale outdoor performances. It is also the first large-scale outdoor scenic performance in Fujian Province according to Frost & Sullivan. The show is a testament to the artistry of three famous filmmakers and directors being Mr. Zhang Yimou (張藝謀), Ms. Wang Chaoge (王潮歌) and Mr. Fan Yue (樊躍), collectively known as the Impression Power Trio (印象鐵三角). This talented team is well known for its capabilities in innovative storytelling and creating immersive experiences for audience, which has successfully made its Impression series popular across various scenic locations in China and has uniquely positioned them in the field of creating large-scale performances in the cultural tourism market. According to Frost & Sullivan, our signature show ranked third in terms of box office receipts among tourism scenery performances, and tenth in terms of box office receipts among all cultural tourism performances in China in 2024.

We conduct our show in Mount Wuyi, a UNESCO World Natural and Cultural Heritage Site and part of the organisation’s Network of Biosphere Reserves. Our Impression — Dahongpao Scenery Show serves as a prime example of the integration of nature and culture. The performance is surrounded by beautiful outdoor scenes of mountains, flowing river and ancient architecture, featuring tea culture as its core theme. We aim to leave audiences feeling that their trips to Mount Wuyi have been worthwhile, allowing them to experience a performance enriched by integrated natural and cultural characteristics. Our show’s narrative brings together elements of local culture and history, inviting the audience to explore the connections between nature and humanity. Each performance is not merely a display of artistic talent; instead, it is an immersive journey that resonates with the soul of the region. Our audience experiences the heritage and natural scenery of Mount Wuyi, where the beauty of the landscape enhances the storytelling, creating a multi-sensory experience that is engaging, and entertaining. We take pride in the saying: *“If you miss Impression — Dahongpao, you miss the highlight of Mount Wuyi”*. As we continuously fine-tune our Impression — Dahongpao Scenery Show, it innovates while preserving the traditional Chinese culture elements, which serves to enhance the vitality of Chinese culture and deepen the integration of cultural and tourism characteristics of Mount Wuyi, allowing the concept of “Performing Arts + Tourism” to shine.

Since its debut on 29 March 2010, our Impression — Dahongpao Scenery Show has achieved remarkable success. The average ticket issuance rate of our show was approximately 69.4%, reflecting a strong audience demand and enthusiasm for our performances for the six months ended 30 June 2025. As at the Latest Practicable Date, we had performed Impression — Dahongpao Scenery Show over 6,700 times and attracted more than 9.4 million in audiences since its debut in 2010. For a detailed illustration of the popularity of our Impression — Dahongpao Scenery Show, see “Industry Overview — Competitive Landscape of China’s Cultural Tourism Performance Market — The Sustained Popularity of the Impression — Dahongpao Scenery Show” in this document.

BUSINESS

This is our top-grossing and signature business segment historically and during the Track Record Period. For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, revenue from our Impression — Dahongpao Scenery Show was approximately RMB57.6 million, RMB135.7 million, RMB129.8 million, RMB47.9 million and RMB49.1 million, representing approximately 91.4%, 94.3%, 94.6%, 93.0% and 87.8% of our total revenue, respectively.

Performance

Our Impression — Dahongpao Scenery Show takes place at night and each performance lasts for approximately one hour. Our show begins with an enchanting introduction that sets the tone for the evening, inviting audience to embark on a journey through the beauty and heritage of Mount Wuyi. As the performance unfolds, our audience are treated to a series of vignettes that explore the significance of Mount Wuyi Dahongpao tea culture, the local environment and the human experience.

Our 360-degree rotating auditorium allows for continuous movement and transformation of different visuals on the performance stage, keeping the audience engaged and captivated. Performers navigate the rotating auditorium, utilising artistic expressions to convey the emotions embedded in the narrative. The integration of multimedia elements enhances the storytelling, providing visual context that enriches the audience’s understanding of the cultural themes presented and appreciation of aesthetics.

Seven chapters of Impression — Dahongpao Scenery Show

A show woven around the theme of Dahongpao tea, the performance portrays a tale, divided into seven chapters that unveil the essence of Mount Wuyi and its Dahongpao tea culture. The performance immerses our audience in the seven chapters of our show through the monologue of a tea house owner. The following table illustrates the main theme of each of the seven chapters of our Impression — Dahongpao Scenery Show.

Chapter	Theme	Description
I	The First Sip: Lantern Girl	The freshly brewed Dahongpao tea invites our audience to calm their minds and experience the beauty of nature.



BUSINESS

Chapter	Theme	Description
II	The Second Sip: Dance of Tang Dynasty	The second cup of tea showcases the long history and elegance of Chinese tea culture through the dance of Tang Dynasty.



III	The Third Sip: Bamboo Forest — Live Action Film	In the bamboo forest, the third cup of tea is enjoyed with a live performance that tells the story of the “King and the Jade Girl”, conveying the deep connotations of tea culture.



BUSINESS

Chapter	Theme	Description
IV	The Fourth Sip: Water Sieve Dance, Dahongpao Story, Tea-brewing Bamboo Rafting and Tea Picking	The fourth cup of tea showcases the hard work and joy of harvest through tea-making processes, representing processing and brewing, conveying nature’s gifts and the beauty of life.



V	The Fifth Sip: Southern Trees	The fifth cup of tea refreshes the audience, illustrating the craftsmanship of Dahongpao tea and expressing the close relationship between tea and people’s lives.



BUSINESS

Chapter	Theme	Description
VI	The Sixth Sip: “Liaoqing” (Picking Tea) and Serving Tea	The sixth cup guides the audience into a realm of communication between heaven and humanity, as the performers present fragrant tea, sharing the warmth of Dahongpao tea and the passion of Mount Wuyi tea artisans.



VII	The Seventh Sip: Closing Scene	The seventh cup allows our audience to sense the profound connection between tea and life. We hope that at the end of the performance, everyone can find inner peace and a deep understanding of life within the tea.



BUSINESS

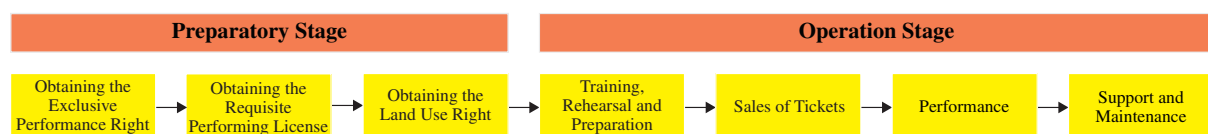
For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, we conducted an aggregate number of 355, 567, 518, and 214 performances of our Impression — Dahongpao Scenery Show respectively. During the Track Record Period and up to the Latest Practicable Date, the maximum number of the performance of our show was five during a single night. This typically occurred during the peak seasons, i.e., Chinese National Holiday (October Golden Week Holiday) and Spring Festival (Chinese Lunar New Year). The following table sets out the number of performances we conducted by month for the years and periods indicated.

Month	Year ended 31 December			Six months ended 30 June 2025
	2022	2023	2024	
January	3	27	6	10
February	20	32	45	42
March	14	35	34	34
April	5	55	40	37
May	22	49	48	51
June	24	37	27	40
July	81	68	64	—
August	75	95	91	—
September	37	41	36	—
October	51	58	58	—
November	18	37	37	—
December	5	33	32	—
Total	355	567	518	214

The number of performances conducted in the year ended 31 December 2023 was particularly high, mainly because there was a strong boom in tourism demand and consumer confidence after the lifting of COVID-19 restrictions in December 2022. During the year ended 31 December 2024, the decrease in the number of performances was due to the closure of our Impression — Dahongpao Scenery Show business during the period between the start of the new year and the start of the Spring Festival (Chinese Lunar New Year) holidays, which is the typical rest period for our performers. In 2024, we closed for 35 days as the Spring Festival occurred in February 2024, compared to our closure for 22 days in 2023 as the Spring Festival occurred in January 2023. Moreover, bad weather conditions in June 2024 led to temporary closure of our outdoors auditorium. During the six months ended 30 June 2025, there was an increase in the number of performances as compared to that in the corresponding period in 2024. We currently anticipate that the number of performances for the years ending 31 December 2025 and 2026 will be on an upward trend.

Key Stages Giving Rise to Curation and Performance of Impression — Dahongpao Scenery Show

The following flowchart illustrates the key stages giving rise to a successful show:



BUSINESS

Preparatory Stage

Obtaining the Exclusive Performance Right

Back in 2008, Fujian Mount Wuyi Cultural Tourism Group, one of our Controlling Shareholders, sought to create a large-scale scenery performance project that could showcase local characteristics of Mount Wuyi for the purposes of enhancing Mount Wuyi’s tourism appeal. To this end, Fujian Mount Wuyi Cultural Tourism Group, as the project initiator and the promoter of our Company, decided to (i) collaborate with Impression Art Development to jointly produce the Impression — Dahongpao Scenery Show; and (ii) as one of the promoters, initiated the establishment of our Company as the operating entity to curate the show with an exclusive performance right. To achieve this, each of Fujian Mount Wuyi Cultural Tourism Group, Impression Art Development, and our Company agreed upon a tripartite arrangement to outline the rights and responsibilities in respect of the show. Pursuant to the tripartite arrangement, Fujian Mount Wuyi Cultural Tourism Group was responsible for the overall coordination to advance the project, Impression Art Development was responsible for the initial design and direction of the show; and we were tasked with implementing of this performance project and curating the show exclusively. Spearheaded by Impression Power Trio, Impression Art Development is a cultural and tourism performance creative production and copyright operation company established in 2006. Impression Art Development is an indirect wholly-owned subsidiary of Sanxiang Impression and is principally engaged in creating, exhibiting and selling artworks, as well as providing art consulting services. Sanxiang Impression is listed on the Shenzhen Stock Exchange (000863.SZ) and is primarily engaged in cultural business and real estate business. The cultural business sector of Sanxiang Impression has been conducted through its wholly-owned subsidiary, Impression Art Development. As at the Latest Practicable Date, Impression Art Development had launched more than 20 cultural tourism shows. In 2003, Impression Art Development pioneered live performances in China, with the production of Impression series, with Impression — Liu Sanjie (印象劉三姐) being the first live show performance in the same year. As at the Latest Practicable Date, the Impression series consisted of eight performances, Impression — Dahongpao Scenery Show being one of them.

The exclusivity will continue according to an exclusive intellectual property rights authorisation framework agreement between Impression Art Development and our Company, which will constitute a non-exempt continuing connected transaction upon [REDACTED]. See “Continuing Connected Transaction — Summary of our Continuing Connected Transactions” in this document for details. Our exclusive entitlement to curate and perform the show provides us with a distinct competitive edge as the undisputed market leader in the tourism scenery performance market and cultural tourism performance market in China.

BUSINESS

The following table illustrates the details of the aforementioned tripartite arrangement among Fujian Mount Wuyi Cultural Tourism Group, Impression Art Development and our Company, which gave rise to our signature show.

Date	Contractual Details
10 July 2008	Fujian Mount Wuyi Cultural Tourism Group entered into the Contracting Agreement with Impression Art Development in connection with the curation and performance of the Impression — Dahongpao Scenery Show. According to the Contracting Agreement, Fujian Mount Wuyi Cultural Tourism Group was responsible for funding the show, while Impression Art Development was responsible for the initial design and direction of the show. Both parties also entered into a supplemental agreement to the Contracting Agreement, agreeing upon further arrangements in terms of budget control and calculation of the service fee for the show. Fujian Mount Wuyi Cultural Tourism Group entered into the Chief Directorial Service Agreement with Impression Art Development for the provision of directorial services for the Impression — Dahongpao Scenery Show. According to the Chief Directorial Service Agreement, Fujian Mount Wuyi Cultural Tourism Group engaged the Impression Power Trio at a one-off fixed fee of RMB15.0 million payable to Impression Art Development in exchange for its initial directorial services for the show. It has been further agreed that directorial royalty services fees, representing 10% of the revenue (VAT inclusive) generated from the performance of show should be paid to Impression Art Development on an annual basis in exchange for the exclusive performance right of the show, which will also become a continuing connected transaction upon [REDACTED]. See “Continuing Connected Transaction — Summary of our Continuing Connected Transactions — 1. Exclusive Intellectual Property Rights Authorisation Framework Agreement for the Impression — Dahongpao Scenery Show” in this document. According to the Chief Directorial Service Agreement, Fujian Mount Wuyi Cultural Tourism Group will hold the exclusive performance right in respect of Impression — Dahongpao Scenery Show in Mount Wuyi and will possess the trademark, naming right and entitlement to revenue from the performance of the show. All other copyrights and intellectual properties associated with the production of the show belong to Impression Art Development or its designated third parties. Individuals involved in the creation and production of the show, including directors, screenwriters, lyricists and composers are entitled to right of attribution of the show.

BUSINESS

<u>Date</u>	<u>Contractual Details</u>
16 July 2008	Fujian Mount Wuyi Cultural Tourism Group and Impression Art Development further entered into a supplemental agreement to the Chief Directorial Service Agreement. According to the said supplemental agreement, Impression Art Development has undertaken to refrain from producing any tea-themed scenery performances nationwide.
5 August 2009	Fujian Mount Wuyi Cultural Tourism Group, Impression Art Development and our Company entered into a tripartite agreement. According to the said tripartite agreement and with the consent of Impression Art Development, Fujian Mount Wuyi Cultural Tourism Group has agreed to transfer all rights and obligations from the Chief Directorial Service Agreement and the supplemental agreements thereof to our Company at nil consideration. As the promoter of our Company, Fujian Mount Wuyi Cultural Tourism Group is deemed to have fulfilled its promoter’s obligations immediately upon the incorporation of our Company. Therefore, the aforesaid transfer of rights and obligations from Fujian Mount Wuyi Cultural Tourism Group to our Company was unconditional. Upon execution of the said tripartite agreement, our Company became the operating entity of the Impression — Dahongpao Scenery Show, owning the exclusive performance right of the show. Upon the said transfer, our Company was also subject to the payment of the directorial service fee of RMB15.0 million. The payment of RMB9.0 million was made by Fujian Mount Wuyi Cultural Tourism Group on our behalf prior to the incorporation of our Company in two instalments in August 2008 and December 2008. We settled the repayment of RMB9.0 million to Fujian Mount Wuyi Cultural Tourism Group in three instalments in December 2008, June 2009 and July 2009, respectively. The source of funds for the pre-incorporation repayment which was made in December 2008 was from the capital injections made by Nanping Industrial and Fujian Mount Wuyi Cultural Tourism Group. The remaining directorial services fees of RMB6.0 million was paid by our Company to Impression Art Development directly in September 2009 and December 2009.

As advised by our PRC Legal Advisers, the aforementioned tripartite arrangement regarding our exclusive performance right is legally binding on the parties thereto; and there had been no dispute arising during the performance of the contractual obligations by each party during the Track Record Period and up to the Latest Practicable Date. In particular, according to the tripartite agreement executed in August 2009, our Company has obtained all of the trademark, naming and exclusive performance right and entitlement to revenue from the performance of the show from Fujian Mount Wuyi Cultural Tourism Group, who had initially obtained these rights and entitlements from Impression Art Development in its capacity as the project initiator and the promoter of our Company.

BUSINESS

The tripartite arrangement does not specify a long stop date. Our PRC Legal Advisers have advised that, in absence of a clearly defined contract period, the tripartite arrangement remains continuously effective in accordance with the Civil Code of the PRC (《中華人民共和國民法典》) (“**PRC Civil Code**”). Neither does the tripartite arrangement explicitly specify a termination clause. Our PRC Legal Advisers have further advised that, in absence of a termination clause, the tripartite arrangement remains valid and legally binding in accordance with the PRC Civil Code.

In light of the above, we have also obtained written confirmations from Impression Art Development, confirming that:

- (i) it will enforce the tripartite arrangement and will not unilaterally terminate the aforesaid agreements;
- (ii) the Impression — Dahongpao Scenery Show has been exclusively performed by our Company since its debut on 29 March 2010. Our Company was accredited as an experienced operator of the show by accumulating rich and solid experience, which is an indispensable factor for the success of the Impression — Dahongpao Scenery Show;
- (iii) the Impression — Dahongpao Scenery Show relies upon the unique natural scenery of Dawang Peak (大王峰) of Mount Wuyi and accordingly, the performance of the show will not be replicated in other areas of Fujian Province or any other provinces in China. Each performance of Impression series is tailored to the specific cultural and natural landscapes of its location to ensure its uniqueness and non-replicability;
- (iv) it has maintained a good cooperative relationship with our Company since 2009; and will continue to collaborate with our Company to ensure the continuing success of the Impression — Dahongpao Scenery Show;
- (v) there has been no existing or potential dispute between our Company and Impression Art Development with respect to the contractual obligations as stipulated in the tripartite arrangement;
- (vi) with respect to the performance entitlement, it has been reiterated that our Company owns the exclusive performance right to perform the show; and such entitlement is definitive with no existing or potential dispute. In this regard, our Company has been legally entitled to exclusively perform the Impression — Dahongpao Scenery Show in Mount Wuyi;
- (vii) with respect to the intellectual property rights, we are legally entitled to the trademark, naming rights and entitlement to revenue from the performance of show in full accordance with the tripartite arrangement which was duly executed in August 2009;
- (viii) it will refrain from producing any tea-themed scenery performances nationwide; and
- (ix) in an unlikely situation where there is another comparable performance company similar to our Company, it will not substitute our Company with such comparable company in terms of the performance of the show.

BUSINESS

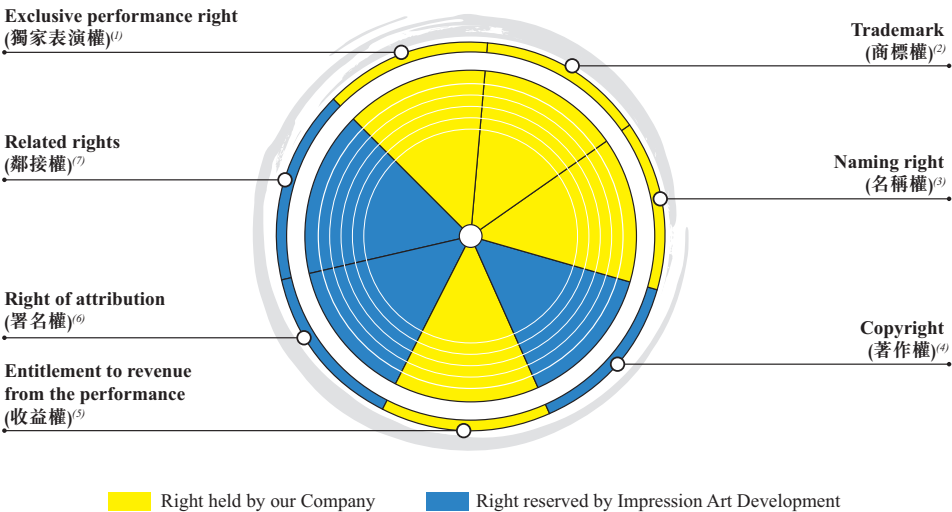
Based on the above, our Directors are of the view that (i) our exclusive performance right of the Impression — Dahongpao Scenery Show is definitive and sustainable; and (ii) the risk of termination of the tripartite arrangement is extremely remote.

Delineation of intellectual property and other rights with respect to the Impression — Dahongpao Scenery Show

The intellectual property and other rights in connection with the production and performance of the Impression — Dahongpao Scenery Show consist of the: (i) trademark, (ii) naming right, (iii) exclusive performance right, (iv) entitlement to revenue from the performance of the show, (v) copyright, (vi) right of attribution (right to be named) and other rights. According to the tripartite arrangement, we have obtained the exclusive performance right, trademark, naming right and the entitlement to revenue from the performance of the show from Fujian Mount Wuyi Cultural Tourism Group, which initially obtained these rights from Impression Art Development.

Save for the aforementioned (i) one-off fixed fee of RMB15.0 million that has already been paid to Impression Art Development in exchange for its initial directorial services for the show; and (ii) the directorial royalty services fees, representing 10% of the revenue (VAT inclusive) generated from the performance of show should be paid to Impression Art Development on an annual basis in exchange for the exclusive performance right of the show, we are not obligated to pay any additional fees in respect of the intellectual property and other rights held by our Company.

The following diagram illustrates the clear delineation of each of the rights held by our Company and as reserved by Impression Art Development.



Notes:

(1) Our Company holds the exclusive performance right to perform the Impression — Dahongpao Scenery Show. The exclusive performance right entitles us to manage the performance schedule and decide who may participate in the performance according to Mount Wuyi local circumstances.

BUSINESS

- (2) Our Company holds the trademark of the Impression — Dahongpao Scenery Show. The trademark ensures that all logos, names and images associated with the production are not used by others for commercial purposes without permission, thereby avoiding consumer confusion.
- (3) Our Company holds the naming right of the Impression — Dahongpao Scenery Show, entitling us to use the name of the show for publicity and marketing purposes.
- (4) Impression Art Development reserves the copyright of the Impression — Dahongpao Scenery Show. The copyright protects Impression Art Development from unauthorised use or misappropriation of its productions by any other parties without prior consent.
- (5) Our Company has the exclusive entitlement to revenue from the performance of the Impression — Dahongpao Scenery Show, ensuring that we retain full control over the financial proceeds associated with the performance of the show.
- (6) Impression Art Development reserves the right of attribution, ensuring that the creator of the show, i.e., Impression Power Trio and other screenwriters, lyricists and composers have the right to demand recognition of its identity on the production and prevent others from improperly attributing their works to someone else.
- (7) Save for the aforementioned rights, Impression Art Development reserves all other rights associated with the Impression Art Development. Such other rights in effect as at the Latest Practicable Date include: (i) various rights derived from the Impression — Dahongpao Scenery Show include the right to commercialise products from performance elements (such as storyline, music choreography, character designs and other designs), and to share profits/losses derived from such products as to be agreed between Impression Art Development and our Company; (ii) the right to use the trademark and brand name of “Impression — Dahongpao” for free; and (iii) the right to annual directorial royalty service fees representing 10% of the revenue (VAT inclusive) generated from the Impression — Dahongpao Scenery Show, which has been paid by our Company in accordance with the terms of arrangement with Impression Art Development.

As we hold the exclusive performance right to perform the Impression — Dahongpao Scenery Show, those rights reserved by Impression Art Development, including the right of attribution and related rights, do not materially affect the operation of the Impression — Dahongpao Scenery Show. We are entitled to share, and has been sharing, the financial proceeds associated with the performance of the show with Impression Art Development, and we had been paying the annual directorial royalty service fees according to the terms of the arrangement with Impression Art Development. We consider that the rights retained by Impression Art Development are conducive to strengthening our long-term cooperation.

As advised by our PRC Legal Advisers, according to the prevalent PRC intellectual property laws, (i) our exclusive entitlement to perform the show was legally obtained, (ii) there is a clear delineation of entitlement empowered by each of the aforementioned types of rights, and (iii) other intellectual property and related rights with respect to the Impression — Dahongpao Scenery Show reserved by Impression Art Development will not affect our exclusive entitlement to perform the show.

BUSINESS

According to Frost & Sullivan, a successful performance relies not only on creativity and design but also on a professional project management team to ensure it achieves the desired socio-economic effects. In the initial preparatory stage of each performance, the directorial team and the performance team need to collaborate closely to define the overall framework and development direction of the performance. Specifically, the directorial team is primarily responsible for proposing creative and technical solutions and making adjustments to the performance content, lineup and technical effects, such as sound and lighting suggestions to ensure an engaging viewing experience. The performance team is responsible for performing the show and providing audience feedback to the directorial team, such that the responsible staff can provide more effective improvement suggestions. As the project progresses, the performance team gradually takes on more daily management and decision-making responsibilities, offering practical improvement suggestions for the performance’s content and format based on market responses, and coordinating resources to support these adjustments. Once the performance enters a stable operational phase, the main creative and execution responsibilities, representing the duties to refine and improve the show content, will gradually shift to the performance team, which will not only need to maintain the quality of the performance but also expand its influence and continue to innovate. During the operational phase, the role of the directorial team becomes relatively limited, as it is the performance team that better understands the real-time audience feedback and can therefore provide more effective and practical improvement suggestions attributable to its day-to-day performance. In light of the above, our Directors are of the view that (i) our reliance upon Impression Art Development is limited; and (ii) the current success of the Impression — Dahongpao Scenery Show is inseparable from our performance of the show since 2010.

Obtaining the Requisite Performing License

According to the relevant PRC laws and regulations, we are required to obtain and possess requisite licenses to curate and perform our Impression — Dahongpao Scenery Show. As confirmed by the relevant competent authority, we have obtained all necessary licenses, permits and registration documents for the operation and performance of Impression — Dahongpao Scenery Show.

Obtaining the Land Use Right

We have obtained property ownership certificates and written confirmations in respect of the properties we own and use for our show. Our PRC legal advisers have confirmed that we are entitled to continue using the properties for curating our show in accordance with the relevant PRC laws and regulations; based on the obtained ownership certificates and the written confirmation as elaborated in “— Properties — Owned Properties” in this section.

Operation Stage

Training, Rehearsal and Preparation

Preparing for the performance of our show involves rigorous training and rehearsals that bring together the diverse talents of our performance team. The performance team primarily consists of professionally trained actors who are the graduates of Mount Wuyi Tourism Vocational School (武夷山旅遊職業中專學校), Zhang Yimou Lijiang Art School (張藝謀瀘江藝術學校), and other provincial

BUSINESS

art schools. Our performance team also consists of descendants of tea-farming families, each contributing their unique tea-farming skills and backgrounds to the production. This blend infuses the show with authentic cultural insights and a deep affective connection to the local culture that has shaped their lives.

A comprehensive training and rehearsal program is conducted over a period of six months, allowing our performance team to refine their performances and ensure seamless integration of the various elements required for the show. This includes choreographed movements, music and interactions with the stage design. The performers undergo extensive training not only in their artistic disciplines but also in the cultural narratives they are portraying, ensuring that every aspect of the show is authentic and engaging.

Technical rehearsals are also conducted, focusing on the synchronisation of lighting and sound effects, and multimedia elements with the live performances. This intricate coordination is crucial to creating the immersive experience that audience have come to expect. Every detail is meticulously planned, from the timing of lighting and sound cues to the positioning of performers on stage, and the manipulation of our 360-degree rotating auditorium, ensuring a polished and professional presentation.

Our performance team is led by our art troupe director, Ms. Wu Meiqiu (吳美球). She has participated in the planning and execution of several performance projects, demonstrating exceptional organisational skills and leadership capabilities. Ms. Wu is an accredited Exemplary Virtuous and Versatile Artist in Nanping City (南平市德藝雙馨文藝家). As the director of our art troupe, Ms. Wu is responsible for the daily management of the performance of our signature show. She is capable of maximising the strengths of each of our performers, promoting the integration of artistic creation with audience demands, ensuring each performance offers a unique experience to our audience. Ms. Wu’s leadership style emphasises openness and innovation, encouraging our performance team to explore new artistic presentations.

Sales of Tickets

We sell our show tickets through dual ticket sales channels, comprising (i) ticket bulk sales to our ticket selling distributors who conduct onward sales of tickets, and (ii) direct sales of tickets to our audience. During the Track Record Period, as recognised on our financial statements, customers of our Impression — Dahongpao Scenery Show were (i) our ticket selling distributors who purchased our show tickets and conducted onward sales of tickets, and (ii) audience who directly purchased show tickets from us through our ticket selling points (including both offline ticket selling centres and our official WeChat Account Platform).

BUSINESS

The following table sets out a breakdown of our revenue from sales of show tickets (in respect of Impression — Dahongpao Scenery Show by customer type) during the Track Record Period:

	For the year ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Ticket bulk sales to ticket selling distributors ⁽¹⁾	53,242	92.4	126,221	93.0	119,984	92.4	44,204	92.3	45,442	92.6
Direct sales of tickets to our audience	4,353	7.6	9,452	7.0	9,842	7.6	3,708	7.7	3,626	7.4
Total	<u>57,595</u>	<u>100.0</u>	<u>135,673</u>	<u>100.0</u>	<u>129,826</u>	<u>100.0</u>	<u>47,912</u>	<u>100.0</u>	<u>49,068</u>	<u>100.0</u>

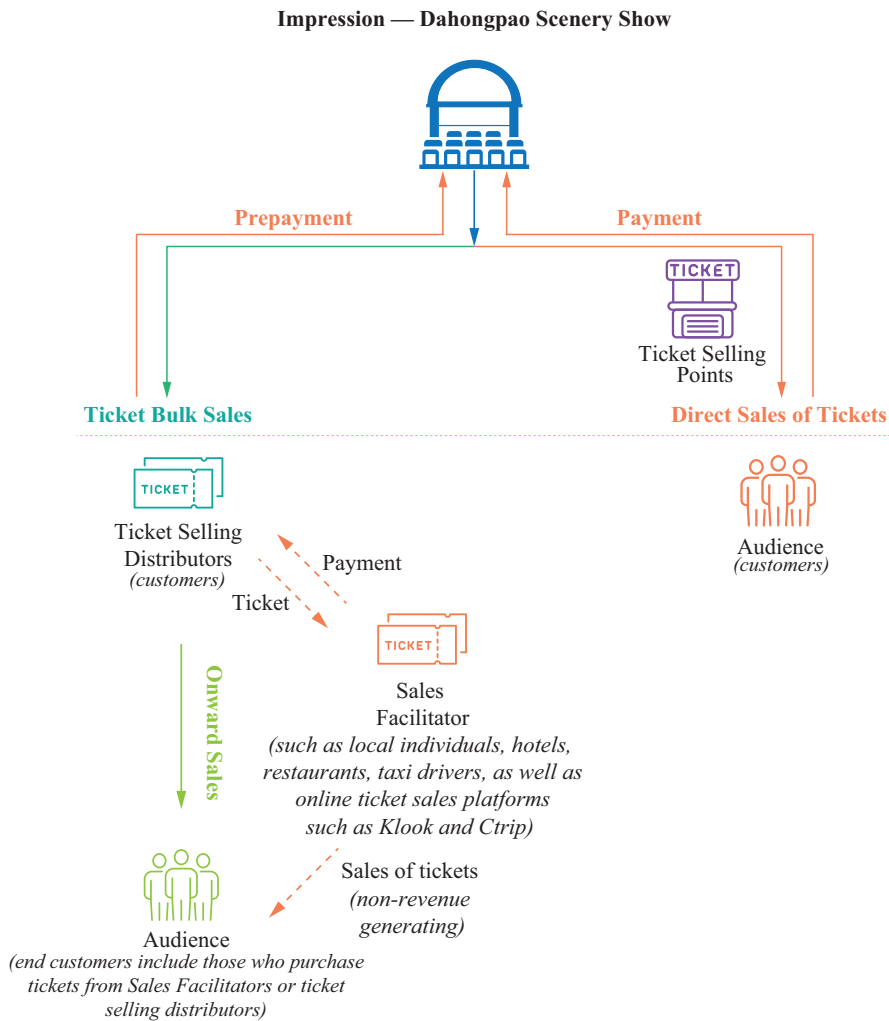
Notes:

- (1) This amount includes sales generated by authorised agents for the years ended 31 December 2022, 2023 and 2024. See “ — Previous sales arrangement involving authorised agents” in this section for details relating to authorised agents. According to our tripartite ticket bulk sales master agreements, the sales volume generated by the authorised agent of a ticket selling distributor will count towards the sales volume of the relevant ticket selling distributor who has nominated the authorised agent. Payments for ticket sales by an authorised agent must be made directly through our online ticket selling system or to our ticket selling distributors who have nominated their respective authorised agents. During the Track Record Period, payment settled by the authorised agents of our ticket selling distributors was approximately RMB42.1 million, RMB100.2 million, RMB5.8 million, and Nil, representing approximately 79.1%, 79.4%, 4.8%, and Nil of the revenue generated from ticket bulk sales to ticket selling distributors for the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, respectively.

As at the Latest Practicable Date, we operated two ticket selling centres located at the proximity of the auditorium. As at the Latest Practicable Date, we operated 25 ticket kiosks, each of which was either located at the proximity of the auditorium or within the Mount Wuyi Resort Area. For audience who purchase show tickets on our official WeChat Account Platform, physical tickets can be collected at any of our ticket kiosks, which are near the auditorium.

BUSINESS

The following flowchart illustrates our ticket sales model as at the Latest Practicable Date.



There are a number of individuals and entities which are involved in our ticket sales network. These individuals and entities include ticket selling distributors and sales facilitators, which are our non-contracting parties in terms of ticket sales.

- **Ticket selling distributors:** Our ticket selling distributors consist of travel agencies and ticket agencies. They are our direct contracting parties in terms of ticket sales. They purchase our show tickets and conduct onward sales of tickets to audience. They conduct payments to us directly and hence are our customers on our financial statements.
- **Sales facilitators:** Sales facilitators are local individuals and tourism-related business entities such as hotels, restaurants and taxi drivers as well as online ticket sales platforms such as Klook and Ctrip, who may approach our ticket selling distributors to procure tickets for sale. To the best knowledge of our Company, they approach our ticket selling distributors for tickets demanded directly from travellers to Mount Wuyi who want to watch our show. Sales facilitators are not our contracting parties. They exist in our ticket sales network merely because some travellers may approach them to purchase show tickets.

BUSINESS

Sales of ticket from our ticket selling distributors to them is normal market conduct. In particular, in respect of ticket sales platforms such as Klook and Ctrip, (i) they do not have any contractual relationship with our Group in respect of Impression — Dahongpao Scenery Show; and (ii) to the best knowledge of our Company, they contact our ticket selling distributors to procure tickets from them when necessary.

Sales to ticket selling distributors

Selection and engagement of ticket selling distributors

We enter into standardised ticket bulk sales master agreements with our ticket selling distributors on an annual basis. Our ticket selling distributors have to log into our ticket management system with their specific login usernames and passwords to place purchase orders.

We have generally adopted the public bidding process for the selection of ticket selling distributors to ensure that they possess requisite credentials and qualifications, despite it not being mandatory under the relevant PRC laws and regulations for us to go through such a public bidding process. In some exceptional circumstances, we may follow a selection protocol, pursuant to which we conduct screenings and reference checks to assess the credibility and experience for those ticket selling distributors which were not selected through the public bidding process. Such screenings and reference checks ensured that these ticket selling distributors are reliable and experienced to conduct onward ticket sales. Additionally, we have put market investigation measures in force to monitor the sales activities of our ticket selling distributors. These measures are primarily implemented for the purposes of deterring and detecting price irregularity. See the subsection below headed “— *Ticket Sales Management*” for the details of our market investigation measures to monitor the sales activities of our ticket selling distributors.

Key terms of bilateral ticket bulk sales master agreements

A bilateral ticket bulk sales master agreement has to be entered into between our Company and the ticket selling distributor either following the public bidding process or our selection protocol. The key terms of our bilateral ticket bulk sales master agreements are set out below:

Term	One year
Sales volume target	The sales volume target, being the minimum requirement of ticket sales volume, varies from each ticket selling distributor. It is based on each ticket selling distributor’s score evaluated by our Company in each round of bidding process prior to an engagement. During the Track Record Period, the average annual sales volume target ranged from 4,950 to 9,000. If a ticket selling distributor fails to meet the sales volume target, the quality deposit (defined below) prepaid to our Company will not be refunded.
Geographical restriction	Ticket selling distributors and their authorised agents are not allowed to conduct onward sales of tickets in the proximity of our ticket selling points.

BUSINESS

Settlement method	Each ticket selling distributor will be issued a user account with a specific login username and password under our ticket management system, through which the ticket selling distributor shall place the purchase orders and make prepayments to us prior to our issuance of tickets. Prepayments are typically made via bank transfer, or taken by POS portable machine. Prepayments will thereafter be recorded on the ticket management system.
Credit term	Our ticket selling distributors purchase our show tickets through their prepayments to our Company, deduction of which will occur upon our issuance of show tickets to them.
Performance deposit	As a prerequisite for a ticket selling distributor to be formally engaged by us, it is obliged to pay a fixed amount (with a minimum of RMB10,000) as performance deposit, which serves as a minimum guarantee of income for us. Such fixed amount varies for each ticket selling distributor, which is determined with reference to the sales volume target in the relevant ticket bulk sales master agreement. The performance deposit must be paid within three business days from the date of the ticket bulk sales master agreement. The performance deposit may be refunded or used as prepayment for tickets sold, depending on how much of the sales volume target is achieved, as specified in the agreement. However, if the ticket selling distributor fails to achieve 50% of its sales volume target, none of the performance deposit may be refunded.
Credit assessment score	Each ticket selling distributor is allocated a credit assessment score as a means for us to keep track of the distributor’s compliance with our ticket selling requirements. The annual credit assessment form is annexed to our ticket bulk sales master agreements, with scores determined based on the price of tickets sold. If we become aware that the ticket selling distributor violated our prescribed policy for sale of tickets (including onwards sale of our tickets at a price lower than the prescribed price), a penalty will be imposed (by way of confiscation of a certain amount of the quality deposit according to specific circumstances specified in the agreement) and the credit assessment score may be deducted. If the ticket selling distributor’s annual credit assessment score falls below 80 out of 100, we may terminate the bilateral ticket bulk sales master agreement, and the distributor will be disqualified from being our ticket selling distributor in the following year.

BUSINESS

Quality deposit	Quality deposit serves as an incentive for the ticket selling distributors to achieve higher sales volume, and also as a deterrent in respect of violation by ticket selling distributors of our prescribed policy for sale of tickets. Upon the sale of each ticket, the ticket selling distributor shall pay an extra fee per ticket sold as quality deposit. The amount of quality deposit payable per ticket varies according to the type of ticket sold, and shall be settled at the same time along with the prepayment for each ticket sold, prior to the issuance of tickets. The amount of quality deposit that is refundable is calculated based on the credit assessment score and the actual number of tickets sold by the ticket selling distributor during the term of the agreement (whereby a higher sales volume will result in a higher refundable amount). However, if the ticket selling distributor fails to achieve 75% of its sales volume target, none of the quality deposit may be refunded. Also, as mentioned above, if we become aware that the ticket selling distributor violated our prescribed policy for sale of tickets, a certain amount of the quality deposit may be confiscated by us. Any refundable amount of quality deposit shall be settled after we complete the audit of the number of tickets sold by each of the ticket selling distributors at the end of the term (generally at the end of the financial year).
Early termination right	We have the right to terminate the bilateral ticket bulk sales master agreements when: i) the ticket selling distributor’s annual credit assessment score is lower than 80 out of 100 as mentioned above; ii) the ticket selling distributor fail to pay the performance deposit to us within the time frame as stipulated in the relevant ticket bulk sales master agreements; and iii) the ticket selling distributor breached the terms of the agreement when conduct ticket sales and was penalised by relevant authorities. In such case, no performance deposit or quality deposit shall be refundable.
Refund of tickets	Unless due to <i>force majeure</i>, such as adverse weather or the special seating arrangements, we are not obligated to refund once show tickets are issued, which is in line with the market practice as confirmed by Frost & Sullivan.
Renewal	Bilateral ticket bulk sales master agreements are renewed on an annual basis.

For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, we had 49, 50, 50, and 50 ticket selling distributors in respect of our Impression — Dahongpao Scenery Show, respectively. Among these ticket selling distributors, Yifeng Travel Agency, Mount Wuyi Travel Agency, Impression Dahongpao International Travel Agency and its legal representative, and

BUSINESS

Mount Wuyi China International Travel Agency are our connected persons. For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, revenue generated from the ticket sales by these ticket selling distributors who are our connected persons were approximately RMB2.7 million, RMB5.2 million, RMB9.4 million, and RMB2.5 million, representing 5.0%, 4.1%, 7.9%, and 5.5% of the revenue generated from ticket bulk sales to ticket selling distributors, respectively. The engagement with each of the said ticket selling distributors will become continuing connected transactions upon [REDACTED]. See “Continuing Connected Transaction — Summary of our Continuing Connected Transactions” in this document for details.

Sales facilitators

Our ticket selling distributors consist of travel agencies and ticket agencies. To the best knowledge of our Company, the ticket selling distributors, in their ordinary course of ticket sales, may also be approached by local individuals and tourism-related business entities such as hotels, restaurants and taxi drivers, as well as online ticket sales platforms such as Klook and Ctrip (the “**Sales Facilitators**”) for tickets demanded directly from the travellers to Mount Wuyi who want to watch our show. The Sales Facilitators were not our contracting parties and the terms of our ticket bulk sales master agreements do not apply to them; therefore, we do not maintain a record of Sales Facilitators.

According to Frost & Sullivan, it is not uncommon for tourists to approach the Sales Facilitators to purchase show tickets. Our PRC Legal Advisers have also confirmed that sales of tickets to Sales Facilitators is a normal market conduct and is not in contravention of any relevant PRC laws and regulations.

As our non-contracting parties, Sales Facilitators are not under our direct management. However, since all of our audience can provide feedback and complaints on the official Fujian Consumer Platform, we may become aware of any price irregularity caused by the Sales Facilitators and take necessary actions accordingly. Based on the above, our Directors are of the view that the existence of Sales Facilitators does not disrupt our ticket sales network.

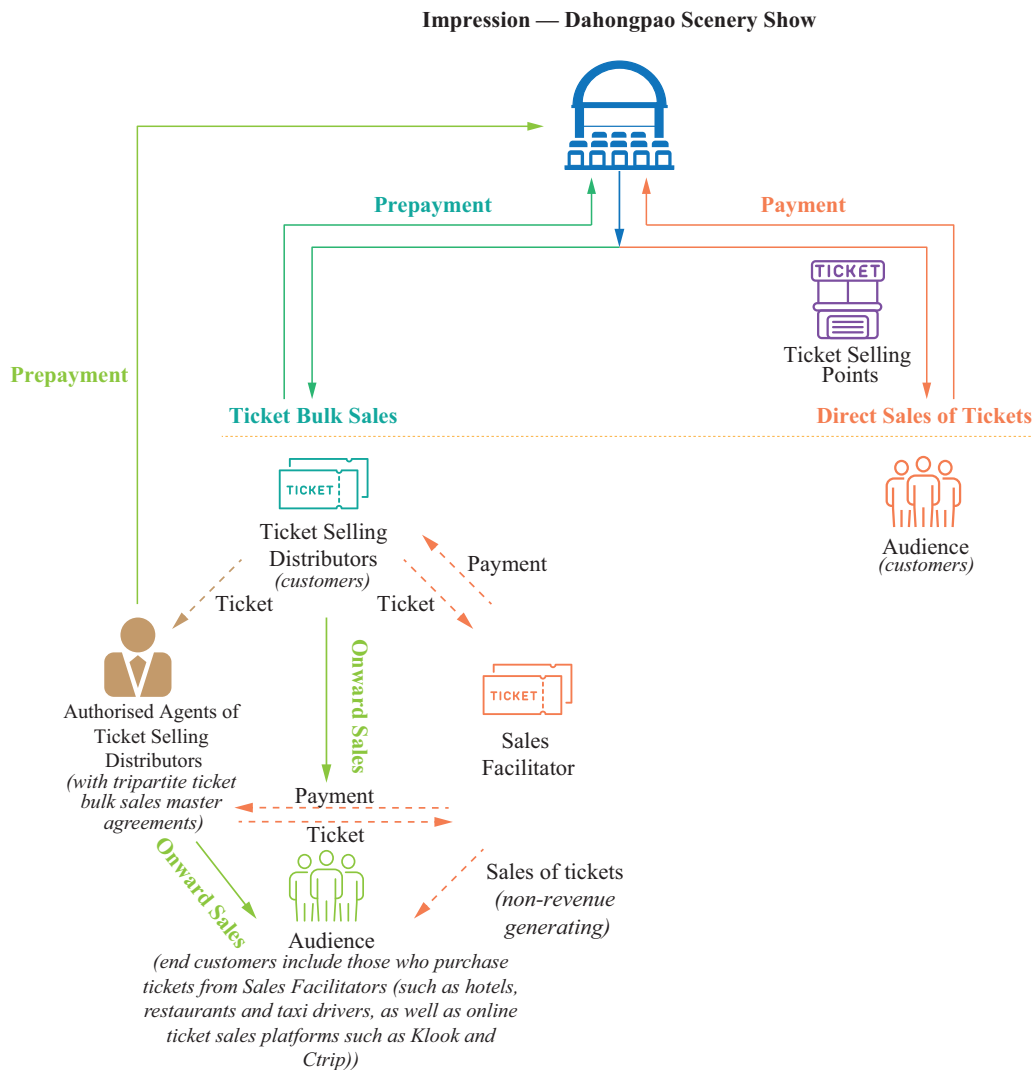
Previous sales arrangement involving authorised agents

Prior to 15 January 2025, our ticket sales model involved authorised agents as well. Authorised agents are mainly individuals including tour guides, tea business operators and owners of small-sized local companies. Our ticket selling distributors were given the autonomy to nominate their authorised agents to assist their ticket sales, and these authorised agents conducted payments on behalf of ticket selling distributors to us. In such cases, each of the relevant ticket selling distributor and the authorised agent must execute a tripartite ticket bulk sales master agreement with our Company. In light of the above, authorised agents are our direct contracting parties in terms of ticket sales. Nonetheless, they are not our direct customers on our financial statements as their payments are made on behalf of the relevant ticket selling distributors and the sales volume by an authorised agent will be counted towards the actual sales volume of the relevant ticket selling distributor.

To the best knowledge of our Company, these authorised agents may also be approached by Sales Facilitators for the procurement of tickets on an ad-hoc basis. However, we do not directly deal with these Sales Facilitators as they are not our contracting parties. For details of Sales Facilitators, see “— Sales Facilitators” above in this section.

BUSINESS

The flowchart below illustrates such previous sales model involving ticket selling distributors, authorised agents and Sales Facilitators.



Once a ticket selling distributor decided to engage an authorised agent to meet the requisite sales volume targets, and that authorised agent was responsible for making payment to us for placing orders for the show tickets on behalf of the corresponding ticket selling distributor, we required that a tripartite ticket bulk sales master agreement be entered into between the relevant ticket selling distributor, the authorised agent, and our Company. Such tripartite ticket bulk sales master agreements shall be signed prior to any payment to us by the authorised agent. Specifically, a ticket selling distributor firstly executes the bilateral ticket bulk sales master agreement with our Company, following which a tripartite ticket bulk sales master agreement will be executed if the ticket selling distributor engages an authorised agent to meet the requisite sales volume targets, and that authorised agent will be responsible for making payment to us for placing orders for the show tickets, on behalf of the corresponding ticket selling distributor. This typically happens shortly after the engagement of ticket selling distributors, upon the completion of the public bidding process or our selection protocol. There is no difference in respect of key terms between bilateral ticket bulk sales master agreements and tripartite ticket bulk sales master agreements. See the subsection headed “— Key terms of bilateral ticket bulk sales master agreements” above for details.

BUSINESS

Once a tripartite ticket bulk sales master agreement is executed, each of the ticket selling distributor and the authorised agent thereof has become our contracting parties. Our sales department is responsible for keeping all ticket bulk sales master agreements, so that we can check the lists of our ticket selling distributors and their authorised agents. Currently, we have a ticket selling distributor management system to record all of our ticket selling distributors for book keeping purpose. Additionally, pursuant to the ticket bulk sales master agreements, it is further stipulated that (i) the sales volume generated by the authorised agent will count towards the sales volume of the relevant ticket selling distributor; and (ii) payments for ticket sales by an authorised agent must be made directly through our online ticket selling system or to the corresponding ticket selling distributor.

To the best knowledge of our Directors, most of our ticket selling distributors prefer to engage authorised agents, as it could broaden ticket sales coverage and help them meet their sales volume targets as stipulated in the ticket bulk sales master agreements. Our Directors are also of the view that the authorised agents were engaged in a broad range of industries and have different connections that facilitated sales of tickets. According to Frost & Sullivan, it is a market practice for ticket selling distributors and their business partners to collaborate together as social units for sales of tickets, given Mount Wuyi City is a relatively small city. As advised by our PRC Legal Advisers, the tripartite ticket bulk sales master agreements entered into by our ticket selling distributors and their authorised agents with respect to their onwards sales of tickets are legally binding on the parties thereto.

In respect of the payments from authorised agents to our Company, each of the authorised agents has confirmed that the payments directly made to our Company were valid and without recourse. The Joint Sponsors have also conducted due diligence including (i) conducting interviews with each of the authorised agents in connection with their payments to our Company; and (ii) reviewing the relevant tripartite ticket bulk sales master agreements. Based on the due diligence, the Joint Sponsors (i) have noted that once show tickets were issued, no refund of payments were allowed in normal circumstances; (ii) did not note any dispute with respect to the payments made by the authorised agents; and (iii) did not indicate otherwise that payments from the authorised agents appeared to be invalid or were underlined by recourse from other parties.

For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, there were 83, 114, 8, and nil authorised agents, which had executed tripartite ticket bulk sales master agreements with us and the nominating ticket selling distributors respectively. It is possible that a single authorised agent could be cooperating with multiple ticket selling distributors simultaneously and could therefore be required to enter into multiple tripartite ticket bulk sales master agreements. There were 21 authorised agents cooperating with more than one ticket selling distributor throughout the Track Record Period. According to Frost & Sullivan, it is not uncommon that one single authorised agent is nominated by more than one ticket selling distributor for the consideration of expatiating the ticket sales, given the relatively small size of Mount Wuyi City. For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, there were 18, 15, nil, and nil ticket selling distributors which were also the individual authorised agents of other ticket selling distributors, respectively. It was primarily because the ticket selling distributors can only place a limited number of show tickets each day under the bilateral ticket bulk sales master agreements. If there was a high audience demand for the show tickets, these ticket selling distributors could secure more show tickets

BUSINESS

in the capacity as the authorised agents of ticket selling distributors. According to Frost & Sullivan, it is not uncommon for ticket selling distributors to secure additional show tickets from other ticket selling distributors based on their respective customer needs in response to the evolving market demand; and therefore, it does not pose a risk to our Group.

Among all of the authorised agents of our ticket selling distributors, one is a current employee of our Group and one is the legal representative of Mount Wuyi China International Travel Agency, being a connected person of our Company. Save for such relationship, there was no other authorised agent who/which was a connected person of our Group or employee of our Group or was interested in our Group during the Track Record Period. The engagement of the said authorised agents was of no difference from that of other authorised agents of our ticket selling distributors. The total sales amount generated from the aforesaid two authorised agents was RMB929,950 in aggregate during the Track Record Period. They were engaged and nominated in the normal course of our business operation. They did not hold any position in our sales department, therefore they were incapable of exploiting the resources of our Group in the course of their sales activities for personal gains. Additionally, they were subject to the same conditions and performance duties as other authorised agents under our tripartite ticket bulk sales master agreements. During the Track Record Period, we did not receive any complaints or note any misconducts in their respective positions as our ticket selling distributors or the authorised agents thereof; nor did we note that they treated our audience unfairly or unjustly.

To the best knowledge of our Directors based on all reasonable enquiries, save for the aforesaid, none of the other ticket selling distributors and authorised agents thereof have any other past or present relationship (including, without limitation, business, employment, family, trust, financing, shareholding or otherwise) with our Company, its subsidiaries, Directors, senior management or the Controlling Shareholders, or any of their respective associates.

Ticket sales management

We believe that effective management of our ticket selling distributors is crucial to the success of our ticket sales. In addition to the responsibilities as stipulated in the bilateral ticket bulk sales master agreements, we have adopted a ticket selling distributor management policy. According to this policy, we have the right to, among others, (i) require ticket selling distributors to adopt our ticket sales policy in the manner as we specify and (ii) impose penalties on, or terminate business relationship with ticket selling distributors should we detect any irregularities in their onward ticket sales activities, or any audience lodges a serious complaint supported by proof of irregularities of a ticket selling distributor.

In cases where authorised agents were nominated by our ticket selling distributors, as the authorised agents were our direct contracting parties, we were able to manage and have control over, the authorised agent in terms of the performance of contractual obligations. According to Frost & Sullivan, it is not uncommon for market players in the tourism scenery performance market and cultural tourism performance market to rely on ticket selling distributors and their authorised agents for ticket sales. Our ticket selling distributors are responsible for managing their own authorised agents by placing the same onward sales standards we specify in the bilateral ticket bulk sales master agreements.

BUSINESS

We would not directly manage and monitor the sales activities of authorised agents since they are directly nominated by the ticket selling distributors. If we become aware of any misconduct of an authorised agent, the ticket selling distributor who has nominated such authorised agent will be held jointly liable. It is possible that an authorised agent sells our show tickets at a price that is not within the required price range as stipulated in the tripartite ticket bulk sales master agreement. Any price irregularity may give rise to audience dissatisfaction and complaint, thereby affecting our market reputation. See “Risk Factors — We may encounter reputation damage if there is any price irregularity caused by authorised agents of our ticket selling distributors or sales facilitators who are associated with our ticket selling distributors” in this document for details. During the Track Record Period and up to the Latest Practicable Date, we did not note any price irregularity, nor did we receive any complaint from the audience.

As part of our enhanced internal control measures to reduce the cumbersome and time-consuming verification procedure due to the concurrent nomination of authorised agent by multiple ticket selling distributors, we ceased entering into tripartite ticket bulk sales master agreements and no longer directly deal with authorised agents since 2025. All payment should be made through pre-registered corporate bank accounts of the relevant ticket selling distributors, otherwise such deposit would not be accepted and will be refunded to the corresponding payor. Information of pre-registered corporate bank accounts is provided by the relevant ticket selling distributors upon execution of the ticket bulk sales master agreements; and only corporate bank accounts opened in the name of the relevant ticket selling distributors will be accepted. Such measures have been put in place to prevent any third party (including authorised agents prior to 15 January 2025) to settle their payment directly to our Group. See below subsection headed “Third-party payments” for the details relating to certain third-party payments which occurred in 2024.

As our business expands, it is necessary for us to upgrade our ticket selling distributor management system. See “— Our Strategies — Enhance digital management and improve operating efficiency” in this section and “Future Plans and [REDACTED]” in this document for details.

Pricing

As confirmed by our PRC Legal Advisers, there is no relevant PRC law or regulation governing the ticket prices of our Impression — Dahongpao Scenery Show. Therefore, the pricing of the show tickets to provision our Impression — Dahongpao Scenery Show is market-based. Nonetheless, we are required to adopt clearly marked price (明碼標價) pursuant to the rules set by the local pricing authority. The implementation of market-based pricing and the requirement to clearly mark ticket prices in accordance with the relevant provisions of the competent pricing authorities facilitates market order and prevention of price fraud, thereby maintaining market stability and protecting the legitimate rights and interests of consumers and operators, pursuant to the Pricing Law of the People’s Republic of China (《中華人民共和國價格法》) (the “**PRC Pricing Law**”). The clear marking of prices enables the competent pricing authorities to effectively prevent fraudulent practices and protect consumers’ rights and interests. The competent pricing authority is also entitled to conduct random inspections in accordance with the PRC Pricing Law. We have two types of ticket prices: direct sales price applicable to our audience, and settlement price in respect of ticket bulk sales applicable to our ticket selling distributors (which is pre-agreed in the bilateral ticket bulk sales master agreements).

BUSINESS

Tickets for our Impression — Dahongpao Scenery Show consist of two types: (i) tickets for regular seats and (ii) tickets for VIP seats (which are further divided into various VIP categories). As at the Latest Practicable Date, tickets for regular seats are priced at RMB238, and tickets for VIP seats are priced at a range of RMB268 to RMB688. As at the Latest Practicable Date, our auditorium has a capacity of 2,099 seats, consisting of 1,521 regular seats and 578 VIP seats. VIP audiences may be offered with additional amenities including bottled mineral water, comfortable chair backrest and fans.

The following table sets out our average ticket sales price by customer type, i.e., settlement price and direct sales price in respect of our Impression — Dahongpao Scenery Show and by seat type for the years and periods indicated.

	For the year ended 31 December			For the six months ended 30 June
	2022	2023	2024	2025
	RMB	RMB	RMB	RMB
Regular Seat:				
Settlement price in respect of ticket bulk sales to our ticket selling distributors	138.5	142.4	148.0	147.2
Direct sales price in respect of direct sales of tickets to our audience	169.7	173.9	174.6	184.6
VIP Seat:				
Settlement price in respect of ticket bulk sales to our ticket selling distributors	172.0	165.8	181.9	180.9
Direct sales price in respect of direct sales of tickets to our audience	188.2	211.9	215.3	219.5

As advised by Frost & Sullivan, our ticket sales price for Impression — Dahongpao Scenery Show was positioned at a competitive mid-range level in the tourism scenery performance market in China.

The settlement price offered to our ticket selling distributors was relatively lower than the direct sales prices offered to our audience, primarily due to the advantage of bulk sales in a win-win scenario where our ticket selling distributors can be incentivised to conduct onward ticket sales in a motivated manner, and at the same time, we can benefit from wider audience reach by virtue of the broader market coverage. Therefore, we are of the view that offering ticket selling distributors certain price discounts allows for rapid sales of tickets and achieves a higher ticket issuance rate of our Impression — Dahongpao Scenery Show. Adjustments for resale prices are reasonably made, taking into account audience demand during peak and off-peak seasons. Additionally, the ticket prices adopted by ticket selling distributors and authorised agents are governed by terms stipulated in the relevant ticket sales master agreements.

BUSINESS

During the Track Record Period and to the best knowledge of our Directors, no tickets were sold by our ticket selling distributors or their authorised agents at a price below the minimum retail price as stipulated in the relevant ticket sales master agreements. Typically, we monitor the ticket price through market investigation by our sales personnel. Our sales personnel also conduct sample checks on various online platforms to monitor the actual selling price of tickets sold by the ticket selling distributors. We also adopt a quota system which limits the total number of tickets that can be requested by the ticket selling distributors under the ticket bulk sales master agreements. The number of tickets that can be requested ranges from 20 to 40 on a daily basis. Once the quota is reached, the ticket selling distributors may opt to purchase show tickets from other ticket selling distributors. Nonetheless, in a situation where there are seats available for the show, the ticket selling distributors may purchase additional show tickets after 12:00 pm of that day. Each of our show tickets is issued for a specific performance on the indicated date. If any audience holding a show ticket cannot attend due to personal reasons, we do not allow refunds in normal circumstances unless due to *force majeure* events such as bad weather conditions. In light of the above, our Directors are of the view that we have adopted effective measures to reduce the risk of cannibalisation. Direct sales price in respect of direct sales of tickets to our audience is available at our ticket selling points. In determining the ticket price, we take into account the local economic conditions and the disposable income of the target audience. This ensures that tickets remain accessible to a broad range of travellers while maximising our revenue.

Payment

We generally require full payment before we issue show tickets to our audience in respect of direct sales of tickets to our audience, as well as to our ticket selling distributors who conduct onward sales of tickets. During the Track Record Period, payments from our ticket selling distributors were primarily conducted through bank transfer, and in other cases, through point of sale system (POS). Many of our ticket selling distributors are locally based in Mount Wuyi. They opt to come directly to our ticket selling points for the settlement of payment. Therefore, our finance department also adopts POS to take payment. Payments from the ticket selling distributors through POS will be automatically recorded on our bank account.

For the year ended 31 December 2024, some of the payments received from our ticket selling distributors under bilateral ticket bulk sales master agreements were settled through third-party payors. See the subsection headed “*Third-party payments*” for details.

Once our show tickets are issued, we generally do not allow ticket refunds, save for *force majeure* events such as bad weather conditions. Historically and during the Track Record Period, we did not experience any material ticket refund requests, either from our ticket selling distributors or audience. For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, the total number of tickets that were refunded to our ticket selling distributors and audience was 1,407, nil, 3,877, and 735, accounting for approximately 0.4%, nil%, 0.5%, and 0.2% of the total number of tickets sold during the respective period.

BUSINESS

Revenue recognition

In respect of ticket bulk sales to our ticket selling distributors, revenue is recognised based on the settlement price determined based on the bilateral ticket bulk sales master agreements with them, upon completion of the performance. In respect of direct sales of tickets to our audience, revenue is recognised based on the direct sales price determined by us, upon completion of the performance. Revenue is recognised from the sales of tickets to our customers (including both audience members and ticket selling distributors), as long as we complete the performance of our show, irrespective of actual attendance of the show.

Set out below is the ticket selling and attendance information of our Impression — Dahongpao Scenery Show during the Track Record Period:

	For the year ended 31 December			For the six months ended 30 June
	2022	2023	2024	2025
Tickets issued	399,891	918,539	822,517	311,655
Ticket issuance rate ⁽¹⁾	53.6% ⁽²⁾	77.2% ⁽²⁾	75.7%	69.4%
Actual attendance rate ^(3, 4)	N/A ⁽⁴⁾	N/A ⁽⁴⁾	73.8%	66.3%

Notes:

- (1) Calculated by dividing the number of show tickets issued during the year/period, by the number of total seats in our auditorium multiplied by the number of performances conducted during the year/period.
- (2) The increase of the ticket issuance rate from 2022 to 2023 did not keep pace with the increase in the number of tickets issued during the year, primarily because we also increased the number of performances of the show for certain nights during peak season such as long weekends, public holidays or school holidays.
- (3) Calculated by dividing the number of ticket holders who were in actual attendance (excluding those who occupied honoured guest seats) by the number of total seats in our auditorium multiplied by the number of performances conducted during the year/ period. For illustration purpose, total number of seats in our auditorium includes 31 honoured guest seats.
- (4) No sufficient attendance records of ticket sales of Impression — Dahongpao Scenery Show for the years ended 31 December 2022 and 2023 are available. We maintained records of actual attendance of ticket holders by way of ticket scanning at the main entrance of the auditorium (excluding ticket holders of honoured guest seats (with up to 31 seats per show) who did not have to scan their tickets at the main entrance of the auditorium). Attendance records of tickets issued prior to 1 September 2023 were not available, as our ticket scanning system kept records of attendance for only one month, so as to free up capacity of its data servers. Since the beginning of 2024, the record keeping policy was updated such that ticket scan records were to be kept for a longer period of time, and we have expanded our data server capacity to cater for record keeping, hence the attendance records for the year ended 31 December 2024 and the six months ended 30 June 2025 are available.

BUSINESS

The following table sets out the number of show tickets we issued to our ticket selling distributors in respect of ticket bulk sales and to our audience in respect of direct sales of tickets by month during the Track Record Period.

	Year ended 31 December						Six months ended 30 June	
	2022		2023		2024		2025	
	Number of tickets issued to our ticket selling distributors	Number of tickets issued directly to our audience	Number of tickets issued to our ticket selling distributors	Number of tickets issued directly to our audience	Number of tickets issued to our ticket selling distributors	Number of tickets issued directly to our audience	Number of tickets issued to our ticket selling distributors	Number of tickets issued directly to our audience
January	2,831	358	48,024	5,201	3,712	205	17,809	1,255
February	14,312	1,583	37,080	4,461	72,972	6,868	51,901	3,914
March	7,008	229	45,247	1,928	37,389	1,851	35,341	1,531
April	1,532	80	86,643	4,967	55,732	2,428	55,075	3,185
May	10,299	565	75,281	4,875	79,231	4,952	76,183	4,696
June	15,442	1,470	55,922	2,565	36,639	2,242	57,715	3,050
July	110,354	2,637	121,218	4,278	107,616	6,699	—	—
August	104,878	6,594	165,179	7,918	155,352	10,616	—	—
September	41,089	2,058	61,739	2,869	47,976	2,724	—	—
October	60,487	6,852	88,053	5,093	96,724	6,933	—	—
November	7,418	353	54,515	2,459	53,678	1,884	—	—
December	1,428	34	31,268	1,756	26,577	1,517	—	—
Total	377,078	22,813	870,169	48,370	773,598	48,919	294,024	17,631

Third-party payments

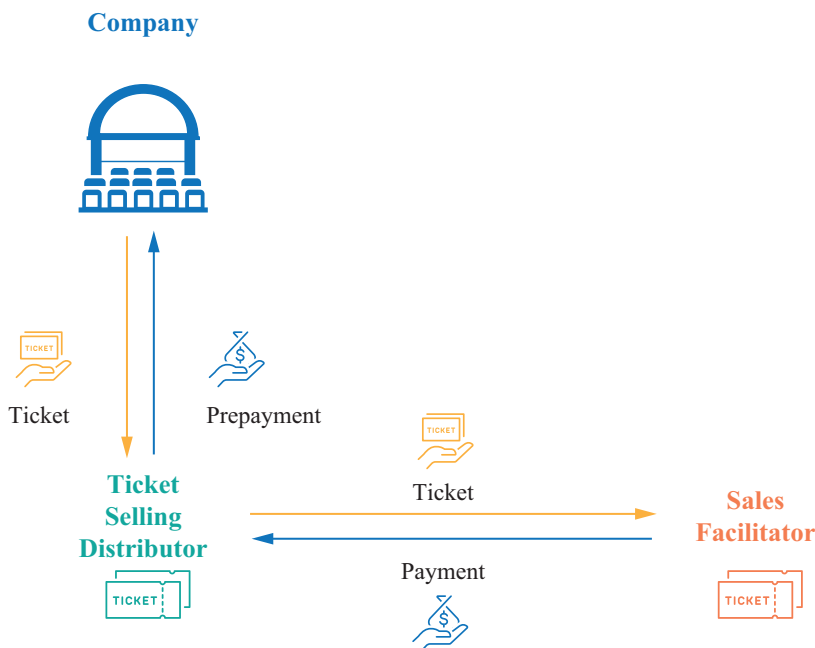
During the Track Record Period, we sold our show tickets through our sales channels, comprising (i) ticket bulk sales to our ticket selling distributors who conducted onward sales of tickets, and (ii) direct sales of tickets to our audience. Upon engagement of ticket selling distributors each year, tickets selling distributors need to execute including (i) bilateral ticket bulk sales master agreements, which are entered into between our ticket selling distributors and our Company; and/or (ii) tripartite ticket bulk sales master agreements, which are entered into amongst our ticket selling distributors, their authorised agents and our Company, once a ticket selling distributor decided to engage an authorised agent to meet the requisite sales volume targets and the authorised agents will conduct payment to us for placing orders for the show tickets on behalf of the corresponding ticket selling distributor. For details relating to the background of authorised agents, see “— Impression — Dahongpao Scenery Show — Operation Stage — Sales of Tickets — Previous sales arrangement involving authorised agents” in this section.

BUSINESS

Background of events in 2022 and 2023

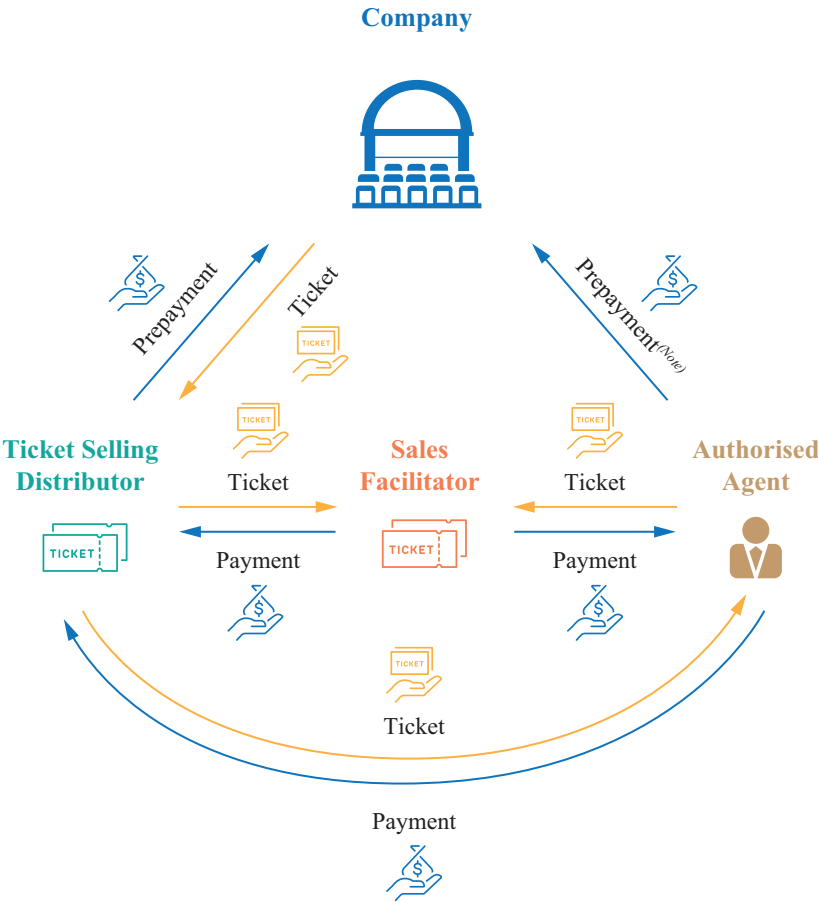
For the two years ended 31 December 2022 and 2023, we engaged 49 and 50 ticket selling distributors, respectively. Many of these ticket selling distributors nominated their own respective authorised agent(s) to conduct onward sales of ticket to assist them to achieve the sales volume target before the end of the year. Tripartite bulk sales master agreements were entered into among our Company, ticket selling distributors and authorised agents. According to the terms of our tripartite ticket bulk sales master agreement, the sales volume generated by the authorised agent would count towards the sales volume of the relevant ticket selling distributor.

- Bilateral ticket bulk sales master agreements:** For the two years ended 31 December 2022 and 2023, there were six and three ticket selling distributors, respectively, which decided not to nominate authorised agents and therefore, these distributors only entered into bilateral ticket bulk sales master agreements with our Company. These ticket selling distributors conducted payments to us directly for ticket sales. Nonetheless, to the best knowledge of our Company, these ticket selling distributors may be approached by Sales Facilitators for tickets demanded directly from tourists. For details relating to the background of Sales Facilitators, see “— Impression — Dahongpao Scenery Show — Operation Stage — Sales of Tickets — Ticket selling distributors” in this section. The Sales Facilitators made payments to the ticket selling distributors only and did not conduct payments to us for placing orders for show tickets. In light of the above, there was no occurrence of third-party payment issue for the two years ended 31 December 2022 and 2023 in respect of the sales of tickets to ticket selling distributors in the situations of bilateral ticket bulk sales master agreements. See below a flowchart that illustrates the payment flow:



BUSINESS

- Tripartite ticket bulk sales master agreements:** For the two years ended 31 December 2022 and 2023, there were 43 and 47 ticket selling distributors, respectively, which decided to nominate authorised agents and informed us of such decisions, upon which tripartite ticket bulk sales master agreements were entered into amongst these ticket selling distributors, their authorised agents and our Company. To the best knowledge of our Directors, these authorised agents were those who were closely related to the ticket selling distributors, such as spouses, owners of sole proprietorships and legal representatives of some small-sized business entities. As these authorised agents became our contracting parties, payments therefrom for the sales of tickets did not constitute third-party payment. Nonetheless, the Sales Facilitators may approach the authorised agents and conduct payments to them directly, which did not give rise to third-party payment issue. See below a flowchart that illustrates the payment flow:



Note: Tickets were issued to the ticket selling distributors in our ticket management system upon the payment from the authorised agents either to the ticket selling distributors or directly to the Company. Such authorised agents were contracting parties under the tripartite ticket bulk sales master agreements.

In some circumstances, a single authorised agent could be nominated by more than one ticket selling distributor given the relatively small size of Mount Wuyi City in which some ticket sellers might be associated in terms of family and/or business relationships. In the normal course of our financial book keeping, our finance department documents the name of each payor and checks such

BUSINESS

name against the name list of our contracting parties as documented in our ticket selling distributor system. The said concurrent nomination caused our finance department significant time in identifying and verifying which ticket selling distributor was related to the incoming payment for the sales of tickets. Despite the aforesaid, the identification and verification process has been put in place as we need to document his/her/its actual sales volume for the purpose of verifying sales volume target of a ticket selling distributor for the year.

Third-party payments which occurred in 2024

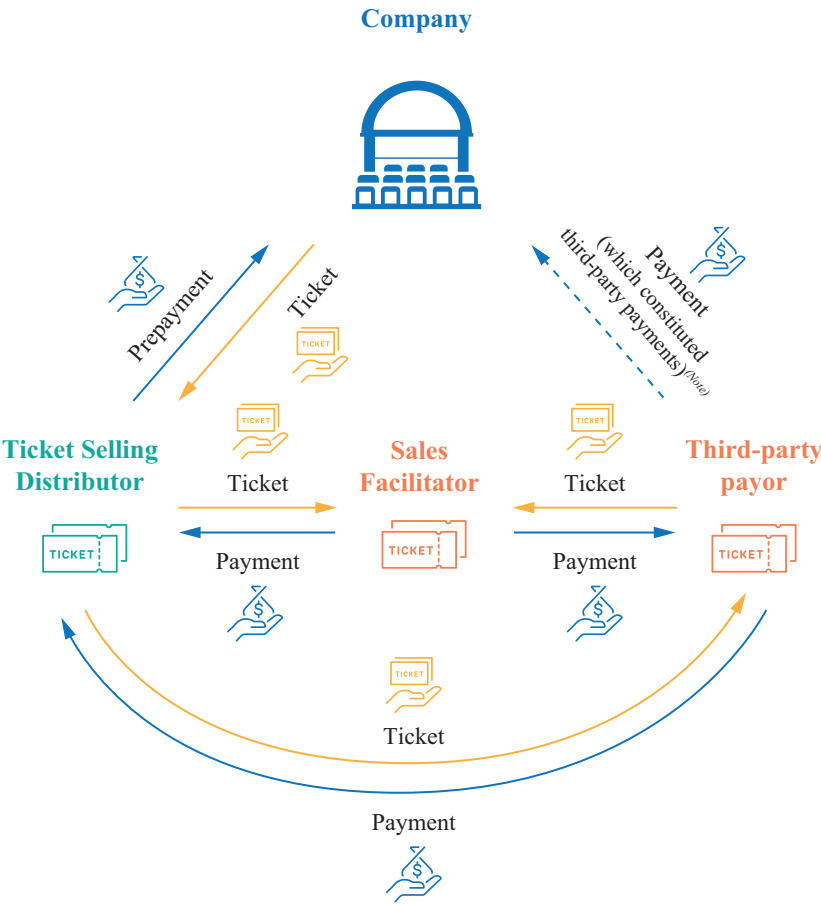
In light of the aforesaid cumbersome and time-consuming verification procedure due to the concurrent nomination of authorised agents by multiple ticket selling distributors, we have decided to cease adopting tripartite ticket bulk sales master agreements, whilst predominantly pursuing bilateral ticket bulk sales master agreements since 2024 (“**New Arrangement**”). Under this New Arrangement, we would only need to deal with one contracting party only. This could eliminate situations of payments not having been explicitly identified for a specific ticket selling distributor. Nonetheless, as some of our ticket selling distributors had their own long-acquainted business partners who were authorised agents, we still executed eight tripartite ticket bulk sales master agreements in 2024 upon the adoption of the New Arrangement, considering that (i) these authorised agents may be easily identified given their long-established relationship with our ticket selling distributors; and (ii) even if an incoming payment is unidentified with the name of the associated ticket selling distributor, there would not be undue hardship for us to identify the payor for book keeping and sales volume target verification purposes as we are well aware of their relationships.

For the year ended 31 December 2024, we dealt with 50 ticket selling distributors with which we entered into bilateral ticket bulk sales master agreements, amongst which there were eight ticket selling distributors who notified us of their intentions to nominate their own authorised agents. Upon consideration as mentioned above, we decided to exempt these eight ticket selling distributors from the New Arrangement. Accordingly, we executed eight tripartite ticket bulk sales master agreements, and 42 bilateral ticket bulk sales master agreements in 2024, respectively.

- ***Bilateral ticket bulk sales master agreements:*** Following the adoption of the New Arrangement in 2024, many of the then authorised agents who were contractual parties became non-contracting parties. Despite the adoption of the New Arrangement, some of the non-contracting parties who were the then individual authorised agents were still accustomed to settle payments to us directly. In the view of our Directors, these non-contracting parties who were the then authorised agents may not be readily and immediately accustomed to the change, resulting in the continuity of their direct payment to us. For example, there was also one former authorised agent who still made direct payment to us without a ticket bulk sales master agreement in 2024. We believe it was the behavioural inertia of those former authorised agents that gave rise to such payment, which constituted third-party payments in 2024. Additionally, under the bilateral ticket bulk sales master agreements, we erred in comprehending that a non-contracting party, such as the spouse and/or legal representative, could represent the relevant ticket selling distributor during the performance of a bilateral ticket bulk sales master agreements. It was not until

BUSINESS

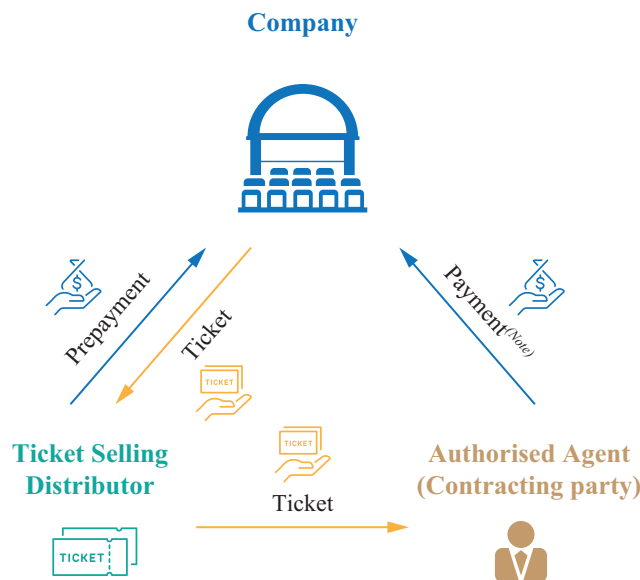
the commencement of our preparation for the proposed [REDACTED] when we understood that such payment constituted a third-party payment issue upon advice from China Industrial Securities International Capital Limited during the independent due diligence process. Additionally, some of our ticket selling distributors and third-party payors may have probably been approached by sales facilitators for tickets demanded directly from tourists. As we did not deal with these Sales Facilitators and payment was made directly from these Sales Facilitators to the relevant ticket selling distributors and the third-party payor, we did not encounter any third-party payments save for the situation as disclosed above. See below a flowchart to illustrate the payment flow:



Note: Tickets were issued to the ticket selling distributors in our ticket management system upon the payment from the third-party payors who were associated with the ticket selling distributors.

BUSINESS

- Tripartite ticket bulk sales master agreements:** While some authorised agents prior to the New Arrangement became ticket selling distributors after the New Arrangement, there were eight who remained as authorised agents after the New Arrangement. For those eight tripartite ticket bulk sales master agreements, as the authorised agents nominated thereof became our contracting parties, payment from them for the sales of tickets did not constitute third-party payment. See below a flowchart to illustrate the payment flow:



Note: After receiving prepayment from the authorised agents, tickets were issued to the ticket selling distributors in our ticket management system upon receiving order for tickets, who were contracting parties under the tripartite ticket bulk sales master agreements.

To the best knowledge of our Directors, for the year ended 31 December 2024, the aggregate amount settled through the third-party payors was approximately RMB37.8 million, accounting for approximately 31.5% of our total revenue for the ticket bulk sales to ticket selling distributors for the same year. There were 23 ticket selling distributors who settled payments through third-party payors for the year ended 31 December 2024. To the best knowledge information and belief of our Directors based on all reasonable enquiries, these third party payors do not have any other past or present relationship (including, without limitation, business, employment, family, trust, financing, shareholding or otherwise) with our Company, its subsidiaries, Directors, senior management or the Controlling Shareholders, or any of their respective associates.

Views of industry expert

According to Frost & Sullivan, it is not uncommon in China’s cultural tourism performance market for entities to settle payments through third-party payors, primarily because (i) using a sole proprietor or local small-sized company’s operator or his/her spouse, legal representative’s personal bank account provides greater cash flow and settlement flexibility, which is particularly beneficial for small and mid-sized ticket selling distributors with limited financial resources, especially when payments of quality deposits and performance bonds are required prior to ticket issuance; and (ii) opening a corporate bank account could be cumbersome.

BUSINESS

View of our PRC Legal Advisors

Based on the review of internal control procedure and all mandatory requirements for transactions adopted by our Group, our PRC Legal Advisors have advised that, for the year ended 31 December 2024, (i) there was no claim lodged by any third-party payors; nor had we been asked to make repayments; (ii) the third-party payments were backed by legitimate underlying transactions, i.e., sales of tickets are commercial activities; (iii) there was no concealment or misrepresentation of the origin or nature of any criminal proceeds or income derived from such proceeds, indicating the risk of concluding that these payments constituted money laundering is low, nor did they involve any situation that would lead to contravention of mandatory requirements under the prevalent PRC laws and regulations; (iv) we had not been subject to any inquiry, investigation or administrative penalties by the competent government authorities concerning the PRC tax laws and regulation as a result of the third-party payments we received; and (v) once a third-party payment arrangement has been made, it comes into legal effect and cause binding obligations on each of the parties under the third-party payment arrangement pursuant to the PRC Civil Code.

Based on the foregoing, our PRC Legal Advisors are of the view that the third-party payments for the year ended 31 December 2024 were not in contravention of the prevalent PRC laws and regulations.

Cessation of third-party payments

As part of the enhanced internal control measures, we ceased entering into tripartite ticket bulk sales master agreements and no longer directly deal with authorised agents. Since 15 January 2025, upon the execution of all bilateral ticket bulk sales master agreements, all third-party payments have ceased and we enhanced our internal control measures to prevent the occurrence of third-party payments going forward. For details of the enhanced internal control measures, see below subsection headed “*Enhanced internal control measure*”. Based on their historical settlement records and the absence of litigations in respect of third-party payers, their respective shareholders and directors, we believe that the cessation of the third-party payments did not have, nor will have any material impact on our business operations and financial results, given that (i) the historical sales of tickets were genuine transactions; and (ii) the popularity of our Impression — Dahongpao Scenery Show will continue to incentivise the ticket selling distributors to conduct onward sales of tickets as there is a genuine ticket demand from audience. Such belief is based on the following considerations:

- (i) during the Track Record Period, all the third-party payments were related to genuine ticket sales of our Company and genuine ticket requests from our ticket selling distributors and their authorised agents;
- (ii) we have not encountered any incident demanding us to return payment in relation to relevant ticket sales;
- (iii) nothing came to our attention that would cause our Directors to doubt the genuineness of relevant transactions or the good faith of relevant parties involved;

BUSINESS

- (iv) to the best knowledge of our Directors and after making reasonable enquiries, we understand that our ticket selling distributors have become able and willing to cooperate with the payment arrangement for the purpose of preventing third-party payment;
- (v) since 15 January 2025, there has been no third-party payment issue following the implementation of our enhanced internal control measure (see below for the details relating to our enhanced internal control measures); and
- (vi) we had not encountered any material settlement issue after the cessation of the third-party payment and as at the Latest Practicable Date.

Enhanced internal control measure

As advised by our Internal Control Consultant, we have placed the following internal control measures in place to prevent the recurrence of third-party payments:

- (i) disallowing payments from unknown bank accounts that are not pre-registered under the name of the contractual party to our ticket bulk sales master agreements, as stipulated in our internal policy, and communicating such a requirement to all of our ticket selling distributors;
- (ii) requiring all of our ticket-selling distributors to provide the details of their active corporate bank accounts as soon as ticket bulk sales master agreements are entered into. Any updates to the bank accounts details should be communicated by the said parties to us immediately for our accurate and updated records. Each ticket selling distributor can provide us with more than one corporate bank account, while all bank accounts should be registered in our internal register under the name of the contractual party to our ticket bulk sales master agreements. Only a contractual party to our ticket bulk sales master agreement with registered corporate bank account can make payments to us. The said register should be maintained from time to time to reflect accurate and updated information; and
- (iii) our Directors have designated the finance department to thoroughly check and monitor all payment details, including the name and bank account number of each payor, when payments from ticket selling distributors are received. Sales department personnel will, in parallel, check the payment details upon each payment receipt from our ticket selling distributors. The said department, together with the responsible finance department personnel, will jointly sign on the supporting document of payment as evidence of inspection. If a payment is red-flagged as coming from an unregistered bank account, it will not be accepted in our ticket management system and will be returned to the respective payor. The said verification process should be conducted to ensure that payments are not made from unregistered bank accounts. While the aforesaid enhanced procedures disallow unauthorised parties to conduct payment to us, our chief financial officer and finance manager will review the supporting documents of payments received at the end of each month. In addition, they have been designated to conduct monthly checks with ticket selling distributors to ensure that the aforesaid enhanced procedures have been strictly and effectively adhered to.

BUSINESS

View of our Directors

During the Track Record Period, (i) we did not initiate any third-party payments or participated in any other form in any of such arrangement; (ii) our Group had not provided any discount, commission, rebate or other benefits to our ticket selling distributors and/or the relevant third-party payors; and (iii) the pricing and payment terms of the ticket bulk sales master agreements we had with our ticket selling distributors were generally in line with those of distributors who were not involved in the historical third-party payments incident.

After review of the enhanced internal control measures, our Directors are of the view that these measures are effective and adequate in preventing recurrence of third-party payments and mitigating the associated risks, and our Directors will oversee the effectiveness of the aforementioned enhanced internal control measures on third-party payments in the future. Our Directors have further confirmed that there has been no material payment settlement issue following the cessation of the third-party payment since 15 January 2025.

Support and Maintenance

Depending on the type of work required to fine-tune our show, we may opt to seek support and maintenance from Impression Art Development. The following table illustrates the details of the typical scope of support and maintenance provided by Impression Art Development to our show.

Directorial Team	:	Responsible for the overall concept of show and monitoring the execution of the performance of our show, ensuring that each segment seamlessly connects and effectively conveys the core themes of the script.
Stage Design	:	Tasked with the stage layout, lighting design, and special effects production, the stage design team utilises advanced technology and innovative design concepts to create breathtaking visual experiences for the audience.
Costume, Makeup and Props	:	The costume, makeup and props team oversees the design and makeup for all actors, having created and produced approximately 150 meticulously designed and manufactured costumes. Additionally, the makeup artists provide makeup training to ensure the performance team’s makeup aligns with the requirements of the performance.
Technical Support	:	Comprising technicians responsible for sound equipment, video playback systems and stage mechanics, the technical support engineers ensure the technical aspects of each performance run smoothly.

BUSINESS

We have accumulated extensive practical experience since the debut of our Impression — Dahongpao Scenery Show on 29 March 2010, providing us with a distinct competitive advantage in performance updates and innovations. From the show’s creative incubation to its actual implementation, we have gained an in-depth understanding of the show’s content and its market demands through the daily operation management and the performance of the show. This positions us to accurately identify core needs and strategic directions when innovating and enhancing the show’s appeal.

According to industry practice, the party responsible for carrying out daily operations of the show usually also oversees directing and innovation efforts, as it has first-hand and a more direct understanding of the show’s performance, audience feedback, and market trends. As the operating party, we are empowered to lead and implement updates and improvements to the Impression — Dahongpao Scenery Show. According to Frost & Sullivan, this approach aligns with industry standards and enables us to respond effectively to market demands. Moreover, according to the contractual terms between our Company and Impression Art Development, we are entitled to independently fine-tune the show based on our own improvement ideas. See “Industry Overview — The Cultural Tourism Performance Market in China and Fujian Province — Life Cycle of Cultural Tourism Performance” in this document for details relating to the duties of the performance team of a show at different phases.

Therefore, we maintain the autonomy to make strategic decisions regarding the ongoing development of the Impression — Dahongpao Scenery Show to ensure its continued competitiveness and appeal. We preserve the right to fine-tune the show, either on our own or through third parties other than Impression Art Development. According to our tripartite arrangement with Fujian Mount Wuyi Cultural Tourism Group and Impression Art Development, we shall discuss with Impression Art Development as to any changes or adjustments to the Impression — Dahongpao Scenery Show, and such changes or adjustments shall be mutually agreed between both parties.

Various measures were put in place to maintain and strengthen our relationship with Impression Art Development, including: (i) Mr. Zheng Bin, our executive Director and general manager, was recommended by Beijing Impression Landscape, a shareholder holding 15.30% equity interests in our Company and a wholly-owned subsidiary of Impression Art Development, as director candidate of our Company, following which Mr. Zheng Bin was duly appointed as a Director upon the passing of relevant resolutions at the corresponding Board meeting and shareholders’ meeting; and (ii) regular communication with Impression Art Development regarding our operations of Impression — Dahongpao Scenery Show and financial results. During the Track Record Period, the Impression — Dahongpao Scenery Show has continued to generate revenue and our Group’s payment of directorial royalty services fee to Impression Art Development has continued to be duly settled. Financial results has also been provided to Impression Art Development on a timely manner. Since the start of our cooperation, we maintained an amicable relationship with Impression Art Development, and have not had any disputes or pending disputes.

BUSINESS

Seasonality

Our Impression — Dahongpao Scenery Show is subject to seasonality of the tourism market, statutory holidays and festivals throughout the year. The revenue from our Impression — Dahongpao Scenery Show may demonstrate an obvious seasonality depending on the demand for our show tickets. Historically and during the Track Record Period, peak seasons generally represented:

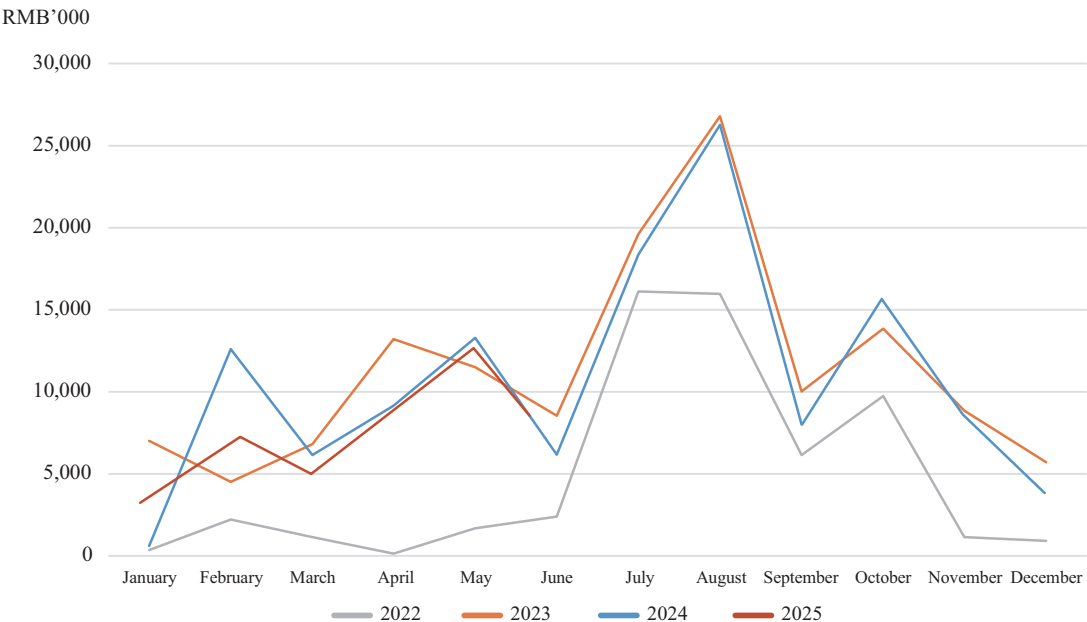
- Major holidays such as May Day Holiday (International Labour Holiday) often characterised by increased number of travellers due to the holiday break; Chinese National Holiday (October Golden Week Holiday) attracting large crowds of travellers as families and tourists taking advantage of an extended break; and Spring Festival (Chinese Lunar New Year).
- School breaks such as summer holidays which record a rise in family travel, contributing to increased tourist activities.

The following table sets out the revenue of our Impression — Dahongpao Scenery Show by month during the Track Record Period.

	Year ended 31 December						Six months ended	
	2022		2023		2024		30 June	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
	RMB'000		RMB'000		RMB'000		RMB'000	
January	341	0.6	7,010	5.2	619	0.5	3,060	6.2
February	2,222	3.9	4,509	3.3	12,594	9.7	8,743	17.8
March	999	1.7	6,738	5.0	6,131	4.7	5,757	11.7
April	135	0.2	13,199	9.7	9,149	7.1	9,189	18.7
May	1,538	2.7	11,492	8.5	13,278	10.2	12,807	26.1
June	2,398	4.3	8,366	6.2	6,142	4.7	9,512	19.5
July	16,113	28.0	19,362	14.4	18,346	14.1	—	—
August	15,946	27.7	26,789	19.7	26,260	20.2	—	—
September	6,148	10.7	10,019	7.4	7,934	6.1	—	—
October	9,744	16.9	13,806	10.2	16,094	12.4	—	—
November	1,108	1.8	8,748	6.3	8,617	6.7	—	—
December	903	1.5	5,635	4.1	4,662	3.6	—	—
Total	57,595	100.0	135,673	100.0	129,826	100.0	49,068	100.0

BUSINESS

The following line chart illustrates the seasonality analysis of our Impression — Dahongpao Scenery Show in terms of revenue recognised during the Track Record Period. Our Directors believe that the fluctuations of our sales activities in respect of our signature show objectively reflect the seasonality for the broader cultural tourism industry in Mount Wuyi, which impacts our Moonlight over Mount Wuyi, Impression Cultural Tourism Town business and Chatang hotel business as well.



The performance of our show may be suspended in the event of bad or extreme weather conditions. Given that our Impression — Dahongpao Scenery Show is conducted outdoors, we prioritise the safety of our audience and performers. Our management team has equipped themselves with basic knowledge of satellite and radar meteorological imagery. In anticipation of a potential bad or extreme weather condition in Mount Wuyi, they maintain close communications with the local meteorological and hydrological authorities and discuss with the performance manager of the show, and accordingly make decisions with respect to the performance schedules. Any suspension of performances will be documented and announced to our audience in an immediate manner.

In the event of an actual bad or extreme weather condition preventing our performance, we will inform our ticket selling distributors and a performance cancellation notice will be issued. Ticket refund requests will subsequently be processed. If the performance is in progress when there is a sudden bad or extreme weather condition, an audio announcement will be made in the auditorium to inform our audience of the immediate cancellation of our performance. Ticket refund requests will be processed for those who opt not to watch a rescheduled show. We may also arrange additional performances for those who opt to re-attend the show.

BUSINESS

Moonlight Over Mount Wuyi

In recent years, we have actively pursued new development opportunities in the tourism scenery performance market. In September 2024, Moonlight Wuyi was incorporated for the purpose of curating and performing a new show, Moonlight over Mount Wuyi, which is performed in an indoor theatre in Mount Wuyi. Through a public bidding process, Moonlight Wuyi engaged a directorial team, which provided directorial services to Moonlight Wuyi. As at the Latest Practicable Date, Moonlight Wuyi is owned as to 40.0% by our Company, 25% by Moonlight Wuyi (Beijing) Cultural Media Co., Ltd (月映武夷(北京)文化传媒有限公司), and 35% by Fujian Wuyi Tourism Group (which holds 33.7% equity interest in Mount Wuyi Cultural Tourism, one of our Controlling Shareholders (with 68.8% shareholding in our Company)). The ultimate beneficial owner of Fujian Wuyi Tourism Group is Nanping SASAC. Ms. Xu Zhoumei, our non-executive Director, holds the directorship of Fujian Wuyi Tourism Group. Save for the aforesaid relationship, none of our other Directors, senior management and their close associates are interested in Fujian Wuyi Tourism Group. As Fujian Wuyi Tourism Group is principally engaged in tourism-related investment, Fujian Wuyi Tourism Group and our Company decided to jointly incorporate a company, aiming to achieve mutual benefits through resource integration and to further enhance the development of the local cultural tourism industry in Mount Wuyi City.

Moonlight over Mount Wuyi was initially funded by the paid up capital of Moonlight Wuyi. As at the Latest Practicable Date, we had fully paid up RMB80.0 million for the registered capital of Moonlight Wuyi. The debut of this new show took place on 17 April 2025, followed by the premiere of the show to the public on 1 May 2025. By leveraging on our prior success of the Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi focuses on the core philosophies of “investing things to attain knowledge” (格物致知) and “attaining the knowledge of the goods” (致良知), which embody the Zhuzi culture of Mount Wuyi (武夷山朱子文化), distinguishing it as an indoor live show from the existing Impression — Dahongpao Scenery Show.

Based on the script provided by the aforementioned directorial team, Moonlight over Mount Wuyi begins with an art performance under a bright moon, setting the stage for the cultural backdrop of Mount Wuyi. The show unfolds through a structured narrative that highlights Zhu Xi (朱熹)’s childhood curiosity about the heavens, his journeys through famous mountains and rivers and his philosophy’s core ideas and influences, culminating in a reflection on his academic achievements through exchanges with other scholars. The epilogue uses a pond as a symbol of the enduring nature of Chinese civilisation, emphasising the importance of protecting cultural heritage. The performance will intricately weave profound philosophy into a poetic narrative, showcasing unique Eastern aesthetic concepts. Utilising modern technology, the show creates an immersive experience that transports the audience to the cultural atmosphere of the Song Dynasty. Furthermore, the show innovatively integrates Zhuzi culture, exploring its philosophical significance and societal value, while advocating for the preservation of traditional culture alongside modern innovation. The performance also emphasises the unique ecological and cultural resources of Mount Wuyi, calling on society to actively engage in protecting these invaluable heritages.

BUSINESS

Performance

With the premiere of the show on 1 May 2025, Moonlight over Mount Wuyi has become another highlight of Fujian Province’s cultural tourism industry. The performance occurs in a specially designed indoor theatre, with each performance lasting approximately 70 minutes. A dedicated team of more than 120 professional performers brings the production to life, incorporating a variety of art forms, including dance, music, drama, martial arts and multimedia interaction. Through its highly artistic choreography, audiences of Moonlight over Mount Wuyi experience the revival of the millennia of history and humanistic spirit of Mount Wuyi, showcasing its unique natural beauty and cultural richness. The show applies technology by introduction of a three-dimensional water scenery of 8,225 m³. The performance stage is featured as the “Largest Single Structure Indoor Water Curtain Stage”, which has been endorsed by the World Record Certification Limited on 1 May 2025. The theatre of Moonlight over Mount Wuyi is located in an area within Mount Wuyi City which is approximately 3.3km (or a 10 minutes drive) from the auditorium of Impression — Dahongpao Scenery Show.

Since 1 May 2025 and up to the Latest Practicable Date, Moonlight over Mount Wuyi has been performed more than 329 times and more than 91,000 audience attended the show since its launch in May 2025. With its successful launch, Moonlight over Mount Wuyi is gradually becoming an integral part of the cultural tourism industry in Mount Wuyi and Fujian Province, while actively contributing to the promotion of traditional Chinese culture.

Additionally, with its immersive live performance and world-class stage technology, Moonlight over Mount Wuyi has become a media sensation following its premiere on 1 May 2025. On 3 May 2025, CCTV’s Chinese International Channel (央視中文國際頻道) featured the performance stage of the show in various television programmes including Today’s Global (今日環球) and China News (中國新聞). On 5 May 2025, News Channel (新聞直播間) highlighted Moonlight over Mount Wuyi as a brand new cultural tourism experience that ignites the holiday economy in China.

BUSINESS

Four chapters of Moonlight over Mount Wuyi

The opening showcases the natural beauty and cultural heritage of Mount Wuyi through a video presentation that highlights the passage of time. It emphasises Zhu Xi and his Neo-Confucianism’s significant impact on Chinese culture. Elements like the egret and Jiuqu Stream symbolise the natural harmony of Mount Wuyi. The following table illustrates the main theme of each of the four chapters of our Moonlight over Mount Wuyi.

Chapter	Theme	Description
1	Observing the Heavens	- Father and Son Under the Moon: Zhu Song teaches his son, the young Zhu Xi, life lessons through the art of tea. - The Making of a Cup: The process of crafting Jianzhan tea cups serves as a metaphor for life’s philosophy. - Curiosity About the Sky: Young Zhu Xi’s fascination with the sky sparks reflections on exploring the future.



BUSINESS

Chapter	Theme	Description
2	Seeking the Mountains	- Apprenticeship: Zhu Xi becomes a disciple of the Three Masters of Wuyi, studying classical Confucian texts. - Wandering the World: Zhu Xi travels, making friends and gradually approaching the truths he seeks. - Enlightenment in Rain: During a climb, a sudden downpour leads Zhu Xi to a profound understanding of the philosophy of “Zhonghe” (the Mean).



3	Rites of Passage	- Return to Hometown: Zhu Xi returns to preside over a coming-of-age ceremony. - The Coming-of-Age Ceremony: The solemn crowning and hairpin rituals highlight the importance of traditional culture. - Reciting Family Precepts: Emphasises family ethics and societal norms, passing down familial virtues.



BUSINESS

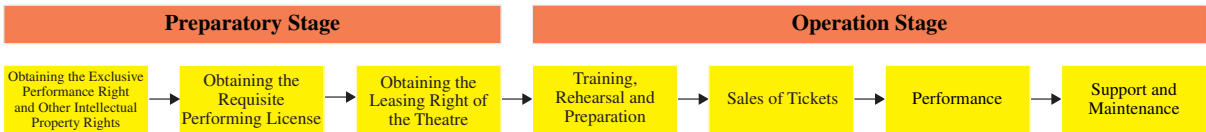
Chapter	Theme	Description
4	Enlightenment of the Heart	- Establishing Foundations: Zhu Xi dedicates himself to compiling texts and spreading Neo-Confucian thought. - Political Turmoil: In the face of political persecution, Zhu Xi remains steadfast in his ideals. - Revisiting Childhood: Reflecting on his childhood strengthens his resolve to pursue truth. - Revival of the Kaoting Academy: Ultimately, Zhu Xi’s thoughts are preserved and developed, becoming a valuable cultural heritage for future generations.



Since the launch of Moonlight over Mount Wuyi on 1 May 2025 up till 30 June 2025, we conducted an aggregate number of 70 performances. From 1 July 2025 to 31 October 2025, we conducted an aggregate number of 206 performances. During the Track Record Period and up to the Latest Practicable Date, the maximum number of the performances of Moonlight over Mount Wuyi was two during a day. At maximum capacity and on a fully packed schedule, the maximum number of Moonlight over Mount Wuyi performances that can be performed per day is six.

Key Stages Giving Rise to Curation and Performance of Moonlight over Mount Wuyi

The following flowchart illustrates the key stages giving rise to the show:



BUSINESS

Preparatory Stage

Obtaining the Exclusive Performance Right and Other Intellectual Property Rights

According to the directorial service agreement entered into among Moonlight Wuyi (a subsidiary of our Company), Fuxing (Beijing) Cultural Tourism Development Co., Ltd. (復興文旅(北京)文化產業發展有限公司) and Beijing Jindong High Technology Co., Ltd. (北京金東高科科技有限公司) (collectively the “**Directorial Unity**”), Moonlight Wuyi is obligated to settle a fixed fee of RMB61.5 million in respect of the construction of performance stage integrated equipments and devices; and to settle a fixed fee of RMB31.0 million in exchange for directorial content creativity services (導演創作服務) and an exclusive performance right to curate and perform Moonlight over Mount Wuyi. As at 30 June 2025, in respect of the construction of performance stage integrated equipments and devices, RMB28.8 million has been paid to the Directorial Unity, and RMB32.7 million remained payable; in respect of the directorial content creativity services, RMB21.7 million has been paid to the Directorial Unity, and RMB9.3 million remained payable. Meanwhile, the Directorial Unity, or its designated entity, shall own 25% of the shares of Moonlight Wuyi by fully paying up RMB20.0 million to its registered capital, as demonstration of its commitment to the show.

Additionally, as the content creator, the Directorial Unity reserves the copyright and entitlement to all audio and video recordings, invention patents and utility models of the show, and design patent. Moonlight Wuyi is entitled to use the trademark in the name of “Moonlight Wuyi” (月映武夷) and “Moonlight over Mount Wuyi” (月映武夷) free of charge. According to the directorial service agreement, the Directorial Unity has granted the exclusive performance right of Moonlight over Mount Wuyi to Moonlight Wuyi.

Obtaining the Requisite Performing License

According to the relevant PRC laws and regulations, we are required to obtain and possess requisite licenses to curate and perform Moonlight over Mount Wuyi. As confirmed by the relevant competent authority, we have obtained all necessary licenses, permits and registration documents for the operation and performance of Moonlight over Mount Wuyi.

Obtaining the Leasing Right of the Theatre

Moonlight over Mount Wuyi is performed indoors at a theatre, located in the Mount Wuyi Resort Area. The theatre is owned by Mount Wuyi Tourism Cultural Investment. Mount Wuyi Tourism Cultural Investment is wholly owned by Mount Wuyi City Construction Group Company Limited (武夷山城市建設投資集團有限公司), which is a fellow subsidiary under the control of Mount Wuyi SAOSC. Two of our Controlling Shareholders, namely Mount Wuyi Cultural Tourism and Mount Wuyi Tourism Resort Development are also the fellow subsidiaries under the control of Mount Wuyi SAOSC. The indoor theatre has a total capacity of 1,971 audience seats, of which 1,175 are regular seats, and 796 are VIP seats.

On 28 April 2025, we entered into a lease agreement with Mount Wuyi City Construction Group Company Limited, with a term of 20 years. According to the lease agreement, the annual leasing fee for us to use the theatre is 10.0% of the operating income from the performance of Moonlight over Mount Wuyi (representing the revenue from sales of tickets), or RMB5.0 million, whichever is higher.

BUSINESS

The leasing fee should be settled semi-annually. Moonlight Wuyi is obligated to conduct a payment of RMB2.5 million every six months. Any remaining balances of the leasing fee (exceeding the aforementioned annual leasing fees) shall be settled by the 30th of the same month of the subsequent year. It has been further stipulated that the date from which the leasing fee is accrued should be the date on which the fire safety acceptance checks of the theatre is completed, being the date when the acceptance certificate is issued. On 29 April 2025, the fire safety acceptance checks of the theatre were completed.

Operation Stage

Training, Rehearsal and Preparation

The directorial team consists of Mr. Xiao Xiangrong (肖向荣), Mr. Sajia Duoji (薩迦多吉) and Mr. Chi Jun (池俊). The Directorial Unity, including its group members are all independent third parties of our Group. Save for the cooperation in respect of Moonlight over Mount Wuyi, our Group, our Directors and senior management, and our Controlling Shareholders had no former business dealings with the Directorial Unity.

Based on the project schedule, the Directorial Unity conducted the rehearsal for Moonlight over Mount Wuyi from December 2024 to April 2025 in preparation for the debut of the show. As an initiative to promote the show and the tourism industry of Mount Wuyi, the debut of Moonlight over Mount Wuyi took place on 17 April 2025 at the opening ceremony of the 2025 Fujian Provincial Cultural and Tourism Economic Development Conference (2025年福建省文旅經濟發展大會).

Sales of Tickets

We also adopt a dual ticket sales network for Moonlight over Mount Wuyi, consisting of both direct sales and sales of tickets to ticket selling distributors.

The following table sets out a breakdown of the revenue from sales of show tickets in respect of Moonlight over Mount Wuyi.

	For the six months ended 30 June			
	2024		2025	
	RMB'000	%	RMB'000	%
	(unaudited)			
Ticket bulk sales to ticket selling distributors	—	—	1,167	49.3
Direct ticket sales to our audience	—	—	1,200	50.7
Total	—	—	2,367	100.0

BUSINESS

Direct sales

For direct sales, we sell tickets to the audience directly via our official WeChat Account Platform, or at our physical ticket selling counter located at the theatre. For audience who purchased show tickets on our official WeChat Account Platform, physical tickets can be collected at any of our ticket kiosks. We also sell group tickets to certain organisations such as trade unions.

Sales to ticket selling distributors

For sales to ticket selling distributors, the distribution arrangement is similar to that of our Impression — Dahongpao Scenery Show. We invited the existing ticket selling distributors of our Impression — Dahongpao Scenery Show to be ticket selling distributors for Moonlight over Mount Wuyi, as those existing ticket selling distributors had already passed through our screening process to ensure that they possess the relevant credentials and qualifications. Most of the ticket selling distributors for Moonlight over Mount Wuyi are also engaged in respect of our Impression — Dahongpao Scenery Show.

Save for the ticket sales agreement with an online sales platform as elaborated below, we enter into standardised bilateral ticket bulk sales master agreements with ticket selling distributors. Currently, those agreements entered into by us have a term until the end of 2025, after which the agreements will be entered into on an annual basis. The key terms of our bilateral ticket bulk sales master agreements are set out below:

Term	From May or July 2025 (as the case may be) until the end of 2025, after which we intend to enter into contracts with a one year term and to be renewed annually
Sales volume target	The sales volume target, being the minimum requirement of ticket sales volume, varies from each ticket selling distributor. It is based on each ticket selling distributor’s score evaluated by our Company in each round of bidding process prior to an engagement. The annual sales volume target ranged from 2,000 to 6,000.
Geographical restriction	Ticket selling distributors are not allowed to conduct onward sales of tickets in the proximity of our ticket selling points.
Pricing	The settlement price at which the ticket selling distributor shall pay us for each category of tickets are fixed under the agreement, and such settlement price are at a discount to the direct sales price at which we directly sell to our audience at our own ticket selling points.

BUSINESS

Settlement method

Each ticket selling distributor will be issued a user account with a specific login username and password under our ticket management system, through which the ticket selling distributor shall place the purchase orders and make prepayments to us prior to our issuance of tickets. Prepayments are typically made via bank transfer, or taken by POS portable machine. Prepayments will thereafter be recorded on the ticket management system.

Credit term

Our ticket selling distributors purchase our show tickets through their prepayments to our Company, deduction of which will occur upon our issuance of show tickets to them.

Performance deposit

As a prerequisite for a ticket selling distributor to be formally engaged by us, it is obliged to pay a fixed amount (with a minimum of RMB10,000) as performance deposit, which serves as a minimum guarantee of income for us. Such fixed amount varies for each ticket selling distributor, which is determined with reference to the sales volume target agreed in the relevant ticket bulk sales master agreement. The performance deposit must be paid within three business days from the date of the ticket bulk sales master agreement.

The performance deposit may be refunded in part or in full or used as prepayment for tickets sold, depending on how much of the sales volume target is achieved, as specified in the agreement. However, if the ticket selling distributor fails to achieve 50% of its sales volume target, none of the performance deposit may be refunded.

Credit assessment score

Each ticket selling distributor is allocated a credit assessment score as a means for us to keep track of the distributor's compliance with our ticket selling requirements. If we become aware that the ticket selling distributor violated our prescribed policy for sale of tickets (including onwards sale of our tickets at a price lower than the prescribed price), a penalty will be imposed (by way of confiscation of a certain amount of the quality deposit according to specific circumstances specified in the agreement) and the credit assessment score may be deducted.

If the ticket selling distributor's annual credit assessment score falls below 80 out of 100, we may terminate the bilateral ticket bulk sales master agreement, and the distributor will be disqualified from being our ticket selling distributor in the following year.

BUSINESS

Quality deposit

Quality deposit serves as an incentive for the ticket selling distributors to achieve higher sales volume, and also as a deterrent in respect of violation by ticket selling distributors of our prescribed policy for sale of tickets. Upon the sale of each ticket, the ticket selling distributor shall pay an extra fee per ticket sold as quality deposit. The amount of quality deposit payable per ticket varies according to the type of ticket sold, and shall be settled at the same time along with the prepayment for each ticket sold, prior to the issuance of tickets. The amount of quality deposit that is refundable is calculated based on the credit assessment score and the actual number of tickets sold by the ticket selling distributor during the term of the agreement (whereby a higher sales volume will result in a higher refundable amount). However, if the ticket selling distributor fails to achieve 70% of its sales volume target, none of the quality deposit may be refunded. Also, as mentioned above, if we become aware that the ticket selling distributor violated our prescribed policy for sale of tickets, a certain amount of the quality deposit may be confiscated by us. Any refundable amount of quality deposit shall be settled after we complete the audit of the number of tickets sold by each of the ticket selling distributors at the end of the term.

Early termination right

We have the right to terminate a bilateral ticket bulk sales master agreement upon any of the following

- i) the ticket selling distributor’s annual credit assessment score is lower than 80 out of 100 as mentioned above;
- ii) the ticket selling distributor failed to pay the performance deposit to us within the time frame as stipulated in the relevant ticket bulk sales master agreements; and
- iii) the ticket selling distributor breached the terms of the agreement when conducting ticket sales and was penalised by relevant authorities. In such case, no performance deposit or quality deposit shall be refundable.

Refund of tickets

Unless due to *force majeure* events, such as adverse weather or special seating arrangements, we are not obligated to refund once show tickets are issued, which is in line with the market practice as confirmed by Frost & Sullivan.

BUSINESS

Renewal Bilateral ticket bulk sales master agreements are renewed on an annual basis.

We entered into a ticket sales agreement with an online sales platform distributor (the “**Online Distributor**”) different from our other ticket selling distributors. The key terms of our ticket sales agreement with the Online Distributor are set out below:

Term From July 2025 until the end of 2025, after which we intend to renew the contract on an annual basis for a term of one year.

Subject matter The Online Distributor shall operate an official sales channel for Moonlight over Mount Wuyi on its online ticket selling platform, for which we shall pay a service fee.

Sales volume target None.

Geographical restriction Not applicable, since the Online Distributor operates as online platform and only conduct sales online.

Pricing The settlement price at which the Online Distributor shall pay us for each category of tickets are fixed under the agreement, and such settlement price are at a discount to the direct sales price at which we directly sell to our audience at our own ticket selling points.

For each category of ticket available for sale, the price at which the Online Distributor may sell the tickets online is fixed under the agreement (unless otherwise agreed according to actual market demand), and are at a discount to the direct sales price at which we directly sell to our audience at our own ticket selling points.

The Online Distributor shall be entitled to take a cut from the online sale price as service fee. Such service fee per ticket is fixed for each category of ticket available for sale and agreed under the agreement.

Settlement method The Online Distributor is issued a user account with a specific login username and password under our ticket management system, through which the Online Distributor shall place the purchase orders and make prepayments to us prior to our issuance of tickets. Prepayments are typically made via bank transfer. Prepayments will thereafter be recorded on the ticket management system.

BUSINESS

The Online Distributor is required to maintain at least RMB3,000 worth of prepayment credit in its user account prior to the issuance of tickets. For peak seasons during Chinese New Year, May Day Holidays, National Day Holidays and summer holidays, the Online Distributor shall make sufficient prepayment in advance to ensure that there will be sufficient credit for the issuance of tickets.

Upon early termination or expiry of term of the agreement, unused credit shall be refunded within 10 days.

Credit term

The Online Distributor shall purchase our show tickets through prepaid credit in its user account maintained with us, deduction of which will occur upon our issuance of show tickets to it.

Early termination right

Either party may terminate the agreement by way of written notice to the other party in the event of a breach by the other party of any term of the agreement.

Refund of tickets

If the ticket was issued through the ticketing management system, but remained uncollected at our ticketing counter at the theatre by 15:00 on the day of the show, the full ticket price may be refunded upon request. After 15:00, the ticket shall not be refundable.

As at 30 June 2025, we had 35 ticket selling distributors for our Moonlight over Mount Wuyi. No authorised agents have been involved in the process of ticket sales for our Moonlight over Mount Wuyi. Among these ticket selling distributors, Impression Dahongpao International Travel Agency and Mount Wuyi China International Travel Agency are our connected persons. During the six months period ended 30 June 2025, revenue generated from the tickets sales by these ticket selling distributors who are our connected persons was approximately RMB31,000, representing approximately 2.7% of the revenue generated from ticket bulk sales to ticket selling distributors. The engagement with each of the said ticket selling distributors will become continuing connected transactions upon [REDACTED]. See “Continuing Connected Transaction — Summary of our Continuing Connected Transactions” in this document for details. To the best knowledge of our Directors based on all reasonable enquiries, save as disclosed, none of the other ticket selling distributors is our connected person, and none of them have any other past or present relationship (including, without limitation, business, employment, family, trust, financing, shareholding or otherwise) with our Company, its subsidiaries, Directors, senior management or the Controlling Shareholders, or any of their respective associates.

Similar to the arrangement for Impression — Dahongpao Scenery Show, we adopted the same ticket selling distributor management policy for ticket selling distributors of Moonlight over Mount Wuyi. See “Business — Shows and Performance Services — Impression — Dahongpao Scenery Show — Operation Stage — Sales to ticket selling distributors — Ticket sales management” for details.

BUSINESS

As advised by Frost & Sullivan, it is an industry norm for live show operators in the PRC to engage distributors for the sale of tickets.

Pricing

As confirmed by our PRC Legal Advisers, the pricing of sales of show tickets for our Moonlight over Mount Wuyi is market-based.

Tickets for our Moonlight over Mount Wuyi consist of two types: (i) tickets for regular seats, and (ii) tickets for VIP seats (which are further divided into various VIP categories). Since the premiere of the show on 1 May 2025 and up to the Latest Practicable Date, we sold more than 91,500 show tickets. We require full payment before we issue show tickets to our audience and the ticket selling distributors.

As at the Latest Practicable Date, tickets for regular seats are priced at RMB238, and VIP seats are priced at a range from RMB268 to RMB588. These are direct sales price where tickets are sold directly to our audience at our ticket selling points. In certain occasions, we also sell group tickets to trade unions at a discounted price of RMB119 for regular seats and/or at other special promotional deals. To strengthen the positioning of our Moonlight over Mount Wuyi as a promotion of traditional Chinese philosophy and culture, we also offer concession tickets at RMB89 for students or schools.

For sales to ticket selling distributors, the settlement price offered to our ticket selling distributors are lower than the direct sales prices offered to our audience, as we can benefit from advantages of bulk sales. The ticket price at which the ticket selling distributors can sell onwards to end customers are governed by terms stipulated in the relevant bilateral ticket sales agreement signed with us.

During the six months ended 30 June 2025, to the best knowledge of our Directors, no tickets of Moonlight over Mount Wuyi were sold by our ticket selling distributors at a price below the minimum retail price as stipulated in the relevant ticket sales agreements. Typically, we monitor the ticket price through market investigation by our sales personnel. Our sales personnel also conduct sample checks on various online platforms to monitor the actual selling price of tickets sold by the ticket selling distributors. We also adopt a quota system which limits the total number of tickets that can be requested by the ticket selling distributors under the relevant ticket sales agreements. The number of tickets that can be requested ranges from 20 to 50 on a daily basis. Once the quota is reached, the ticket selling distributors may opt to purchase show tickets from other ticket selling distributors. Nonetheless, the ticket selling distributors may purchase additional show tickets after 12:00 pm of that day, if there is availability. Each of our show tickets is issued for a specific performance on the indicated date. If any audience holding a show ticket cannot attend due to personal reasons, we do not allow refunds in normal circumstances unless due to *force majeure* events such as bad weather conditions. In light of the above, our Directors are of the view that we have adopted effective measures to reduce the risk of cannibalisation.

BUSINESS

We have implemented a series of marketing measures to enhance this new show’s visibility and impact. As part of our strategy, we invited the owners of local tea companies and some of our ticket selling distributors to attend the show. We aim to leverage their networks, social and business connections to expand Moonlight over Mount Wuyi’s influence. To facilitate the promotion of the show, since its launch, we provided complimentary tickets to certain influencers, ticket selling distributors, organisations and local companies to boost awareness of the show while allowing them to experience firsthand this indoor live show. We also offered various special promotional deals (such as 50% off deals to residents of the local area). We believe these marketing measures will help boost the public’s awareness of our show and generate noise in marketing, as part of the process of building up popularity and reputation of the show.

Payment

We require full payment before we issue show tickets to our audience in respect of direct sales of tickets to our audience, as well as to our ticket selling distributors who conduct onward sales of tickets. Similar to the arrangement for Impression — Dahongpao Scenery Show, payments for tickets Moonlight over Mount Wuyi from our ticket selling distributors were primarily conducted through bank transfer, and in other cases, through point of sale system (POS). See “Business — Shows and Performance Services — Impression — Dahongpao Scenery Show — Operation Stage — Payment” for details.

The following table sets out our average ticket sales price by customer type, i.e., settlement price and direct sales price in respect of our Moonlight over Mount Wuyi and by seat type for the period indicated.

**For the
six months ended
30 June 2025**

Regular Seat:

Settlement price in respect of ticket bulk sales to our ticket selling distributors	137.9
Direct sales price in respect of direct sales of tickets to our audience	113.8

VIP Seat:

Settlement price in respect of ticket bulk sales to our ticket selling distributors	163.0
Direct sales price in respect of direct sales of tickets to our audience	142.8

Note: The actual settlement price recorded may differ from the agreed price under the bilateral ticket bulk sales master agreements and the actual direct sales price may differ from the standard pricing. This is because we held special promotional deals as part of our marketing efforts for this new show, as well as sold concession tickets to schools or group tickets to certain organisations at discounted prices from time to time.

BUSINESS

As advised by Frost & Sullivan, our ticket sales price for Moonlight over Mount Wuyi was positioned at a competitive mid-range level in the tourism scenery performance market in China.

For ticket sales of Moonlight over Mount Wuyi, we did not encounter any instances of third party payment in respect of settlement of payments by our ticket selling distributors.

Once our show tickets are issued, we generally do not allow ticket refunds, save for *force majeure* events such as bad weather conditions. During the six months ended 30 June 2025, we did not experience any material ticket refund requests, either from our ticket selling distributors or audience.

Revenue recognition

In respect of ticket bulk sales to our ticket selling distributors, revenue is recognised based on the settlement price determined based on the bilateral ticket bulk sales master agreements with them, upon completion of the performance. In respect of direct sales of tickets to our audience, revenue is recognised based on the direct sales price determined by us, upon completion of the performance. Revenue is recognised from the sales of tickets to our customers (including both audience members and ticket selling distributors), as long as we complete the performance of our show, irrespective of actual attendance of the show.

For the six months ended 30 June 2025 and the four months ended 31 October 2025, we sold 17,812 and 57,093 tickets for the performance of our Moonlight over Mount Wuyi, respectively. The following table sets out the number of show tickets we sold by month from 1 May 2025 to 31 October 2025.

	2025	
	Number of tickets sold to our ticket selling distributors	Number of tickets sold directly to our audience
May	5,452	7,795
June	2,550	2,015
July	3,044	594
August	8,120	7,056
September	906	10,706
October	4,072	22,595
Total	<u>24,144</u>	<u>50,761</u>

BUSINESS

Support and Maintenance

To ensure the performance quality of Moonlight over Mount Wuyi and provide the best audience experience, we conducted a comprehensive venue and equipment inspection and adjustment from 18 May 2025 to 22 May 2025 for fine-tuning of the show run-down after the debut of the show. This four-day inspection and adjustment covered (i) stage facilitates inspection, (ii) sound and lighting system calibration, (iii) safety facilities review, (iv) backstage technical support and (v) environmental adaptability testing.

The Directorial Unity will provide continuous support and maintenance to Moonlight over Mount Wuyi to ensure its success according to the directorial service agreement. Moonlight Wuyi, as the operator to exclusively curate and perform the show, shall bear the support and maintenance costs. Meanwhile, the maintenance costs for the theatre such as the utilities expenses, waste disposal expenses, cleaning expenses, and facility repair costs are borne by Moonlight Wuyi according to the aforementioned lease agreement which was executed on 28 April 2025.

We cooperate with two performing arts companies to source dancers, performers and martial arts actors to perform in Moonlight over Mount Wuyi. Pursuant to the relevant performing arts contracts, Moonlight Wuyi is obliged to pay a basic monthly fee to the performing arts companies for a fixed number of performers according to requirements set by Moonlight Wuyi, subject to adjustments based on actual needs.

As for other supporting personnel including technicians, ushers and ticketing staff, they were hired by our Group and considered as our employees.

Seasonality

Similar to our Impression — Dahongpao Scenery Show, our Moonlight over Mount Wuyi is subject to seasonality of the tourism market, statutory holidays and festivals throughout the year. However, given its recent launch since May 2025, there is limited data available to demonstrate the track record and trend of seasonality effects. The following table sets out the revenue of our Moonlight over Mount Wuyi by month from 1 May 2025 to 31 October 2025.

	2025	
	Revenue	%
	RMB'000	
May	1,752	19.8
June	615	6.9
July	452	5.1
August	1,848	20.8
September	1,247	14.0
October	2,970	33.4
Total	8,884	100.0

BUSINESS

Investment Payback and Breakeven Analysis

The following table sets out the investment payback and breakeven analysis of Moonlight over Mount Wuyi:

Investment payback period ⁽¹⁾	:	Approximately ten years
Breakeven point ⁽²⁾	:	By 2028

Notes:

- (1) Investment payback period is defined as the cash investment payback period, which refers to the time required for the accumulated net operating cash inflow generated from the show to cover the capital expenditure incurred for the show for carrying out the show.
- (2) The breakeven point occurs when the total gross profit generated from the show fully offsets the expenses incurred. The revenue assumptions are based on the average performance attendance rates of new shows that premiered in 2023 and 2024, and the actual number of tickets sold for Moonlight over Mount Wuyi from May to August 2025. The forecasted revenue for the year is calculated as the average number of tickets issued multiplied by the ticket price. The cost of sales includes depreciation expenses for owned assets and right-of-use assets, amortisation of intangible assets related to the exclusive performance rights, as well as other operating overheads, which mainly consist of performer service cost of actors for the show and their discretionary bonuses. The assumption regarding performer service cost is based on the terms of the existing contract to professional actors’ training company. The estimated useful lives for depreciation of owned assets are 8 to 20 years and right-of-use assets are 20 years. Consumable and utility costs are based on assumptions referenced from the Impression — Dahongpao Scenery Show.

Diversification of our Show Portfolio

We believe Moonlight over Mount Wuyi offers a different experience from the existing Impression — Dahongpao Scenery Show. The show integrates high-tech elements such as laser beams and holographic projections, along with rich cultural contents, to provide a unique experience. For travellers returning to Mount Wuyi, this indoor live show offers a brand new cultural perspective that differs from the traditional nature tours and the contents showcased through the existing Impression — Dahongpao Scenery Show. In particular, the theatre utilises 8,225 m³ of three-dimensional water scenery and a 45-meter-long water curtain, creating stunning visual effects. Additionally, the genre of the show encompasses multiple aspects, from Zhu Xi’s Neo-Confucian thought to the culture of Wuyi rock tea, offering a multi-layered cultural experience.

Distinct from our Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi provides a different perspective and experience. The four chapters designed by the Directorial Team illustrates Zhu Xi’s influence on future generations and emphasising the theme of harmony between humans and nature. The differentiated positioning of this indoor live show allows it to attract those eager to explore the cultural background of Mount Wuyi while offering diverse options for the local tourism industry. While both the Impression — Dahongpao Scenery Show and Moonlight over Mount

BUSINESS

Wuyi are classified into the cultural tourism performance category, they may appeal to distinct market segments. For instance, the Impression — Dahongpao Scenery Show showcases the natural scenery of Mount Wuyi along with lighting effects and emphasises on promoting tea culture, while Moonlight over Mount Wuyi focuses on scenic water curtain stage effects as well as the illustration of Zhuizi culture, attracting tourists interested in specific themes. Additionally, the Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi are located at different areas of Mount Wuyi City, minimising direct competition and broadening audience reach. The theatre of Moonlight over Mount Wuyi is located in an area within Mount Wuyi City which is approximately 3.3km (or a 10 minutes drive) from the auditorium of Impression — Dahongpao Scenery Show. Furthermore, the Impression — Dahongpao Scenery Show is performed outdoors and takes place only at night, while Moonlight over Mount Wuyi is performed indoors and can be performed during day time and/or at night, catering to the diverse preferences of travellers and allowing them to enjoy both shows without scheduling conflicts. This strategic difference in timing enhances the overall visitor experience and encourages attendance at both shows.

Based on the above, our Directors are of the view that the launch of Moonlight over Mount Wuyi is unlikely to cannibalise the audience or revenue of the Impression — Dahongpao Scenery Show. Instead, it has the potential to leverage on the overall market growth, differentiate target audience, expand our market share, and enhance our Group’s competitive edge. Furthermore, it helps mitigate risks associated with our previous reliance on a single show and strengthens our Group’s resilience.

To maintain the long-term appeal of Moonlight over Mount Wuyi, we will regularly update the performance content and technological elements to meet the evolving needs of audiences, considering that the show is still at its early operation stage, which allows potential for the show to become more popular. Further upgrades may include (i) introducing new storylines, (ii) enhancing stage effects and (iii) increasing interactive segments to ensure each viewing experience feels fresh based on the existing plans of the performance team.

In addition to the above measures, we also engage in brand building and marketing activities to expand its influence. For instance, the 50% off ticket promotion deal aims to attract first-time audiences while generating word-of-mouth referrals. We will leverage social media and partnerships to enhance visibility and draw in more domestic and international tourists by undertaking additional promotion activities. We have stepped up our marketing efforts for our new show through various online social media platforms, traditional offline marketing channels, as well as various promotional deals, to boost awareness and noise among tourists to Mount Wuyi. As the theatre of Moonlight over Mount Wuyi is within walking distance to our Chatang hotel, we also increased our marketing efforts in collaboration with our Chatang hotel. See “Future Plans and [REDACTED]” in this document for details.

Through the aforementioned promotion measures, this new show effectively diversifies the market risks associated with the reliance on a single performance, catering to different audience needs and injecting new vitality into the cultural tourism industry in Mount Wuyi.

BUSINESS

Performance services

During the Track Record Period, we also provided customised performances for corporate customers, which typically engaged us to perform at their special corporate events, such as team-building activities and annual meetings. We enter into individual contracts in respect of each customised performance requested by corporate customers.

Pricing, payment and revenue recognition

We agree on the performance fee according to the customer’s customised requests as to the nature and complexity of the performance, number of actors needed, cost of costumes and props, and travelling expenses involved.

Revenue was recognised after we had completed our customised performances. We typically require customers to make a 50% upfront payment before we provide the performance services, with the remaining balance due for settlement within two to ten days after the performance is completed.

IMPRESSION CULTURAL TOURISM TOWN BUSINESS

Overview of our Impression Cultural Tourism Town

We conduct our Impression Cultural Tourism Town business in Mount Wuyi. Our Impression Cultural Tourism Town leverages the abundant natural and cultural resources of Mount Wuyi. Combining Mount Wuyi Dahongpao tea culture, historical heritage and modern entertainment facilities, the town creates a comprehensive cultural and tourism destinations that encompass cultural experiences, leisure and entertainment. In addition, we draw synergies between our Impression Cultural Tourism Park business with other business segments, all of which are centred around local tea culture such that each segment can impact and promote each other. We target to establish our Impression Cultural Tourism Town as a new tourism highlight in Mount Wuyi.

Our Impression Cultural Tourism Town primarily consists of the 4A-rated Scenic Wuyi Tea Park, Impression Jianzhou Food-themed Street, and Wuyi Rock Tea Research Society, which were revenue-generating sectors of this business segment during the Track Record Period. The operating right of the 4A-rated Scenic Wuyi Tea Park was obtained by us from Mount Wuyi Tourism Resort Development (being one of our Controlling Shareholders) through the grant of a 15-year right-of-use asset. Each of the Impression Jianzhou Food-themed Street and Wuyi Rock Tea Research Society is located in the park. In addition, we are synergistically developing our Impression Cultural Tourism Town business to include additional entertainment venues, providing travellers to Mount Wuyi with extra leisure options.

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, revenue from our Impression Cultural Tourism Town business was approximately RMB3.0 million, RMB3.6 million, RMB3.4 million, and RMB1.9 million, representing approximately 4.8%, 2.5%, 2.5% and 3.4% of our total revenue, respectively.

BUSINESS

The following table sets out a breakdown of the revenue from our Impression Cultural Tourism Town business by service type for the years and periods indicated.

	Year ended 31 December						Six months ended 30 June			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Income from										
Impression Jianzhou										
Food-themed Street										
<i>(within the scope of</i>										
<i>HKFRS 16)</i>	2,453	81.0	2,453	68.0	2,524	74.1	1,226	73.5	1,321	69.0
Fixed lease income										
<i>(within the scope of</i>										
<i>HKFRS 16)</i>	232	7.7	527	14.6	420	12.3	293	17.6	452	23.6
Admission income										
from Wuyi Rock										
Tea Research										
Society	107	3.5	232	6.4	131	3.9	28	1.6	27	1.4
Others	236	7.8	398	11.0	330	9.7	122	7.3	115	6.0
Total	3,028	100.0	3,610	100.0	3,405	100.0	1,669	100.0	1,915	100.0

Portfolio of Service Offerings in our Impression Cultural Tourism Town

- Impression Jianzhou Food-themed Street: The street is located within the 4A-rated Scenic Wuyi Tea Park and is operating under a commissioned management business model. It is a comprehensive tourism district that combines dining, cultural exhibitions, sightseeing, and shopping, featuring an indoor landscape in the name of “Nine Curves on the Shore” (岸上九曲). We have entrusted an operating agent as a principal operator to manage and diversify the cultural tourism service offerings on the street. See below for the detailed introduction of the said principal operator and the details of our cooperation terms. Most of the retailers operating their respective businesses on the street are domestic vendors who offer leisure options to travellers to Mount Wuyi. During the Track Record Period, revenue generated from the street primarily represented (i) the lease income according to the revenue distribution mechanism as stipulated in the agreement we entered into with the principal operator or (ii) the minimum guaranteed income payable agreed upon in the said agreement by the principal operator on a monthly basis, whichever is higher. Such minimum guaranteed income is a fixed amount income to ensure Impression Cultural Tourism Town can generate revenue monthly.

BUSINESS

We have nominated Fujian Spring Restaurant Management Co., Ltd. (福建春天餐飲管理有限公司), an independent third party, as the principal operator to manage our Impression Jianzhou Food-themed Street, through a contractual arrangement executed in October 2020 (“**Jianzhou Street Business Arrangement**”) in connection with the operation of the Impression Cultural Tourism Town business. Fujian Spring obtained the management right of our Impression Jianzhou Food-themed Street through a public tender process. The public tender process was initiated by an independent third party in December 2019, which was entrusted by Impression Dahongpao Cultural. The bidding process was conducted through the platform of Mount Wuyi Municipal Public Resources Trading Centre (武夷山市公共資源交易中心). As advised by our PRC Legal Advisers, Fujian Spring obtained the said management right in full compliance with the Law of the Bid Invitation and Bidding of the PRC (《中華人民共和國招標投標法》). Fujian Spring is entitled to 25.0% of the revenue generated from the business operations of the vendors who conduct their businesses on Impression Jianzhou Food-themed Street. These vendors include operators of restaurants and other leisure and entertainment service providers. The following table summarises the key terms of the Jianzhou Street Business Arrangement:

Term of service	:	15 years
Parties	:	Impression Dahongpao Cultural, being the owner of the said right-of-use asset and Fujian Spring, being the principal operator
Management area	:	Impression Jianzhou Food-themed Street (<i>part of 4A-rated Scenic Wuyi Tea Park, the operating right of which was granted to our Company and subsequently transferred to Impression Dahongpao Cultural underlined by a 15-year right-of-use asset by Mount Wuyi Tourism Resort Development (being one of our Controlling Shareholders)). See “ — Properties — Leased Properties — Right-of-use asset” in this section for details.</i>
Scope of investment and parties’ obligations	:	Impression Dahongpao Cultural is responsible for certain general maintenance services such as fire safety checks, electricity arrangement, pollutant management, ventilation, lighting and general engineering matters of the management area on the street, with an aggregate investment amount of RMB12.0 million. In connection with the aforesaid certain general maintenance services, Impression Dahongpao Cultural bears the cost of procurement of utilities.

BUSINESS

Fujian Spring is responsible for introducing restaurants, leisure and other types of entertainment operators to diversify the service offerings of Impression Jianzhou Food-themed Street, with an aggregate investment amount of RMB12.0 million. Fujian Spring is also responsible for providing and implementing marketing recommendations and assigning dedicated personnel for marketing promotion. A decision-making committee for the Impression Jianzhou Food-themed Street, consisting of three members from Impression Dahongpao Cultural and two members from Fujian Spring. The committee will discuss the marketing promotion and improvement plans for Impression Jianzhou Food-themed Street.

Revenue distribution mechanism : 25% of the revenue generated from the business operations of vendors who conduct their businesses on Impression Food-themed Street shall be distributed according to the following plan:

- Impression Dahongpao Cultural: 25% of the revenue generated from the business operations of the vendors who conduct their businesses on Impression Food-themed Street x 20%
- Fujian Spring: 25% of revenue generated from the business operations of the vendors who conduct their businesses on Impression Food-themed Street x 80%

All of the vendors are required to use WeChat and/or Alipay QR codes for their customer payments, and all transaction records will be tracked online by Fujian Spring and Impression Dahongpao Cultural.

Minimum guarantee income (VAT inclusive) : Fujian Spring is obligated to distribute a minimum guarantee income to Impression Dahongpao Cultural according to the following yearly payment schedule:

Year 1 - 3	RMB2.6 million
Year 4 - 5	RMB2.8 million
Year 6 - 7	RMB3.0 million
Year 8 - 9	RMB3.2 million
Year 10 - 11	RMB3.4 million
Year 12- 13	RMB3.6 million
Year 14- 15	RMB3.8 million

BUSINESS

Termination : The Jianzhou Street Business Arrangement may be terminated upon any of the following situations:

- (1) upon expiry of the term of service;
- (2) during the term of service, if Fujian Spring ceases operation of the Impression Jianzhou Food-themed Street prior to expiry, or it did not carry out its management duties or marketing obligations which results in difficulty of operation, Impression Dahongpao Cultural is entitled to unilaterally terminate the contract without being liable for breach as a result of such termination; and
- (3) if any *force majeure* event resulted in the inability to continue operations of the Impression Jianzhou Food-themed Street, or if both parties agree to cease operation, the Jianzhou Street Business Arrangement may be terminated by mutual consent of both parties without being liable for breach as a result of such termination.

- 4A-rated Scenic Wuyi Tea Park: Open for tourists free of charge, providing tourists a cultural space for leisurely exploration. We organise cultural and tourism events such as tea gatherings within the park, offering a venue and other related services for which service fee is charged. During the Track Record Period, revenue generated from the park primarily represented the service income from the guests to the park who came to the premises of our park and used our facilities to conduct tea-gathering activities. Revenue is recognised upon the completion of the tea-gathering activities. During the Track Record Period, we also leased some premises of the 4A-rated Scenic Wuyi Tea Park to some vendors for them to conduct their tourism business. These vendors included sellers of tea leaf and sellers of souvenirs. Revenue generated from the leases represented the rental income from these vendors. During the Track Record Period, such revenue was recognised as fixed lease income (within the scope of HKFRS 16) on our financial statement.
- Wuyi Rock Tea Research Society: The society is also located within the 4A-rated scenic Wuyi Tea Park, as a supplemental tourist consumption point. Depending on the customers’ needs, we host tea culture research activities and tea art training sessions. We typically charge visitors a fixed admission fee of RMB30.0 per person. During the Track Record Period, revenue generated from the society primarily represented such admission fees charged to the visitors. Revenue is recognised upon the actual entrance of a tourist who has enjoyed the services of our tea culture research activities and tea art training sessions. Audience of Impression — Dahongpao Scenery Show who hold valid show tickets are allowed to enter our Wuyi Rock Tea Research Society free of charge. As at the Latest Practicable Date, there were no promotions of free entry to our Wuyi Rock Tea Research Society for the ticket holders of Moonlight over Mount Wuyi.

BUSINESS

- **Impression Market:** Located in Wuyi Rock Tea Research Society with an area of 1,000.0 sq.m. as Impression Market (印象市集). Impression Market is designed as an enclosed area for the purpose of attracting business vendors in Mount Wuyi to conduct their cultural tourism businesses as our strategic plan in connection with the expansion of Impression Cultural Tourism Town business. We have engaged Sanming Pengcheng Urban Operation and Management Company Limited (三明市鹏程城市运营管理有限公司) (“**Pengcheng Urban**”), an independent third party, as the principal operator to manage our Impression Market, through a contractual arrangement executed in July 2024 (“**Impression Market Operation Arrangement**”). Pengcheng Urban obtained the management right of our Impression Market through a public tender process. The public tender process was initiated by an independent third party in July 2024, which was entrusted by Impression Dahongpao Cultural. As advised by our PRC Legal Advisers, Pengcheng Urban obtained the said management right in full compliance with the Law of Bid Invitation and the Bidding of the PRC (《中華人民共和國招標投標法》). Pengcheng Urban is entitled to 15% of the revenue generated from the business operations of the vendors who conduct their businesses in the Impression Market. The following table summarises the key terms of the Impression Market Operation Arrangement:

Term of service	:	3 years
Parties	:	Impression Dahongpao Cultural, being the manager of the Impression Market and Pengcheng Urban, being the principal operator
Management area	:	Impression Market, being part of the Impression Cultural Tourism Town with an area of 1,000 sq.m., consisting of 30 open-roof stalls and four shared tea houses
Scope of investment and parties’ obligations	:	Impression Dahongpao Cultural is responsible for the preparation of preliminary infrastructure, facilities and utilities for the Impression Market; and also responsible for all administrative filings, including obtaining the requisite business licences and approvals. Impression Dahongpao Cultural is also responsible for providing Pengcheng Urban with an investment promotion centre for it to carry out necessary investment promotion works.

Upon payment of a fixed guarantee fee of RMB100,000, Pengcheng Urban is responsible to undertake all beauty-design works for the Impression Market and implement investment promotion measures to attract vendors.

BUSINESS

In terms of expenses incurred in the Impression Market, Impression Dahongpao Cultural should bear the costs incurred from basic maintenance expenses and utility expenses during the preparatory stage before the Impression Market, while Pengcheng Urban should pay all the expenses related to cleaning, utilities and continuing maintenance incurred from the operation of the Impression Market.

In terms of the implementation of investment promotion measures, Pengcheng Urban should give a weekly report to Impression Dahongpao Cultural, for both parties to assess the business strategies of the Impression Market. A monthly report with market analysis should also be prepared.

Revenue distribution mechanism : 15.0% of the revenue generated from the operation of vendors who conduct business in the Impression Market shall be distributed, according to the following distribution plan:

- Impression Dahongpao Cultural: 15% of the revenue generated from the business operations of the vendors who conduct their businesses in the Impression Market x 40%
- Pengcheng Urban: 15% of the revenue generated from the business operations of the vendors who conduct their businesses in the Impression Market x 60%

Minimum guarantee income (VAT inclusive) : Pengcheng Urban is obligated to distribute a minimum guarantee to Impression Dahongpao Cultural according to the following yearly payment schedule:

Year 1	RMB450,000
Year 2	RMB550,000
Year 3	RMB600,000

During the Track Record Period, revenue generated from Impression Market primarily represented (i) the lease income according to the revenue distribution mechanism as stipulated in the agreement we entered into with the principal operator or (ii) the minimum guaranteed income payable, agreed upon in the said agreement by the principal operator on a monthly basis, whichever is higher. Such minimum guaranteed income is a fixed amount income to ensure Impression Cultural Tourism Town can generate revenue on a monthly basis. The revenue was recognised as fixed lease income (within the scope of HKFRS 16) on our financial statements.

BUSINESS

We believe the Impression Market can enhance the diversity of leisure activities for the tourists visiting Mount Wuyi. Accordingly, tourists are encouraged to spend a longer period of time in the town.

Due to a change in market circumstances which led to difficulty of Pengcheng Urban in continuing its operation of the Impression Market, it was mutually agreed that the engagement of Pengcheng Urban as principal operator of the Impression Market be terminated with effect on 31 May 2025. Pursuant to the termination agreement, Pengcheng Urban shall pay to Impression Dahongpao Cultural (i) the minimum guarantee amount of RMB300,000, which is equivalent to the pro rata portion of the first year minimum guarantee income under the Impression Market Operation Arrangement; and (ii) water and electricity utilities expenses of RMB4,711. Following such termination, operation of the Impression Market has been temporarily suspended. We are in the process of seeking a new principal operator. Since the termination on 31 May 2025 and up to the Latest Practicable Date, there was immaterial financial impact to the Group as a whole as a result of the temporary suspension of operation of the Impression Market.

Expansion of our Impression Cultural Tourism Town Business

As we aim to provide travellers to Mount Wuyi with a high-quality cultural tourism experience while also creating diversified revenue streams for our Group, we are expanding our Impression Cultural Tourism Town business. We will continue to unlock the tourism potential of Mount Wuyi by deepening the connection between tourists and the local culture, offering a more profound understanding of Mount Wuyi’s history and traditions. See “Industry Overview — Multi-industry Synergy Model of Cultural Tourism Performance Market in China” in this document for details.

Strategic Importance of our Impression Cultural Tourism Town

The introduction of Impression Cultural Tourism Town represents a transformative travel opportunity for tourists visiting Mount Wuyi, providing a richer and more diverse array of travel and leisure options. This initiative not only encourages travellers to extend their stay but also enables them to gain deeper insights into the region’s rich history and vibrant culture. Our Directors believe that our Impression Cultural Tourism Town is not a mere tourist destination, it is also a vital component of Mount Wuyi’s night economy. By enhancing the local cultural and tourism landscape, the town is able to stimulate growth in related sectors, including dining and accommodation, thereby creating numerous job opportunities for local residents. Accordingly, our initiative to diversify the service portfolio of our Impression Cultural Tourism Town can foster economic resilience and sustainability within the community of Mount Wuyi.

BUSINESS

Our commitment to integrating cultural and tourism experiences in Mount Wuyi aligns with our mission to fortify ourselves as a cultural tourism service provider in Fujian Province. We recognise that while our Impression Cultural Tourism Town business did not contribute a significant portion of revenue to the total revenue of our Group during the Track Record Period, its strategic importance to the local tourism economy is undeniable. By enhancing the vibrancy of tourism in Mount Wuyi, we aim to create a thriving cultural and tourism ecosystem that benefits local businesses and residents alike. Our corporate responsibility extends beyond mere profit; and we are dedicated to contributing positively to the community, ensuring that our initiatives support local culture and heritage; and fostering a vibrant cultural tourism landscape that benefits all stakeholders involved.

To strengthen our commitment to the local community and promote sustainable development in Mount Wuyi, we have implemented a series of initiatives through our Impression Cultural Tourism Town project. These initiatives aim to create social values, preserve cultural heritage, and foster economic resilience. For instance, the entrance to the Tea Expo Garden is free of charge to the public, providing tourists and residents with a leisure and recreational space that enhances well-being and cultural appreciation. In addition, the development and operation of Impression Cultural Tourism Town have generated employment opportunities across various roles, including cultural services and event management, thereby supporting livelihoods and stimulating the regional economy. We also established the Tea Study Society, which comprises the Tea Museum and Tea Learning Classroom, at which cultural and educational activities are hosted from time to time. These include government-led tea related programs that promote student tea research and experiential learning programs that deepen understanding of tea heritage. Furthermore, we actively collaborate with local government departments by providing venues within Impression Cultural Tourism Town for official events and cultural programs, reinforcing public-private partnerships and contributing to community development. Through these initiatives, we demonstrate our dedication to social responsibility and our commitment to fostering a vibrant cultural tourism ecosystem that benefits all stakeholders.

We will continue to expand the service portfolio of our Impression Cultural Tourism Town, which includes a variety of cultural experiences, entertainment options and dining venues. This expansion will not only enrich the tourist experience but also strengthen our commitment to the local community. For a detailed illustration of our business strategy regarding our Impression Cultural Tourism Town, see “— Our Strategies — Enlarge the service portfolio of Impression Cultural Tourism Town” in this section and “Future Plans and [REDACTED]” in this document.

BUSINESS

CHATANG HOTEL BUSINESS

Hotel Portfolio

We established the Chatang hotel business in 2017, with its opening in 2021 in the name of Impression — Thai Natural Chatang Hotel. Our Chatang hotel features a Chinese style that highlights the rich heritage of Mount Wuyi’s traditional culture while embracing the essence of modern living. It aims at offering a tea-themed wellness experience in private indoor and public outdoor hot baths, and integrates elements of Dahongpao tea into the guest offerings. We also aim to feature our Chatang hotel as a Zhuzi culture-themed hotel and hence plan to host a series of cultural activities in the hotel to ensure our hotel’s cultural atmosphere and appeal, which we believe is line with our approach to generate more synergies between our new show, Moonlight over Mount Wuyi and our Chatang hotel business. Exhausted after a day of exploring Mount Wuyi, travellers can relax and unwind their mind and body in our hotel’s private hot baths in the guest rooms, which are exclusively available for in-house guests, while enjoying the scenery around our hotel. We also sell Chatang experience tickets to the travellers to Mount Wuyi who choose to stay at other hotels, allowing them to enjoy our hotel’s Chatang services in public hot baths, which we believe encourages them to consider staying at our hotel on their next visit to Mount Wuyi.



Views from our Chatang hotel

Our Chatang hotel is unique for offering Chatang services in Mount Wuyi. It features 50 well-furnished guest rooms with distinctive styles. We sold 1,864 room nights, 4,128 room nights, 3,995 room nights, and 2,239 room nights for the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, respectively. The average guest room occupancy rate was approximately 10.2%, 22.6%, 21.8%, and 24.8%, respectively.

Our Chatang hotel boasts a positive reputation. According to Ctrip, it consistently ranks among the top 10 in Mount Wuyi, with positive guest reviews and feedbacks. In addition, its overall rating reached 4.8/5.0 on Meituan as at the Latest Practicable Date, with over 90 guest reviews, more than 85.0% of which were positive, praising the quality of our services and the inviting atmosphere.

BUSINESS

The following table gives an overview of our Chatang hotel as at the Latest Practicable Date:

Location ^(Note)	Block 27, 28, 29, 31, 32, 36, 37 103 North Dawangfeng Road (Chongyang Old City Phase II) Mount Wuyi City Fujian Province
Distance to Mount Wuyi Airport	Approximately 5.5 km
Distance to Mount Wuyi North Train Station	15.0 km
Rooms (no.)	50
GFA (sq.m.)	10,905.64
Targeted guests	Travellers to Mount Wuyi and hotel aficionados
Key features	• Leveraging our brandname “Impression — Dahongpao” and incorporating the Mount Wuyi Dahongpao tea culture. • Transforming the traditional tourist routine of “climbing mountains and riding bamboo rafts” into an emerging vacation experience of watching a show, tasting tea and relaxing in Chatang hot baths.

Note: Our Chatang hotel is located within walking distance from the theatre of Moonlight over Mount Wuyi.

Revenue from our Chatang hotel business was generated from (i) the provision of our room nights sold and (ii) the provision of catering, Chatang and ancillary services. For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, revenue from our Chatang hotel business was approximately RMB2.1 million, RMB3.9 million, RMB3.8 million, RMB1.9 million and RMB2.0 million, representing approximately 3.3%, 2.7%, 2.8% and 3.5% of our total revenue, respectively.

BUSINESS

The following table sets out a breakdown of the revenue from our Chatang hotel business by service type for the years and periods indicated.

	For the year ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Room nights sold	1,404	67.6	3,502	89.5	3,304	86.8	1,532	80.7	1,799	91.2
Catering, Chatang and ancillary services	674	32.4	412	10.5	501	13.2	366	19.3	174	8.8
Total	<u>2,078</u>	<u>100.0</u>	<u>3,914</u>	<u>100.0</u>	<u>3,805</u>	<u>100.0</u>	<u>1,898</u>	<u>100.0</u>	<u>1,973</u>	<u>100.0</u>

Properties

Our Chatang hotel was constructed on three parcels of land which were owned by our Group and six parcels of land which were leased by our Group. See “— Properties” in this section for details. Our PRC Legal Advisers have confirmed that, during the Track Record Period, we were in full compliance with the PRC relevant laws and regulations pertinent to the land use for our Chatang hotel business.

Our Chatang hotel business aims at providing warm and attentive services to our guests to enable them to enjoy the comforts of home while staying at our guest rooms. In particular, we hope to engage our room guests with Dahongpao tea culture, which reflects in the overall decoration of our hotel. To achieve this goal, staff of the hotel should abide by the operation manuals relating to all aspects of our hotel operation, thereby ensuring the same quality of services across our guest rooms.

Booking and Sales

We have established a multi-channel and round-the-clock reservation system that allows guests to conveniently reserve their preferred rooms and purchase Chatang experience tickets through various online and offline booking channels.

Online booking channels included Ctrip, Meituan, Douyin, and Fliggy; offline booking channels mainly represented those local travel agencies during the Track Record Period. We generally require our guests to pay the accommodation fees in advance, either to the online booking channels or to the travel agencies before rooms are reserved for their check-in.

Hotel Management

Mount Wuyi Chatang Resort, our subsidiary in charge of our Chatang hotel, entered into an entrusted management agreement and several supplemental agreements (collectively “**Chatang Management Arrangements**”) with Fuzhou Thai Natural Wellbeing Management Group Ltd. (福州泰自然健康管理集團有限公司), an independent third party (“**Thai Natural**”). Thai Natural obtained the management right of our Chatang hotel through a public tender process. The public tender process

BUSINESS

was initiated by an independent third party in October 2020, which was entrusted to by Mount Wuyi Chatang Resort. The bidding process was conducted through the platform of Mount Wuyi Municipal Public Resources Trading Centre (武夷山市公共資源交易中心). As advised by our PRC Legal Advisers, Thai Natural obtained the said management right in full compliance with the Law of the Bid Invitation and Bidding of the PRC (《中華人民共和國招標投標法》). According to the Chatang Management Arrangement, we entrust the duties of operation of our Chatang hotel to Thai Natural. The Chatang Management Arrangements were initially executed in October 2020 and last supplemented in December 2024.

Our management team has exercised foresight and caution prior to the adoption of entrustment management model for our Chatang hotel business. We entrusted Thai Natural to manage our Chatang hotel primarily because we can spare more time and concentrate our labour resources on our signature Impression — Dahongpao Scenery Show and explore other business opportunities. Additionally, adopting an entrusted management model facilitates steady expansion of our cultural tourism service chain with relatively minimal time investment. In light of the above, our Directors are of the view that this strategy strengthens our overall capabilities and market competitiveness.

The key terms of the Chatang Management Arrangements are set out below:

Parties	:	Mount Wuyi Chatang Resort, being the operating principal and Thai Natural, being the operating agent
Term	:	An initial term of 13 years and eight months, which could be extended by mutual agreement three months prior to the expiration of the Chatang Management Arrangements.
Scope of service	:	Mount Wuyi Chatang Resort is responsible for the construction, renovation and regulatory compliance of our pre-owned or leased properties that form part of our Chatang hotel. Thai Natural is entrusted for the operation of the hotel as well as recruitment and management of employees, except owner representatives and financial supervisors who are appointed by Mount Wuyi Chatang Resort.
Fee arrangement	:	Thai Natural shall pay a performance deposit of RMB1.5 million to Mount Wuyi Chatang Resort. as a guarantee to fulfil its responsibilities under the Chatang Management Arrangements.
Source of income	:	Source of income from the operation of the hotel consists of (i) room nights sold and (ii) the provision of catering, Chatang and ancillary services in the hotel.

BUSINESS

Revenue distribution mechanism	: During the first phase (1 October 2020 to 31 December 2024): • For room nights sold and Chatang services: 100% of the revenue generated will be recognised by Mount Wuyi Chatang Resort, amongst which 70.0% of the revenue will be payable to Thai Natural as the management fee. • For the provision of catering and ancillary services: 100% of the revenue generated will be recognised by Mount Wuyi Chatang Resort, amongst which 85.0% of the revenue will be payable to Thai Natural as the management fee. During the second phase (1 January 2025 to 31 December 2026): • For room nights sold and Chatang services: 100% of the revenue generated will be recognised by Mount Wuyi Chatang Resort, amongst which 50.0% of the revenue will be payable to Thai Natural as the management fee. • For the provision of catering and ancillary services: 100% of the revenue generated will be recognised by Mount Wuyi Chatang Resort, amongst which 50.0% of the revenue will be payable to Thai Natural as the management fee. During the last phase (1 January 2027 to 31 May 2034): • For room nights sold and Chatang services: 100% of the revenue generated will be recognised by Mount Wuyi Chatang Resort, amongst which 30% of the revenue will be payable to Thai Natural as the management fee. • For the provision of catering and ancillary services: 100% of the revenue generated will be recognised by Mount Wuyi Chatang Resort, amongst which 15.0% of the revenue will be payable to Thai Natural as the management fee.
Mount Wuyi Chatang Resort’s rights and obligations	: Mount Wuyi Chatang Resort is responsible for the coordination with government authorities to ensure regulatory compliance of our Chatang hotel business. We are also entitled to inspect Thai Natural’s operation of the hotel.

BUSINESS

Thai Natural’s rights and obligations	:	Thai Natural is responsible for the general maintenance and repairment of the hotel. It is also responsible for third-party liability including injury incidents relating to guests and employees. With the consent of Mount Wuyi Chatang Resort, Thai Natural is entitled to use our Group’s brandname and trademarks for in connection with the marketing of Chatang hotel free of charge.
Termination	:	Mount Wuyi Chatang Resort is entitled to unilaterally terminate the Chatang Management Arrangements if Thai Natural withdraws from operation midway due to its own reasons or it fails to fulfil its operational or marketing responsibilities. Both parties are entitled to, by mutual agreement, terminate the Chatang Management Arrangements in the event of force majeure which make it impossible to operate the hotel.

MARKETING AND CUSTOMER ENGAGEMENT

Marketing Strategy

We implement marketing strategies to increase awareness and customer engagement. We principally conduct our marketing activities through social media and short video platforms by creating our own short videos. We also apply traditional marketing methods such as promoting on advertisement billboards. We leased two lighthouse advertisement billboards located in the Mount Wuyi Resort Area during April 2020 to March 2025, 43 advertisement billboards in the Mount Wuyi High-speed Railway Station during August 2022 to July 2025 and one lightbox advertisement billboard at the arrival hall of Mount Wuyi Airport during April 2024 to March 2025. These advertisement billboards enhance visibility of our “Impression — Dahongpao” brand and directly promote our signature Impression — Dahongpao Scenery Show as well as our new Moonlight over Mount Wuyi show.

Customer Satisfaction

We have a system in place to promptly address customer complaints. We use our customers’ feedbacks as a tool for both securing excellent services as well as input for the continuing development of our cultural tourism services offerings. Our guest satisfaction level remains high and has developed positively over the years. The key drivers are service trainings, continuous investments in audio-and-visual enhancement for our signature show and maintenance and development of our Chatang hotel. We also rely on online reviews to consistently improve our services through addressing the constructive feedbacks from our customers and reviewing the comments on online platforms.

BUSINESS

OUR CUSTOMERS

Overview

During the Track Record Period, customers of our Impression — Dahongpao Scenery Show as well as Moonlight over Mount Wuyi, as recognised on our financial statements, were our ticket selling distributors who conduct onward sales of tickets, and audience who directly purchased tickets for our shows from us through our ticket selling points. Customers also included corporate customers which asked for customised performances. Typically, these corporate customers engaged us to perform during their special events, such as team-building activities and annual meetings. During the Track Record Period, customers of our Impression Cultural Tourism Town business primarily comprised of individual and group travellers to Mount Wuyi. During the same period, in respect of our Chatang hotel business, customers were our room guests and travellers to Mount Wuyi who procured our catering, Chatang and ancillary services at our hotel.

Our Top Five Customers

For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, our top five customers accounted for approximately 17.0%, 23.4%, 15.9%, and 17.7% of our total revenue for each year, respectively. Our largest customer accounted for approximately 4.2%, 6.0%, 3.7%, and 4.1% of our revenue for the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, respectively.

The following tables summarise information about our five largest customers by revenue in each year/period during the Track Record Period:

Year ended 31 December 2022

Ranking	Customer	Relationship with us	Revenue	% of Total Revenue	Credit Term	Payment Method	Commencement of Business Relationships	Services Provided	Background
			<i>RMB'000</i>	<i>%</i>					
1	Impression Dahongpao International Travel Agency	Connected person	2,665	4.2	Prepayments	Bank transfer	2015	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Tourism service provider, being one of our connected persons
2	Fujian Spring	Independent third party	2,454	3.9	10 days	Bank transfer	2020	Right to operate Impression Jianzhou Food-themed Street	Catering management service provider
3	Mount Wuyi Guanghui Ticket Agency (武夷山市廣匯票務代售點)	Independent third party	1,910	3.0	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
4	Mount Wuyi Wenhui Ticket Agency (武夷山市文輝票務代售點)	Independent third party	1,863	3.0	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
5	Mount Wuyi Chibang Ticket Agency (武夷山市翅勝票務代售點)	Independent third party	1,843	2.9	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
Total			10,735	17.0					

BUSINESS

Year ended 31 December 2023

Ranking	Customer	Relationship with us	Revenue	% of Total Revenue	Credit Term	Payment Method	Commencement of Business Relationships	Services Provided	Background
			RMB'000	%					
1	Mount Wuyi Chibang Ticket Agency (武夷山市翅勝票務代售點)	Independent third party	8,610	6.0	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
2	Mount Wuyi Wenhui Ticket Agency (武夷山市文輝票務代售點)	Independent third party	6,690	4.6	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
3	Mount Wuyi Guanghui Ticket Agency (武夷山市廣匯票務代售點)	Independent third party	6,262	4.4	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
4	Mount Wuyi City Tufei Ticket Agency (武夷山市途飛票務代售點)	Independent third party	6,217	4.3	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
5	Mount Wuyi City Huitouke Ticket Agency (武夷山市回頭客票務代售點)	Independent third party	5,853	4.1	Prepayments	Bank transfer	2019	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
Total			33,632	23.4					

Year ended 31 December 2024

Ranking	Customer	Relationship with us	Revenue	% of Total Revenue	Credit Term	Payment Method	Commencement of Business Relationships	Services Provided	Background
			RMB'000	%					
1	Impression Dahongpao International Travel Agency	Connected person	5,051	3.7	Prepayments	Bank transfer	2015	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Tourism service provider, being one of our connected persons
2	Mount Wuyi Zhongxin International Travel Agency Co., Ltd. (武夷山中信國際旅行社有限公司)	Independent third party	4,852	3.5	Prepayments	Bank transfer	2019	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
3	Mount Wuyi City Tufei Ticket Agency (武夷山市途飛票務代售點)	Independent third party	4,329	3.2	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
4	Mount Wuyi Zhongmin International Travel Agency Co., Ltd. (武夷山中閩國際旅行社有限公司)	Independent third party	3,796	2.8	Prepayments	Bank transfer	2019	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
5	Mount Wuyi Jianfa International Travel Agency Co., Ltd. (武夷山市建發國際旅行社有限公司)	Independent third party	3,747	2.7	Prepayments	Bank transfer	2010	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show	Ticket agency
Total			21,775	15.9					

BUSINESS

Six months ended 30 June 2025

Ranking	Customer	Relationship with us	Revenue	% of total Revenue	Credit Term	Payment Method	Commencement of Business Relationships	Services Provided	Background
			RMB'000	%					
1	Mount Wuyi Chongqing Ticket Agency (武夷山市崇青票務代售點)	Independent third party	2,314	4.1	Prepayments	Bank transfer	2019	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show and Moonlight over mount Wuyi	Ticket agency
2	Mount Wuyi Chibang Ticket Agency. (武夷山市翹勝票務代售點)	Independent third party	2,183	3.9	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show and Moonlight over mount Wuyi	Ticket agency
3	Mount Wuyi Zhongxin International Travel Agency Co., Ltd. (武夷山中信國際旅行社有限公司)	Independent third party	1,864	3.3	Prepayments	Bank transfer	2019	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show and Moonlight over mount Wuyi	Ticket agency
4	Mount Wuyi Jiuquxi Ticketing Co., Ltd. (武夷山九曲溪票務有限公司)	Independent third party	1,833	3.3	Prepayments	Bank transfer	2019	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show and Moonlight over mount Wuyi	Ticket agency
5	Mount Wuyi City Tufei Ticket Agency (武夷山市途飛票務代售點)	Independent third party	1,742	3.1	Prepayments	Bank transfer	2021	Ticket bulk sales in respect of the Impression — Dahongpao Scenery Show and Moonlight over mount Wuyi	Ticket agency
Total			9,936	17.7					

To the best knowledge of our Directors, save as Impression Dahongpao International Agency, none of our Directors, their respective associates or any of our Shareholders holding more than 5% of our issued share capital immediately following the completion of the [REDACTED] had an interest in any of our five largest customers during the Track Record Period.

DATA PRIVACY AND INFORMATION SECURITY RISK MANAGEMENT

In the ordinary course of our business, we collect customer data. See “Risk Factors — Risks Relating to Our Cultural Tourism Business and Industry — The PRC laws and regulations concerning cybersecurity and data protection are subject to changes and updates from time to time. Failure to comply with all applicable laws and regulations could harm our reputation, business, financial condition and results of operations and our [REDACTED] and [REDACTED] may be impeded” in this document for details. We implement strict confidentiality measures by assigning data access permissions for customer information storage systems based on our employees’ job roles and responsibilities. In addition, we regularly review and update these permissions to prevent unauthorised access to sensitive customer information. From a technical standpoint, we utilise encryption software to protect the information stored in the hard-disks, and anti-virus software has also been installed to protect the workstations. Additionally, we have established a data backup mechanism to ensure rapid recovery in case of data loss or cyberattacks.

BUSINESS

We have been in compliance with the relevant PRC laws, rules and regulations relating to cybersecurity and data protection in all material aspects during the Track Record Period and up to the Latest Practicable Date on the basis that (i) we had implemented comprehensive cybersecurity and data protection policies, procedures, and measures to ensure secured storage and transmission of data, prevent unauthorised access or use of data and respond to network security incidents as advised by our internal control consultant; (ii) we had not been subject to any material fines or administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities for violation of cybersecurity and data protection laws, rules and regulations; (iii) there had been no material cybersecurity and data protection incidents or infringement upon the rights of any third parties, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of the knowledge of our Directors, threatened against or relating to us; and (iv) we did not experience any material leakage of data, any breach of confidential business data or violation of cybersecurity and data protection and privacy laws, rules and regulations which will have a material adverse impact on our business operations.

OUR SUPPLIERS

Overview

During the Track Record Period, our suppliers primarily consisted of the owner of the intellectual property rights in respect of our Impression — Dahongpao Scenery Show, being Impression Art Development, from whom we also procured directorial royalty service, suppliers of promotional billboards securing outdoor advertising space to enhance visibility of our show, manufacturers of theatrical costumes and stage props and suppliers of fine paper for ticket production. In respect of Moonlight over Mount Wuyi, suppliers mainly comprised performing arts companies from whom we sourced dancers, performers and martial arts actors for the show, as well as suppliers of stage props and equipment, and advertisement materials and services. In respect of our Impression Cultural Tourism Town business, suppliers mainly supplied of equipment and devices in connection with the cultural tourism service offerings. In respect of our Chatang hotel business, our suppliers mainly represented the hotel management company, being Thai Natural, under Chatang Management Arrangements and suppliers of guest room consumables. All materials provided by our suppliers and services procured must comply with the quality control requirements.

Our Top Five Suppliers

For the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, our purchases from our five largest suppliers in aggregate in each year accounted for approximately 18.8%, 27.5%, 27.2%, and 24.6% of our total purchases for the same year, respectively. Our purchases from our largest supplier in each year accounted for approximately 13.1%, 22.5%, 20.6%, and 15.9% of our total purchases for the same year, respectively.

BUSINESS

The following tables summarise information about our five largest suppliers by purchase amount in each year/period during the Track Record Period:

Year ended 31 December 2022

Ranking	Supplier	Relationship with us	Purchase Amount	% of Total Purchase	Credit Term	Payment Method	Commencement of Business Relationships	Products Purchased/ Services Procured	Background
			<i>RMB'000</i>	<i>%</i>					
1	Impression Art Development	Connected person	5,932	13.1	Before the 15th day of each quarter	Bank transfer	2009	Directorial royalty service	Art company
2	Thai Natural	Independent third party	1,496	3.3	Before the 15th day of the following month	Bank transfer	2020	Hotel management service	Hotel management company
3	Huidong Jiaxinmei Technology Co., Ltd. (惠東嘉鑫美科技有限公司)	Independent third party	521	1.2	One month	Bank transfer	2011	Upgrades and maintenance of lighting and searchlight	Lighting and audio equipment company
4	Mount Wuyi Ziyunfang Clothing Curtain Store (武夷山市紫雲方服飾窗簾店)	Independent third party	317	0.7	Payment by instalment	Bank transfer	2018	Costumes and sails for performances	Costume and curtain store
5	Fujian Mount Wuyi Hongyuan Construction Engineering Co., Ltd. (福建省武夷山市宏原建設工程有限公司)	Independent third party	238	0.5	Payment by instalment	Bank transfer	2021	Paint works	Construction company
Total			8,504	18.8					

Year ended 31 December 2023

Ranking	Supplier	Relationship with us	Purchase Amount	% of Total Purchase	Credit Term	Payment Method	Commencement of Business Relationships	Products Purchased/ Services Procured	Background
			<i>RMB'000</i>	<i>%</i>					
1	Impression Art Development	Connected person	13,467	22.5	Before the 15th day of each quarter	Bank transfer	2009	Directorial royalty service	Art company
2	Thai Natural	Independent third party	2,044	3.4	Before the 15th day of the following month	Bank transfer	2020	Hotel management service	Hotel management company
3	Huidong Jiaxinmei Technology Co., Ltd. (惠東嘉鑫美科技有限公司)	Independent third party	372	0.6	One month	Bank transfer	2011	Upgrades and maintenance of lighting and searchlight	Lighting and audio equipment company
4	Fujian Chuangsheng Construction Engineering Co., Ltd. (福建創升建設工程有限公司)	Independent third party	303	0.5	Payment by instalment	Bank transfer	2022	Construction	Construction company
5	Fuzhou Rongwanxing Culture and Art Co., Ltd. (福州榮萬興文化藝術有限公司)	Independent third party	283	0.5	Payment by instalment	Bank transfer	2016	Maintenance of lighting and sale of moving light	A lighting service and culture exchange provider
Total			16,469	27.5					

BUSINESS

Year ended 31 December 2024

Ranking	Supplier	Relationship with us	Purchase Amount	% of Total Purchase	Credit Term	Payment Method	Commencement of Business Relationships	Products Purchased/ Services Procured	Background
			<i>RMB'000</i>	<i>%</i>					
1	Impression Art Development	Connected person	12,635	20.6	Before the 15th day of each quarter	Bank transfer	2009	Directorial royalty service	Art company
2	Thai Natural	Independent third party	2,787	4.5	Before the 15th day of the following month	Bank transfer	2020	Hotel management service	Hotel management company
3	Mount Wuyi Jiucengjing Cleaning Service Co., Ltd. (武夷山九層淨清潔服務有限公司)	Independent third party	704	1.1	Seven days	Bank transfer	2023	Cleaning service	Cleaning service company
4	Mount Wuyi Ziyunfang Clothing Curtain Store (武夷山市紫雲方服飾窗簾店)	Independent third party	280	0.5	Payment by instalment	Bank transfer	2018	Costumes and sails for performance	Costume and curtain store
5	Mount Wuyi Sangu Rain Gear Store (武夷山市三姑雨具商行)	Independent third party	277	0.5	Seven days	Bank transfer	2016	Sale of raincoats	Rain gear store
Total			16,683	27.2					

Six months ended 30 June 2025

Ranking	Supplier	Relationship with us	Purchase Amount	% of Total Purchase	Credit Term	Payment Method	Commencement of Business Relationships	Products Purchased/ Services Procured	Background
			<i>RMB'000</i>	<i>%</i>					
1	Impression Art Development (觀印象藝術發展有限公司)	Connected person	5,054	15.9	Before the 15th day of each quarter	Bank transfer	2009	Directorial royalty service	Art company
2	Jiangsu Baolong Cultural Tourism Industry Development Co., Ltd. (江蘇寶龍文化旅遊產業發展有限公司)	Independent third party	1,056	3.3	Before the 10th day of the following month	Bank transfer	2025	Human resource service	Cultural & Performing Arts Events agency company
3	Thai Natural (福州泰自然健康管理有限公司)	Independent third party	1,056	3.3	Before the 15th day of the following month	Bank transfer	2020	Hotel management service	Hotel management company
4	Dengfeng Epo Cultural Communication Co., Ltd. (登封市鵝坡文化傳播有限公司)	Independent third party	394	1.2	Before the 10th day of the following month	Bank transfer	2025	Human resource service	Cultural & Performing Arts Events agency company
5	Mount Wuyi Jiucengjing Cleaning Service Co., Ltd. (武夷山九層淨清潔服務有限公司)	Independent third party	282	0.9	Seven days	Bank transfer	2023	Cleaning service	Cleaning service company
Total			7,842	24.6					

To the best knowledge of our Directors, save for Impression Art Development, none of our Directors, their respective associates or any of our Shareholders holding more than 5% of our issued share capital immediately following the completion of the [REDACTED] had an interest in any of our five largest suppliers during the Track Record Period.

BUSINESS

OVERLAPPING OF CUSTOMER AND SUPPLIER

During the Track Record Period, one of our suppliers, Impression Art Development, was also our customer. In July 2008, Fujian Mount Wuyi Cultural Tourism Group, one of our Controlling Shareholders, entered into the Chief Directorial Service Agreement with Impression Art Development in terms of our Impression — Dahongpao Scenery Show. According to the Chief Directorial Service Agreement, Fujian Mount Wuyi Cultural Tourism Group engaged the Impression Power Trio for directorial services at a fixed fee of RMB15.0 million. According to the said agreement, we need to pay Impression Art Development for the exclusive use right of the intellectual property rights for the show. The fee for this exclusive use right is set at 10% of the revenue (VAT inclusive) generated from the show representing the directorial royalty service fees. The provision of the directorial royalty service will also constitute a non-exempt continuing connected transaction for our Company under the Listing Rules upon [REDACTED], subject to announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules. See “Continuing Connected Transaction — Summary of our Continuing Connected Transactions” in this document for details. Also see “— Shows and Performance Services — Impression — Dahongpao Scenery Show — Preparatory Stage — Obtaining the Exclusive Performance Right” in this section for the details of our relationship with Impression Art Development. The cost of sales attributable to the provision of directorial royalty service from Impression Art Development was approximately RMB5.9 million, RMB13.5 million, RMB12.6 million, and RMB5.1 million for the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, respectively.

During the Track Record Period, we also sold our show tickets to Impression Art Development on an as-needed basis if Impression Art Development had raised ticket requests. Impression Art Development had never been engaged as a ticket selling distributor historically and during the Track Record Period. The ticket requests raised by Impression Art Development solely because its customers raised ticket requests and Impression Art Development merely served as an intermediary. Revenue generated from sales of tickets to Impression Art Development was approximately RMB1,000.0, nil, nil, and nil for the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, respectively.

Our trade payables to Impression Art Development and trade receivables from Impression Art Development were settled separately. Our sales of tickets to Impression Art Development and procurement of directorial royalty service for our Impression — Dahongpao Scenery Show from Impression Art Development were neither inter-connected nor inter-conditional with each other. All of the transactions concerning the Impression — Dahongpao Scenery Show were conducted in the ordinary course of business under normal commercial terms and on an arm’s length basis. The terms of transactions with the Impression — Dahongpao Scenery Show were separately negotiated with us and are comparable to the terms of transactions with our other customers and suppliers. The prices of the transactions with the Impression — Dahongpao Scenery Show were no less favourable than from other customers and suppliers who are not overlapping customers and subcontractors. Impression Art Development is principally engaged in creating, exhibiting and selling artworks, as well as providing art consulting services. Our Directors have confirmed that we will not engage Impression Art Development as a ticket selling distributor. Additionally, to the best knowledge of our Directors, Impression Art Development has never indicated its intention to become one of our ticket selling distributors as such plan does not align with its principal businesses.

BUSINESS

Following the [REDACTED] (assuming the [REDACTED] is not exercised), we will become directly owned as to 15.3% by Beijing Impression Landscape. Impression Art Development is the holding company of Beijing Impression Landscape and therefore an associate of our substantial shareholder, Beijing Impression Landscape. Pursuant to Rule 14A.07(4) of the Listing Rules, Impression Art Development is a connected person of our Company. See “Continuing Connected Transaction — Overview — Connected Persons” in this document for details.

INTELLECTUAL PROPERTY

We believe our brand “Impression — Dahongpao” 印象大红袍 and our intellectual property rights, including our trademarks, copyrights and domain name, are crucial to our existing and future business development. With respect to our signature show, we have obtained the exclusive performance right in respect of Impression — Dahongpao Scenery Show in Mount Wuyi and possess the trademark, naming right and entitlement to revenue from the performance of the show. These rights and entitlements were transferred to us from Fujian Mount Wuyi Cultural Tourism Group, who had initially obtained these rights from Impression Art Development. Save for the aforesaid exclusive performance right, trademark, naming right and entitlement to revenue from the performance of the show, Impression Art Development reserves all other intellectual property rights associated with the production of the show. In optimising the value of our intellectual property rights, we effectively manage, safeguard and protect them in China.

In respect of Moonlight over Mount Wuyi, we have obtained the exclusive performance right, and registered a relevant trademark for use in the PRC.

As at the Latest Practicable Date, we had 14 registered trademarks, four registered copyrights and two domain names in China, and one registered trademark in Hong Kong. See “Appendix VI — Statutory and General Information — B. Further Information about our Business — 2. Intellectual property rights” for the details of our intellectual property rights.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement of our intellectual properties or any material disputes or claims against us in relation to the infringement of intellectual properties of third parties arising from our business. See “Risk Factors — Risks Relating to Our Cultural Tourism Business and Industry — We may fail to adequately protect our intellectual property rights, or could face claims of infringement of the intellectual property rights of others” in this document for details.

BUSINESS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We fully recognise that addressing crucial ESG issues is key to ensuring the long-term sustainable development of our business. We are committed to establishing a comprehensive ESG management framework to enhance our ESG practices and performance. Currently, we actively contribute to the development of our communities and society as a whole by implementing various specific ESG initiatives.

ESG Governance

We believe that ESG is crucial to our long-term sustainable development. We are committed to achieving a strong performance in the areas of economics, employee well-being, environmental stewardship, and social responsibility. We are establishing an ESG framework in accordance with Appendix C2 “ESG Reporting Code” of the Listing Rules, clearly defining the roles and responsibilities of our Board, management, and employees in ESG matters.

We recognise the significant impact and value of ESG issues on long-term business development, and regard them not just as compliance requirements but also as crucial opportunities for achieving sustainable growth. To this end, we will strengthen internal ESG training and environmental awareness-raising initiatives to ensure that all employees fully understand and implement our ESG commitments. Simultaneously, we will maintain close communication with various stakeholders to jointly explore innovative ESG solutions, address ESG-related challenges, and promote corporate sustainable development. Through these measures, we aim to integrate ESG principles into our daily operations and management, continuously enhance our ESG practices, and drive long-term and robust corporate development.

We are committed to continuously improving our ESG performance and integrating ESG principles into our business decisions. We will regularly assess and monitor the implementation of our ESG objectives and engage in transparent reporting and communication to our stakeholders. Through these efforts, we aim to create greater value across different economic, environmental, and social dimensions, and make positive contributions to our business’ sustainable development. We have developed an ESG policy, which includes a comprehensive analysis of each dimension of ESG and any external factors that may be relevant to our ESG commitments. This allows us to understand macroeconomic trends and potential risks, ensuring that resources are focused on core business development, and enabling us to adjust our strategic directions and formulate targeted strategies in response to changing market conditions.

During the Track Record Period and up to the Latest Practicable Date, we complied with all applicable PRC laws and regulations relating to social, health, safety, and environmental matters in all material respects except as detailed in “— Regulatory Compliance” in this section. We have not been subject to any fines or other penalties due to violations of social, health, safety, or environmental laws and regulations.

BUSINESS

ESG Governance Structure

Our Board is responsible for coordinating and formulating our sustainable development strategy, major policies, and objectives framework. To effectively manage ESG-related matters, we will establish an ESG working group (the “**Working Group**”) comprised of heads (or authorised personnel) from various departments. The Working Group’s responsibilities include researching ESG policies and standards, conducting ESG benchmarking and assessments, performing ESG management diagnostics, evaluating ESG performance, and managing ESG information disclosure.

The following ESG disclosures reflect the boundaries of our operational control, which include descriptions and key statistics of the Group’s sustainability performance and progress during the Track Record Period of our businesses in cultural tourism, namely our Company, Impression Dahongpao Cultural, Mount Wuyi Chatang Resort, and Moonlight Wuyi.

Environmental Protection

Our operations are subject to various environmental protection laws and regulations related to air and noise pollution issued by national, provincial, and municipal governments in PRC, including but not limited to the Environmental Protection Law of the PRC, the Law on the Prevention and Control of Environmental Pollution by Solid Waste and the Law on the Prevention and Control of Environmental Noise Pollution. We fully recognise the critical importance of environmental protection and sustainable development. We require our employees to actively implement various environmental protection measures, including the prevention of air pollution, noise pollution, and water pollution.

Our GHG emissions, and resource usage statistics during the Track Record Period covered our Group’s operation in Mount Wuyi City, Fujian Province, the PRC. The reporting scope is determined based on the significance of our ESG impact.

Air emissions⁽¹⁾

The air emissions we generate primarily include NOx, SOx, and PM, with the main source being emissions from vehicle use. The following table presents our air emissions data in each year/period during the Track Record Period:

		Year ended 31 December			Six months ended
		2022	2023	2024	30 June 2025
	Unit				
NOx	kg	135.4	156.9	97.0	79.1
SOx	kg	0.1	0.1	0.2	0.1
PM	kg	13.3	15.4	9.3	7.5

Notes:

⁽¹⁾ The air emissions are calculated in accordance with “Appendix 2: Reporting guidance on Environment KPIs” (the “**Appendix 2**”) issued by the Stock Exchange.

BUSINESS

Air emissions declined in 2024 compared to 2023, primarily due to a decrease in vehicle usage. The Group has committed to maintaining the current emission intensity or further reducing emissions of NO_x, SO_x, and PM by 5% for the year ending 31 December 2026 with a baseline for year ended 31 December 2022. While business expansion may lead to increased vehicle use for exhibitions and events, the Group remains focused on minimising air emissions. To achieve this, the Group plans to gradually phase out diesel-powered vehicles, prioritise the use of more fuel-efficient models, and implement regular maintenance.

GHG emissions

During the Track Record Period, the GHG emissions primarily originated from Scope 1 direct emissions generated using vehicles and Scope 2 indirect GHG emissions associated with the consumption of purchased electricity. The table below sets out the GHG emissions⁽²⁾ performance during the Track Record Period:

	Unit	Year ended 31 December			Six months ended 30 June
		2022	2023	2024	2025
Scope 1: Direct GHG Emissions — Fuel Consumption	tCO ₂ e	20.1	23.7	24.8	23.1
Scope 2: Indirect GHG Emissions — Purchased electricity	tCO ₂ e	416.5	1,709.8	1,967.2	1,004.7 ⁽³⁾
Total GHG Emissions	tCO ₂ e	436.6	1,733.5	1,992.0	1,027.8
Total GHG Emission Intensity	tCO ₂ e / Revenue in millions of RMB	6.9	12.0	14.5	18.4

The Group’s total GHG emission intensity rose in 2024 compared to 2023. Purchased electricity was the primary source of emissions, as the need to maintain the hot baths at a specific temperature and operate lighting and water circulation systems increased electricity demand. Additionally, the completion of renovations at “Impression Bieyuan” (印象別苑) and its subsequent use as a staff dormitory further elevated electricity consumption.

⁽²⁾ The GHG emission data for 2023 and 2024 are presented in tonnes of carbon dioxide equivalent (tCO₂e) are based on the “Notice on Carrying Out GHG Emission Reporting and Verification for Key Industry Enterprises from 2023 to 2025” (《關於做好2023—2025年部分重點行業企業溫室氣體排放報告與核査工作的通知》) issued by the Ministry of Ecology and Environment of the PRC (中華人民共和國生態環境部). During the Track Record Period, GHG emission data are based on the “Notice on the Release of 2023 Electricity Carbon Footprint Factor Data” (《關於發布2023年電力碳足跡因子數據的公告》), also issued by the Ministry of Ecology and Environment of the PRC.

⁽³⁾ The Group has excluded Moonlight Wuyi’s electricity consumption from its reporting, as the electricity fee was bundled within the management fee, rendering it impossible to separately identify and quantify actual electricity usage.

BUSINESS

To enhance the accuracy of electricity tracking across all operations, the Group has installed high-precision remote smart meters. This upgrade has enabled more precise data collection and contributed to ongoing efforts to optimise electricity efficiency and reduce consumption.

The Group will strive to reduce the total GHG emission intensity by 5% by the year ending 31 December 2026, compared to the baseline for the year ended 31 December 2022. The Group will continue to monitor the relevant GHG data and evaluate further emission reduction opportunities. Additional measures already implemented are detailed in the “Energy Conservation and Emission Reduction” section.

Waste management

To mitigate the environmental impact of the waste produced in the ordinary course of our business, we conduct waste collection and sorting in accordance with relevant PRC laws and regulations. The sorted waste is subsequently collected and processed by the relevant urban sanitation departments, with all processes adhering to applicable environmental protection standards.

Given our business nature, our operations do not generate hazardous waste. Regarding non-hazardous waste, our main sources are our offices, for which we currently do not maintain specific records. We will continue to improve our data collection system and expand the scope of disclosure in the future to ensure the accuracy and transparency of our reporting. Additionally, we have established clear waste disposal guidelines and training for employees to identify, collect, store, and handle waste. These efforts aim to foster a strong corporate environmental awareness and thereby reduce our environmental impact.

Energy consumption

Our energy consumption primarily consists of direct energy consumption by vehicles and indirect energy consumption from purchased electricity. The following table presents our energy consumption in each year/period during the Track Record Period:

		Year ended 31 December			Six months ended
		2022	2023	2024	30 June 2025
	Unit				
Direct Energy Consumption — Vehicle Usage	MWh	78.2	92.3	96.4	90.0
Indirect Energy Consumption — Purchased Electricity	MWh	730.3	2,998.1	3,449.5	1,619.1
Total Energy Consumption	MWh	808.5	3,090.4	3,545.9	1,709.1
Total Energy Intensity	MWh / Revenue in millions of RMB	12.8	21.5	25.8	30.6

BUSINESS

The Group’s total energy consumption intensity increased in 2024 relative to 2023. This rise was primarily driven by greater fuel usage, which accompanied business expansion, as well as higher electricity consumption resulting from maintaining the hot spring baths temperature, operating lighting and water circulation systems for the hot baths, and increased occupancy in the staff dormitory.

The Group is committed to reducing the total energy consumption intensity by 5% for the year ending 31 December 2026 with a baseline for the year ended 31 December 2022.

Water consumption

Our primary water consumption stems from our daily operations. Our main water source is municipal tap water, and consequently, we do not face any issues in obtaining suitable water sources. We promote water conservation initiatives to our employees, post water-saving reminders in all water usage areas, and conduct periodic inspections to ensure the conservation of water resources. The table below sets out the water usage during the Track Record Period.

		Year ended 31 December			Six months ended
		2022	2023	2024	30 June 2025
	Unit				
Water Consumption	Cubic meter	9,758.0	79,958.0	88,591.0	24,517.0 ⁽⁴⁾
Water Consumption Intensity	Cubic meter / Revenue in thousands of RMB	0.2	0.6	0.6	0.4

Although the Group’s overall water consumption increased in 2024 due to business expansion, the operation of the hot water circulation system, heightened staff usage following the move into the dormitory, and additional irrigation for greenery during drier weather, its water consumption intensity remained stable relative to 2023 levels.

The Group is committed to reducing water consumption intensity by 5% for the year ending 31 December 2026 with a baseline for the year ended 31 December 2022.

(4) The Group has excluded Moonlight Wuyi’s water consumption from its reporting, as the water fee was incorporated into the management fee, making it impossible to separately identify and quantify the actual water usage.

BUSINESS

Energy conservation and emission reduction

As a responsible corporate citizen, we are committed to implementing proactive measures to reduce carbon emissions and contribute to climate change mitigation. These measures include improving vehicle usage efficiency, conducting regular maintenance to optimise performance, and requiring employees to power down all electrical devices when leaving workspaces. We also actively promote energy-saving habits among our staff through educational reminders and signage throughout our facilities.

Our Impression — Dahongpao Scenery Show prioritises environmental stewardship through a meticulously designed lighting system and operational protocols to minimise light pollution. Below is a structured overview of its ecological safeguards:

- *Lighting System Design Integration*

Our show’s lighting infrastructure is designed to balance aesthetic and environmental priorities. The 59-meter enclosed lighting frame blends into the natural landscape, with three sides screened by dense forest vegetation to limit visibility. Retractable and fixed barrier walls surround the auditorium, ensuring light is contained within the performance area. Energy efficiency is prioritised through low-voltage systems and concealed LED fixtures for stage and audience areas, reducing power consumption while enhancing visual comfort. Additionally, the auditorium is located within the 4A-rated Wuyi Tea Museum and is away from residential areas, further isolating light emissions from populated areas.

- *Targeted Light Pollution Mitigation Measures*

Our show employs directional lighting technology, using intelligent control systems to focus high-powered spotlights strictly on predefined rock surfaces and avoid skyward dispersion. Low-scatter LED fixtures are utilised to minimise glare and strobe effects, while intermittent lighting methods reduce prolonged exposure. Dynamic activation ensures lights operate only during performance sequences, eliminating unnecessary use. Additionally, there are professional light barriers and enclosed structures prevent lateral spillage. The front projection windows remain the sole uncovered surfaces, with surrounding vegetation and walls blocking residual light. Regular maintenance checks calibrate lighting intensity and alignment to ensure optimal performance and minimal environmental impact.

- *Regulatory Compliance and Sustainability*

Performance of our show adheres to stringent environmental standards by prioritising low-energy, low-pollution lighting systems made from eco-friendly materials. These choices align with circular economy principles, reducing waste and energy demands. Operationally, the design complies with local light pollution regulations, ensuring a balance between artistic expression and ecological preservation.

Based on the aforementioned measures, we are of the view that the level of light pollution resulting from the performance of our Impression — Dahongpao Scenery Show is minimal.

BUSINESS

Addressing climate change

Climate change affects not only our environment but also our Group’s normal operating conditions. Identifying and managing related risks and opportunities is crucial for our business operations. Following the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations, we have assessed the two main categories of climate-related risks:

- (i) Physical Risks — Direct physical impacts from extreme weather events and long-term climate changes; and
- (ii) Transition Risks — Costs and risks associated with policy, legal, technological, and market changes.

Our Board has determined that the primary physical risks affecting us would stem from acute climate disaster events such as heatwaves and heavy rainfall, and increasing temperatures year round. These extreme events may impact employee safety, our working environment, health, and our daily business operations. We proactively identify and assess climate risks and opportunities, integrating climate change risk identification, adaptation, and mitigation into our decision-making processes.

In addition, our transition risks primarily relate to the shift towards a low-carbon economy, including changes in policies, laws, technology and markets. With evolving environmental regulations and legislation, we may face increased compliance costs and operational litigation risks. Failure to comply with all environmental laws and regulations, or allegations of environmental protection negligence could result in potential fines, penalties, or even forced operational suspension. Moreover, such events could adversely affect our reputation and reduce our market competitiveness.

To address these transition risks, we assess their likelihood and impact, integrating them into our overall risk assessment and management processes. We closely monitor trends in climate-related regulatory requirements and potential transition policies, striving to mitigate their impact on our operations.

We recognize that climate-related events, particularly extreme weather conditions, have a direct impact on our operations. For example, in June 2024, severe weather led to the temporary closure of our outdoor auditorium of Impression — Dahongpao Scenery Show, resulting in performance cancellations and affecting visitor experience. Although such occurrences are relatively infrequent, they underscore the acute physical risks we face, including heavy rainfall, storms, and prolonged heatwaves. These events have the potential to disrupt normal business activities, compromise operational efficiency, and reduce visitor attendance. As these risks stem from external environmental factors, they cannot be fully mitigated through internal controls alone. Accordingly, we have prioritized the development and implementation of robust contingency measures to minimize their impact and safeguard business continuity.

Over the years, we have established comprehensive contingency plans to address these challenges. We conduct daily monitoring of satellite weather data before each performance. During rainy seasons, we implement preventive measures such as providing complimentary raincoats for visitors, monitoring river water levels, and relocating equipment to secure storage when necessary to avoid damage. For water-based performances, we have rehearsed alternative “Wind and Rain”

BUSINESS

versions to adapt to adverse conditions. In cases where extreme weather makes performances impossible, we execute orderly evacuation procedures and offer flexible ticketing arrangements, including rescheduling or refunds, in coordination with all distribution partners. Additionally, we have installed lightning protection systems and other safety measures to safeguard visitors and employees.

Although extreme weather events are sporadic and most rainy-season performances can proceed as planned, these conditions may still affect visitor numbers and revenue during impacted periods. Based on our historical experience, we understand that climate-related risks are an ongoing challenge, and we continue to integrate adaptation and mitigation strategies into our operational planning. By maintaining rigorous monitoring, responsive contingency measures, and operational flexibility, we aim to minimize the adverse effects of climate-related events on our business and uphold the safety and satisfaction of our customers.

During the Track Record Period, save as disclosed above, we did not identify any other significant adverse impacts from climate-related events.

Employee Well-being

We believe that human resources are our most valuable assets and the foundation for sustainable corporate development. Therefore, we are committed to improving our recruitment and employment procedures to attract, nurture, and retain talent. We adhere to a people-centric governance approach and have established an “Employee Handbook” (員工手冊), “Human Resources Management System” (人事管理制度), and “Compensation and Benefits Management System” (薪酬福利管理制度) to ensure the protection of employees’ rights. These policies standardise employment practices and ensure that employees clearly understand their legal rights and responsibilities. These systems include protection for employees in areas such as recruitment, training, compensation, promotion, working hours, resignation, and other benefits. We will continuously improve our talent recruitment and retention policies and welfare measures, establish effective communication mechanisms with employees, and ensure work-life balance is maintained. This approach aims to strengthen our employees’ sense of belonging and motivation, whilst jointly promoting our sustainable and healthy development.

Our recruitment process strictly adheres to principles of fairness, impartiality, and transparency, providing equal opportunities to individuals of diverse backgrounds, cultures, and genders. We firmly oppose discrimination and prohibit all forms of discriminatory practices.

We strictly prohibit any form of child labour or forced labour in our operations. If suspected cases of child or forced labour are discovered, our Human Resources department will promptly communicate with relevant personnel to address the issue. We commit to thoroughly investigating all reports and taking appropriate corrective and disciplinary measures to protect employees’ rights and ensure a safe work environment. All of our employees meet the minimum working age requirements under the PRC Laws. During the Track Record Period, we did not encounter any incidents of child or forced labour.

BUSINESS

As at 30 June 2025, the number of employee count was 383. The following table sets out our employees by gender and age range in each year/period during the Track Record Period.

	Unit	Year ended 31 December			Six months ended 30 June
		2022	2023	2024	2025
Total Number of Employee	person	291	306	299	383
By Gender					
Male	person	174	176	167	235
Female	person	117	130	132	148
By Age Group					
≤ 30	person	145	145	124	178
31 - 50	person	136	150	163	183
≥ 51	person	10	11	12	22

We are dedicated to continuously improving our human resource management practices to ensure that we maintain our talent pipeline while fully protecting employee rights and providing a positive work environment with growth opportunities.

Our employee turnover rates in each year/period during the Track Record Period are set out below:

	Unit	Year ended 31 December			Six months ended 30 June
		2022	2023	2024	2025
Overall Turnover Rate	%	9.6	9.8	6.4	3.7
By Gender					
Male	%	6.9	9.1	3.0	3.0
Female	%	13.7	10.8	10.6	4.7
By Age Group					
≤ 30	%	17.9	15.9	14.5	6.2
31 - 50	%	1.5	3.3	0.6	1.1
≥ 51	%	0	18.2	0	4.5

BUSINESS

Occupational Health and Safety

We strictly comply with all occupational health and safety-related laws and regulations in PRC, including but not limited to the Work Safety Law of the PRC, the Labor Law of the PRC, the Law of the PRC on Prevention and Control of Occupational Diseases, and the Fire Protection Law of the PRC.

Our Group is responsible for implementing safety measures to ensure a safe and healthy workplace. Our management also ensures that necessary information, instruction and supervision are provided so that all employees are safe from injury and health risks. We organise a safety orientation for new employees to keep them informed and train them in safety regulations and emergency procedures. The emergency procedures such as fire or explosion emergency plans have been fully established, and we regularly arrange rescue, fire and evacuation drills in order to prevent casualties in case of accidents.

During the Track Record Period, we did not experience any major safety incidents or work-related fatalities. We have also established a procedure for handling various types of work-related injury. The table below sets out the health and safety data during the Track Record Period.

		Year ended 31 December			Six months ended 30 June
		2022	2023	2024	2025
	Unit				
Work-related fatalities	Person	0	0	0	0
Number of reported injuries	Person	3	6	4	1
No. of lost days due to work injury	Days	150	254	166	53

We will regularly educate and remind employees about the importance of occupational health and safety in accordance with relevant work safety guidelines to prevent similar incidents from occurring. Through training, communication, emergency drills, and regular safety inspections, we provide our employees with the latest information on occupational safety and emergency response.

Social Responsibility

Our commitment to social responsibility is exemplified through the introduction and future expansion of our Impression Cultural Tourism Town in Mount Wuyi. This transformative initiative elevates the travellers’ experience by offering a diverse range of cultural and entertainment options, encouraging longer stays and fostering a deeper appreciation of the region’s rich history and vibrant culture. More than just a tourist attraction, our Impression Cultural Tourism Town serves as a cornerstone of Mount Wuyi’s night economy, driving growth in complementary sectors such as dining and accommodation. It generates significant employment opportunities for local residents, contributing to economic resilience and long-term sustainability within the community.

BUSINESS

Aligning with our mission to establish ourselves as a cultural tourism service provider in Fujian Province, we are committed to promoting cultural and economic vitality through our initiatives. While the Impression Cultural Tourism Town did not contribute a substantial portion of our total revenue during the Track Record Period, its strategic importance to the local tourism economy is undeniable. It acts as a key representative of regional vibrancy, and creates a thriving ecosystem that supports local businesses and benefits the broader community.

In the future, we plan to further expand the service portfolio of our Impression Cultural Tourism Town by introducing a broader array of cultural experiences, entertainment activities and dining options. The expansion not only enhances the tourist experience but also reinforces our commitment to the local economy and community development. These efforts align with our vision to foster a vibrant cultural tourism landscape that benefits all stakeholders.

TECHNOLOGICAL SUPPORT AND SAFETY MAINTENANCE

We believe that technological support and safety maintenance are crucial to our long-term success. We place significant emphasis on safety maintenance on our service offerings. Our technological support department is responsible for technological support and safety maintenance matters arising from different operation processes according to our personnel structure. As at 30 June 2025, our technological support department consisted of 32 employees. A majority of the employees possess more than a decade of experience in quality control.

In respect of our Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi:

Each performance is overseen by a dedicated team of instructors who are responsible for monitoring the quality throughout the performance of our show. After the conclusion of each show, a summary meeting is held to evaluate the show, discuss the feedbacks and identify areas for improvement. We provide comprehensive onboarding training to our staff to ensure they understand service quality standards and maintain a professional image. We have also designated an employee to manage and resolve customer complaints, ensuring that concerns from our audience are addressed promptly. In addition, we have maintained strict safety protocols to ensure a secure environment for both performers and our audience, with regular safety inspections being conducted to identify potential hazards. Our art troupe director is also designated to lead and monitor the performance quality of our performance team. See “— Shows and Performance Services — Impression — Dahongpao Scenery Show — Operation Stage — Training, Rehearsal and Preparation” and “— Shows and Performance Services — Moonlight over Mount Wuyi — Operation Stage — Training, Rehearsal and Preparation” in this section for details.

In respect of our Impression Cultural Tourism Town business:

We have established an operation management unit and property management (safety assurance) unit for our Impression Cultural Tourism Town business. The operation management unit primarily manages the daily operation of the town, identify and address issues that arise in the ordinary course of the operation of the town and handle complaints from the travellers followed by improvement measures. The property management (safety assurance) unit is responsible for conducting regular inspections of the properties located in the town to ensure safety of all premises, performing periodic safety assessments, and conducting daily fire safety checks.

BUSINESS

In respect of our Chatang hotel business:

We are responsible for the coordination with government authorities to ensure regulatory compliance of our Chatang hotel business. We are entitled to inspect Thai Natural’s operation of the hotel. Under the Chatang Management Arrangements, Thai Natural is the party responsible for the daily operation of our Chatang hotel. See “— Chatang hotel Business — Hotel Management” in this section for the summary of Thai Natural’s major duties and responsibilities. We have also designated one of our senior management as the legal representative and the executive director of Mount Wuyi Chatang Resort, responsible for overseeing the management and operation of our Chatang hotel.

AWARDS, RECOGNITIONS AND ACCREDITATIONS

We obtained awards, recognitions and accreditations from various government authorities or other organisations in relation to our business. The following table sets out selected accolades we have obtained in recent years, which we are proud of.

<u>Year of Grant</u>	<u>Award/Accreditation</u>	<u>Awarding Authority/ Organisation</u>	<u>Awarded Entity</u>
2024	National Cultural Demonstration Base (國家文化產業示範基地)	Ministry of Culture and Tourism of the PRC (中華人民共和國文化和旅遊部)	Our Company
2023 (also in each of 2021, 2019, 2018, 2015, 2012, 2011)	Year 2023 Top 10 Cultural Enterprise in Fujian Province (2023年福建省文化企業十強)	Fujian Provincial Leading Group for Cultural Reform and Development (福建省文化改革工作領導小組)	Our Company
2023 (also in each of 2022, 2021)	Fujian Provincial An’kang Competition Award Advanced Unit (福建省“安康杯”競賽先進單位)	Fujian Provincial Federation of Trade Union of Trade Union (福建省總工會), Fujian Province An’kang Competition Committee (福建省“安康杯”競賽組委會)	Our Company
2020	The Fourth Nanping Municipal Government Quality Winner (第四屆南平市政府質量獎稱號)	Nanping Municipal People’s Government (南平市人民政府)	Our Company

BUSINESS

<u>Year of Grant</u>	<u>Award/Accreditation</u>	<u>Awarding Authority/ Organisation</u>	<u>Awarded Entity</u>
2019	Nominee of Year 2019 Top 30 National Cultural Enterprise (2019年全國文化企業三十強提名企業)	Guangming Daily (光明日報), Economic Daily (經濟日報)	Our Company
2019	2019 Most Investment-Worthy Cultural Tourism Companies on the New Third Board (2019最具投資價值文旅新三板公司)	China Cultural Tourism Golden Bull List (中國文旅金牛榜)	Our Company

COMPETITION

The cultural tourism performance market, including the tourism scenery performance market in China is characterised by a dynamic and competitive landscape, driven by several key factors. With the increasing national disposable income and evolving consumer preferences, there is a notable shift towards cultural and immersive travelling experiences. Major market players, like us, are able to leverage unique local cultural elements to create diverse performance offerings, from scenery shows to theatre productions. The growth is further fuelled by supportive government policies and technological advancements, enhancing audience engagement. Nonetheless, we face competition from smaller market players or new market entrants, who may bring innovative performance formats into their operations which may intensify market competition, positioning the live performance market in China for significant expansion. Despite the above, our Directors consider that our signature Impression — Dahongpao Scenery Show with track record can differentiate ourselves and tap into growth opportunities in the live performance sector and the broader cultural tourism market. On 1 May 2025, the premiere of our Moonlight over Mount Wuyi has taken place, and we believe our market influence will be further solidified with the official launch of this new show.

INSURANCE

We maintain insurance policies that are required under PRC laws and regulations as well as policies based on our assessment of our operational needs and industry practice. During the Track Record Period, in accordance with relevant PRC laws and regulations, we maintained pension insurance, medical insurance, work injury insurance, maternity insurance, unemployment insurance, accident insurance, employer liability insurance, public liability insurance and automobile insurance to cover the potential risks related to our Group and our employees.

Based on our past experience and understanding of the prevailing industry practice in China, we believe that our existing insurance coverage is in line with industry norms and is sufficient for our present operations. Nonetheless, we may not be adequately insured against all unanticipated risks and losses that may arise. See “Risk Factors — Our insurance coverage may not adequately cover the risks related to our business and operations” in this document for details. With the expansion of our

BUSINESS

business and the potential new risks that we may be exposed to as a result, we may take out further insurance as our Directors deem appropriate and based on the suggestions from our PRC Legal Advisers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material business interruptions or material insurance claims.

We are also required by PRC social insurance laws and regulations to make contributions to social insurance funds for our employees. In addition, we expect that we will maintain directors’ and officers’ liability insurance for the executive Directors and executive officers of our Company on or before [REDACTED].

EMPLOYEES

As at 30 June 2025, we had 383 employees, amongst which approximately 54.1% had working experience of more than five years in the cultural tourism industry. All of our employees are based in China.

Function	As at 30 June 2025	
	<i>Number of employees</i>	<i>% of total employees</i>
Senior Management	6	1.6%
Administration	8	2.1%
Human Resources	2	0.5%
Investment and Securities	2	0.5%
Finance	8	2.1%
Planning	1	0.3%
Marketing	12	3.1%
Operational	9	2.3%
Art Troupe	259	67.6%
Theatre Management	22	5.7%
Property Management	22	5.7%
Technological Support	32	8.5%
Total	383	100.0%

During the Track Record Period and up to the Latest Practicable Date, our employees did not negotiate their terms of employment through our labour union or by way of collective bargaining agreements nor did we have any material disputes with our employees, or experience any strike, labour disputes or industrial actions that might have a material adverse effect on our business, financial position and results of operations. We believe we maintain a cordial and fruitful working relationship with our employees, and we have not experienced any material labour disputes during the Track Record Period. See below for a brief introduction of our labour union, which we established with an aim to create a transparent platform for safeguarding our employees’ fundamental rights and promoting benefits.

BUSINESS

Recruitment and Remuneration

We believe that our quality personnel are key to our success and future development. In the future, we will continue to recruit performance talents from Mount Wuyi Tourism Vocational School (武夷山旅遊職業中專學校), Zhang Yimou Lijiang Art School (張藝謀瀟江藝術學校) and other provincial art schools, which are our major source of talents. We also provide training and promotion opportunities to our employees. We also recruit talents to diversify our staff portfolio and enrich group culture embroidered with devotion, dedication and collegiality.

The remuneration package of our employees includes basic salary, position salary, performance salary and allowances. We determine employee remuneration based on factors such as qualifications, expertise and years of relevant experience.

Equal Employment and Gender Diversity in the Workforce

We promote equal employment opportunities and avoid all forms of illegal employment such as child labour and forced labour as stipulated in our internal regulations on labour management of employees. We respect the diverse backgrounds of our employees and strictly eliminate ethnic discrimination.

We recognise gender diversity in the workplace as a key factor in our continuous development and success. Since our incorporation, we have been actively promoting gender equality within our Group. We incorporate gender equality into all aspects of our business operation. We take into consideration gender diversity when we hire and promote talents.

Labour Union

We have established a labour union in accordance with relevant PRC laws and regulations. Our labour union provides benefits to employees, strives to protect our employees' legal rights and provides relief to employees in need. It also organises leisure activities for our employees. During the Track Record Period and up to the Latest Practicable Date, we did not have any material labour dispute with, or suffer any strike by, our labour union.

OCCUPATIONAL HEALTH AND SAFETY

We are subject to various PRC laws and regulations with respect to labour, safety and work-related incidents. See “Regulatory Overview” in this document for the key PRC laws and regulations applicable to our business operations.

We are committed to maintaining a safe working environment and promoting the awareness of occupational health and safety. Our technological support department is responsible for the technological support and safety maintenance matters arising from our operation processes. See “—Technological Support and Safety Maintenance” in this section for details.

BUSINESS

We strictly follow government regulations when we adopt our safety rules and emergency recovery plans. These rules and plans apply to all of our employees. Failure to comply with these rules may result in penalties, fines and sanctions. See “Risk Factors — Risks Relating to Our Cultural Tourism Business and Industry — Our businesses are subject to operational risks” in this document for details. Our Directors have confirmed that during the Track Record Period and up to the Latest Practicable Date, we complied with all applicable national, provincial and municipal health and safety laws and regulations in all material respects; and the relevant PRC authorities had not imposed any sanction, penalty, fines or punishment on us for any non-compliance with any health and safety laws or regulations in the PRC. Due to the nature of our business, we may occasionally encounter some workplace injuries. However, as our employees are all covered by comprehensive workers’ compensation insurance, these occasional injuries had never had a significant adverse impact on our business operations and financial performance historically and during the Track Record Period.

In view of the potential risks in the course of our business operations, we have adopted a series of measures to ensure safety, which include (i) conducting construction safety trainings to our employees; and (ii) designating emergency response plans.

PROPERTIES

Owned Properties

As at the Latest Practicable Date, we owned eight parcels of land and properties in the PRC. A summary of these owned lands and properties as at the Latest Practicable Date is set out below:

No.	Location	Owner	Usage	Approximate GFA^(Note) (sq.m.)
1	Rooms 1-3, 98-1, South Dawangfeng Road, Mount Wuyi Resort Area	Our Company	Business operation, warehouse, guest rooms	8,869.17
2	62, Sangu Street, Mount Wuyi Resort Area	Our Company	Housing for our employees	247.48
3	62-1, Sangu Street, Mount Wuyi Resort Area	Our Company	Business operation	15.42
4	62, Sangu Street, Mount Wuyi Resort Area	Our Company	Business operation and housing	903.9
5	62, Sangu Street, Mount Wuyi Resort Area	Our Company	Business operation	10.18
6	1-3/F, Block 29, 103 North Dawangfeng Road (Chongyang Old City), Mount Wuyi City	Mount Wuyi Chatang Resort	Business operation	288.10
7	1-3/F, Block 28, 103 North Dawangfeng Road (Chongyang Old City), Mount Wuyi City	Mount Wuyi Chatang Resort	Business operation	288.10

BUSINESS

No.	Location	Owner	Usage	Approximate GFA ^(Note) (sq.m.)
8	1-3/F, Block 27, 103 North Dawangfeng Road (Chongyang Old City), Mount Wuyi City	Mount Wuyi Chatang Resort	Business operation	288.52

Note:

The GFA for each of our owned properties is measured on the total area for our land use right instead of building area.

Incident of use of limit-exceeding premise

During the Track Record Period and up to the Latest Practicable Date, our use of the property at Mount Wuyi Resort Area (i.e., the first property as disclosed above) exceeded the demarcated red line (宗地紅線) outlined under the relevant ownership certificate (the “**Limit-exceeding Premise**”) because a small part of our auditorium was on the Limit-exceeding Premise. The demarcated red line refers to the boundary line of a land parcel in urban planning and real estate contexts in China, for delineating the legal boundaries of a piece of land, indicating where construction and development can occur. The Limit-exceeding Premise we used was measured at approximately 568.0 sq.m., representing approximately 6.0% of the total land area of the auditorium.

In December 2016, Mount Wuyi Municipal Land and Resources Bureau (武夷山市國土資源局) issued a confirmation providing that (i) our use of the said parcel of land had fulfilled all the approval and registration procedures in full accordance with the relevant laws and regulations; (ii) there had been no violation regarding our use of lands; and (iii) there had been no disputes and/or complaints with respect to the Limit-exceeding Premise and there will be no potential conflicts according to the law.

On 4 September 2025, we obtained another written confirmation from Mount Wuyi Natural Resources Bureau (武夷山市自然資源局) which confirmed that (i) we are permitted to continue using the Limit-exceeding Premise, in their current status along with the structures and ancillary facilities on it, including our rotating auditorium; (ii) our usage of the Limit-exceeding Premise does not violate any laws, rules regulations and normative documents related to land resources, land management and urban and usual planning; and our use of the lands, including the Limit-exceeding Premise was in full compliance with the urban and rural planning requirements according to relevant laws and regulations; (iii) it will not revoke the relevant land use rights of our Company and will not order the removal of the rotating auditorium for our Company to perform our show; and (iv) it will not impose any penalties on our Company in respect of our usage of the Limit-exceeding Premise. From our Company’s date of establishment up till 4 September 2025, we have not been subject to administrative penalties for violating laws, regulations, rules and normative documents relating to land management, urban and rural planning and other natural resource management. There has been no potential or ongoing disputes or disagreements between Mount Wuyi Natural Resources Bureau and us regarding land management, urban and rural planning and other natural resource management related matters.

BUSINESS

In addition, Nanping Municipal Land and Resources Bureau (南平市自然資源局), the senior bureau that exercises the supervisory and regulatory powers of land-related matters within Nanping City has provided a written confirmation, confirming that (i) Mount Wuyi Natural Resources Bureau (武夷山市自然資源局) had exercised proper power within its jurisdiction in issuing the aforementioned confirmation with respect to the Limit-exceeding Premise used by our Group; and (ii) it has no objection to the aforesaid written confirmation. Furthermore, we have consulted Fujian Provincial Department of Land and Resources (福建省自然資源廳), the provincial department that exercises the supervisory and regulatory powers of land-related matters within Fujian Province, which confirmed that (i) the administrative authorities at various levels have different powers; and (ii) we were directed to seek confirmation from the local natural resources bureau who may conduct investigations, inquire about specific land usage matters and take appropriate actions.

Our PRC Legal Advisers have confirmed that (i) Mount Wuyi Natural Resources Bureau (武夷山市自然資源局) is the relevant competent authority and appropriately authorised to give the aforesaid confirmation, (ii) Mount Wuyi City is a county-level city under the administration of Nanping City and the confirmation given by Nanping Municipal Land and Resources Bureau (南平市自然資源局) is considered a reaffirmation of the aforementioned confirmation given by Mount Wuyi Natural Resources Bureau (武夷山市自然資源局); and (iii) based on the reaffirmation given by Nanping Municipal Natural Resources Bureau (南平市自然資源局) and the consultation with the Fujian Provincial Department of Land and Resources (福建省自然資源廳) with respect to the delegation and power with respect to local land law matters, the risk of the superior natural resources departments of Mount Wuyi Natural Resources Bureau (武夷山市自然資源局) (including Nanping Municipal Natural Resources Bureau (南平市自然資源局) and the Fujian Provincial Department of Land and Resources (福建省自然資源廳)) challenging the confirmation issued by Mount Wuyi Natural Resources Bureau (武夷山市自然資源局) is low. Based on these confirmations, our PRC Legal Advisers have confirmed that we can continue occupying and using the land that exceeds the demarcated red line.

In light of the above, our PRC Legal Advisers have further confirmed that (i) according to the institutional overview publicised by Mount Wuyi Natural Resources Bureau (武夷山市自然資源局), it has appropriate power to specifically manage the land usage and conduct law enforcement within the jurisdiction of Mount Wuyi City; and (ii) according to the institutional overview publicised by Nanping Municipal Natural Resources Bureau (南平市自然資源局), it has appropriate power to manage the land usage and conduct law enforcement within the jurisdiction of Nanping City, and its power extends to supervising and guiding the land resources management to the relevant county-level land resources bureau, including Mount Wuyi Natural Resources Bureau (武夷山市自然資源局).

Our Directors have confirmed that our Group did not receive any administrative penalties, rectifications orders or complaints during the Track Record Period and up to the Latest Practicable Date. Based on the advices from our PRC Legal Advisers and the aforesaid written confirmations which explicitly provide that we will not be ordered to remove the rotating auditorium, our Directors are of the view that our continuous use of the Limit-exceeding Premise will not have significant adverse impact on our business operation and financial performance. We also updated our internal control manual, based on the suggestions by our internal control consultant, which stipulates that all construction and business activities must be conducted within the demarcated red line defined by the

BUSINESS

ownership certificates and according to the requirements stipulated in our lease agreements, save for the aforementioned use of Limit-exceeding Premise. We have also designated a responsible staff to conduct regular premise inspections to ensure that our business activities on any premises comply with these boundaries.

We do not have any property interest with a carrying amount of 15% or more of our combined total assets as at 30 June 2025. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which requires a valuation report with respect to all of our Group's interests in land or buildings.

Property ownership certificates

In terms of our owned properties set out above, as at the Latest Practicable Date, we had not obtained property ownership certificates for four properties, which were constructed by Mount Wuyi Tourism Resort Development (being one of our Controlling Shareholders) after 2009 and were subsequently sold to us in 2016. The absence of property ownership certificates primarily derived from the incomplete registration of construction documentation at the time of construction of each of the four properties by the constructing entity. According to Article 49 of the Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》), if construction administrative authorities or other relevant departments find that the constructing entity has violated national regulations during the acceptance inspection, they may order the cessation of use and reorganisation of the acceptance inspection. Article 58 of the said regulation further provides that if the constructing entity fails to organise the acceptance inspection and unlawfully puts the project into use, or if it is unqualified and is put into use without proper acceptance, they will be ordered to rectify the situation and fined between 2% and 4% of the contract price. Although we were not the constructing entity for the said properties, we have obtained written confirmations to justify our validity of our continuous use of the said properties irrespective of the absence of property ownership certificates.

On 4 September 2025, Mount Wuyi Natural Resources Bureau (武夷山市自然資源局) issued written confirmations, confirming that (i) the use of the said properties complied with relevant PRC laws, rules, regulations and normative documents regarding land management and urban construction; (ii) these properties are not classified as illegal structures; (iii) and we are permitted to continue using these properties in their current status; (iv) it will not request for demolition of the properties; and (v) it will not impose penalties on us in this regard.

On 12 September 2025, Mount Wuyi Housing and Urban-Rural Development Bureau (武夷山市住房和城鄉建設局) issued written confirmations, confirming that (i) we are permitted to continue using the said properties in their current status; (ii) from our Company's date of establishment up till the date of the relevant confirmations, (1) we have not been subject to administrative penalties for violating laws, regulations, rules and normative documents relating to housing and urban

BUSINESS

construction; (2) there has not been any investigation initiated, or rectification order by it for violating laws, regulations, rules and normative documents relating to construction and real estate management; and (3) there is no dispute, controversy or litigation involving construction and real estate management between it and us.

On 12 September 2025, Mount Wuyi Urban Management and Comprehensive Law Enforcement Bureau (武夷山市城市管理和綜合執法局) issued written confirmations, confirming that (i) we are permitted to continue using the said properties in their current status; (ii) it will not request for demolition of the properties; and (iii) it will not impose penalties on us in this regard; (iv) from our Company’s date of establishment up till the date of the relevant confirmations, (1) we have not been subject to administrative penalties for violating laws, regulations, rules and normative documents relating to urban management; (2) we have not been subject to, or may be subject to, any investigation, rectification order, demolition notice or penalty by it for violating relevant laws, regulations, rules and normative documents relating to urban management; and (3) there is no dispute, controversy or litigation involving construction and real estate management between it and us.

Although incomplete registration of construction documentation poses obstacles to the issuance of property rights certificates, the lack of complete registration does not impede transfer of land ownership rights in subsequent conveyance. In practice, in a sale of land situation, both the seller and the buyer can clarify their rights and obligations upon execution of a land sale agreement, including the specific arrangement on ownership in the absence of a property ownership certificate. Insofar as the land sale agreement explicitly specifies the transfer of ownership, the seller’s inability to obtain a property ownership certificate does not hinder the parties from proceeding with the land sale or other forms of rights transfer as stipulated in the land sale agreement.

Based on the above, our PRC Legal Advisers have confirmed (i) our acquisitions of each of the said four properties are legally valid; (ii) we are lawfully entitled to possess, use, benefit from and dispose of (including transfer, lease, mortgage, and other dispositions) the said properties; (iii) there are no mortgages or judicial seizures affecting these properties; and (iv) there are no unresolved significant property disputes or potential controversies. Our PRC Legal Advisers have further confirmed that Mount Wuyi Natural Resources Bureau (武夷山自然資源局) is the relevant competent authority which is responsible for managing and regulating the use of land in Mount Wuyi City where our properties are located; and the risk that we may be ordered to cease use or face administrative penalties is low.

BUSINESS

Leased Properties

As at the Latest Practicable Date, we had 12 leased properties in the PRC. A summary of these leased properties as at the Latest Practicable Date is set out below:

No.	Location	Landlord	Tenant	Lease period	Usage	Approximate GFA (sq.m.)
1	An independent area attached to the underground shopping mall of the 4A-rated Scenic Wuyi Tea Park and the original creative market next to the entrance steps of the Digital Tea Museum	Mount Wuyi Tourism Resort Development	Our Company	1 April 2021 to 31 December 2030	Rehearsal hall for art troupe, theatre, office	507.19
2	Supporting room in high and low voltage power distribution room and guard duty room	Mount Wuyi Tourism Resort Development	Our Company	1 April 2021 to 31 March 2036	Resting room and ticketing service centre	127.89
3	Block 31, Wuyi Hancheng Phase II, 103 North Dawangfeng Road, Mount Wuyi City	Lin Tao (林濤) and Cai Fujin (蔡扶錦)	Mount Wuyi Chatang Resort	1 June 2018 to 31 May 2034	Commercial	554.91
4	Property No. 32, Phase II of Chongyang Old City, 103 North Dawangfeng Road, Mount Wuyi City	Lin Yuangeng (林元耕) and Zheng Xianghong (鄭香洪)	Mount Wuyi Chatang Resort	1 June 2018 to 31 May 2034	Commercial	554.91
5	Property No. 36, land parcel and the attached basement supporting area, Phase II, Chongyang Old City, 103 North Dawangfeng Road, Mount Wuyi City	Chen Xianglin (陳祥淋)	Mount Wuyi Chatang Resort	1 June 2018 to 31 May 2034	Commercial	940.44 and 1,240.12 (for the basement)
6	Property No. 37, Phase II of Chongyang Old City, 103 North Dawangfeng Road, Mount Wuyi City	Zheng Xiangqin	Mount Wuyi Chatang Resort	1 June 2018 to 31 May 2034	Commercial	465.67
7	The basement in Wuyi Hancheng Phase II project	Fujian Wuyichen Shandong Real Estate Co., Ltd (福建省武夷山東辰置業有限責任公司)	Mount Wuyi Chatang Resort	1 June 2018 to 31 May 2034	Commercial	2,119.87
8	Office building in the 4A-rated Scenic Wuyi Tea Park	Mount Wuyi Tourism Resort Development	Impression Dahongpao Cultural	1 April 2021 to 31 March 2026	Office	562.00
9	Car park of the 4A-rated Scenic Wuyi Tea Park	Mount Wuyi National Tourism Resort Management Committee (武夷山國家旅遊度假區管理委員會)	Impression Dahongpao Cultural	1 July 2024 to 30 June 2029	Parking	2,925.00
10	Theatre of Moonlight over Mount Wuyi, 101 North Dawangfeng Road, Mount Wuyi City	Fujian Province Mount Wuyi Tourism and Culture Investment Group Co., Ltd. (福建省武夷山旅遊文化投資集團有限公司)	Moonlight Wuyi	29 April 2025 to 28 April 2045	Theatre and parking	25,859.31
11	24 residential units at No. 5 Huiyuan Street, Sangu Resort Area, Mount Wuyi City	Wang Yujian (王裕建), Wu Guihong (吳桂紅)	Moonlight Wuyi	1 July 2025 to 31 December 2025	Residential	Undisclosed
12	10 residential units at No. E-101, Huiyuan Street, Sangu Resort Area, Mount Wuyi City	Yang Chuancheng (楊傳城), Xiao Changying (肖長英)	Moonlight Wuyi	1 July 2025 to 31 December 2025	Residential	Undisclosed

BUSINESS

Right-of-use asset

In addition to the 12 leased properties set out above, we also obtained a right-of-use asset of the 4A-rated Scenic Wuyi Tea Park from Mount Wuyi Tourism Resort Development (being one of our Controlling Shareholders) in connection with the operation of our Impression Cultural Tourism Town by our subsidiary, Impression Dahongpao Cultural. The grant of the said right-of-use asset was confirmed through the execution of a cooperation agreement pursuant to the minutes from the sixth executive meeting of the Mount Wuyi Municipal People’s Government and the approval document Wuguozi [2019] No. 13 (武夷山市人民政府2019年第6次常務會議紀要和武國資 [2019]13號). The operating period is set for 15 years, commencing from 15 August 2021. The leasing fee is guaranteed to be RMB1.5 million for the first five years, RMB1.8 million for the sixth to tenth years, and RMB2.1 million for the eleventh to fifteen years. During the effective term of 15 years, the leasing fee for each year was, and will be charged at (i) the guaranteed amount, or (ii) 30% of the annual operating profit (before tax) for that year, whichever is higher.

REGULATORY COMPLIANCE

License, Permits and Certificates

We are subject to laws, regulations and supervision by different levels of regulatory authorities and are required to maintain various licenses, permits and certificates in order to perform our Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi, Impression Cultural Tourism Town business and Chatang hotel business. See “Regulatory Overview” in this document for the summary of relevant PRC laws and regulations which our business operations are subject to. As at the Latest Practicable Date, we had obtained all required licenses, permits and certificates material to our business operations in the PRC, and such licenses, permits and certificates are valid and remain in effect. During the Track Record Period and up to the Latest Practicable Date, we had not been penalised by any government authorities for non-compliance incidents relating to material licenses, permits or certificates. To the best of our Directors’ knowledge, we currently do not expect to encounter any material difficulty in renewing them when they expire, if applicable, and no material unexpected or adverse changes have occurred since the date of their respective issuance.

Non-compliance Incidents

(i) Social Insurance and Housing Provident Fund Contributions

Background

According to the relevant PRC laws and regulations, we are required to make contributions to a social insurance fund (including pension fund, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund for the benefit of our employees in China. During the Track Record Period, we did not make full contributions to the social insurance and housing provident funds for some of our employees as required under PRC laws and regulations.

BUSINESS

Reasons for not making full contributions

As confirmed by our Directors, we did not make full social insurance and housing fund contributions for our employees during the Track Record Period, which were mainly related to our unfamiliarity with the definition of salary under the PRC laws and regulations, as our employees’ remuneration package includes various types of salaries including basic salary, position salary, performance salary and allowances.

Legal consequences and potential maximum penalties

According to the relevant PRC laws and regulations in respect of social insurance contributions, if we do not pay the full amount of social insurance contributions as required, the relevant authorities may demand us to pay the outstanding social insurance contributions by the deadline stipulated by them and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. We may be liable to a fine from one to three times the amount of the outstanding contributions if we fail to make such payments by the deadline stipulated by them. In respect of outstanding housing provident fund contributions, we may be ordered to pay the outstanding housing provident fund contributions within the time period stipulated by relevant authorities. Failure to open housing provident accounts for employees will result in a fine between RMB10,000 and RMB50,000. Failure to pay housing provident funds will result in a court order that would compel us to settle the unpaid housing provident funds. During the Track Record Period, the outstanding amount of our social insurance contribution for the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, was nil, approximately RMB11,000, RMB11,000, and RMB29,000, respectively; and the outstanding amount of our housing provident fund contribution for the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025 was approximately RMB145,000, RMB211,000, RMB252,000, and RMB254,000, respectively. Based on the outstanding amount of our social insurance contribution of approximately RMB29,000 for the Track Record Period, the potential maximum fine which may be imposed on us if we fail to make required payment within the prescribed period as required by the government equals to three times of the outstanding amount of our social insurance contribution, being approximately RMB87,000. In terms of the housing provident fund, we were not subject to any order mandating us to pay the outstanding housing provident fund contribution. As at the Latest Practicable Date, we had opened the housing provident accounts for our employees and therefore, we will not be subject to penalty according to the relevant PRC laws and regulations.

Confirmation from the competent authority

We have obtained written confirmations from each of Mount Wuyi City Human Resources and Social Security Bureau (武夷山市人力資源和社會保障局) and Mount Wuyi Centre of Medical Insurance Fund Centre of Nanping (南平市醫療保障基金中心武夷山分中心) in respect of the shortfall of social insurance on 8 November 2024; and Nanping Municipal Housing Provident Fund Management Centre (南平市住房公積金管理中心) in respect of the shortfall of housing provident funds on 10 December 2024. According to these confirmations, as at the date of issuance of these confirmations, (i) no penalties had been imposed on us with respect to social insurance and housing provident funds during the Track Record Period; (ii) the employment contracts entered into between each of our subsidiaries and our employees were in full compliance with the relevant laws and regulations; (iii) each of our subsidiaries were not subject to any investigations by the relevant

BUSINESS

government authorities in respect of social insurance and housing provident funds related matters; (iv) there had been no individual or any other person lodging complaints against our subsidiaries with respect to social insurance related matters; and (v) we were not subject to any investigations by the relevant government authorities or any complaints lodged by third parties against us.

We have further obtained written confirmations from each of Mount Wuyi City Human Resources and Social Security Bureau (武夷山市人力資源和社會保障局) and Mount Wuyi Centre of Medical Insurance Fund Centre of Nanping (南平市醫療保障基金中心武夷山分中心) on 12 September 2025. According to these confirmations, since 1 January 2022 up till the date of the relevant confirmations, (i) we have paid the relevant social insurance contributions according to the corresponding labour contracts; (ii) the basis for such social insurance contributions were in compliance with applicable laws, rules, regulations and normative documents; (iii) we were not required to make additional payments in respect of any social insurance contributions; (iv) we have not been subject to any investigation, requirement to pay for any shortfall, or administrative penalties by the competent authorities for violating laws, rules, regulations or normative documents relating to social insurance contributions; (v) we did not have any dispute with the relevant government authorities in respect of social insurance contributions; and (vi) the relevant government authorities did not receive any complaints or reports from any of our employees or third party individuals regarding social insurance related matters.

We also obtained written confirmations from Nanping Municipal Housing Provident Fund Management Centre (南平市住房公積金管理中心) on 15 September 2025. According to these confirmations, since 1 January 2022 (in the case of our Company, Impression Dahongpao Cultural and Mount Wuyi Chatang Resort) or 10 February 2025 (in the case of Moonlight Wuyi) up till the date of the relevant confirmations, (i) we were in compliance with applicable laws, rules and regulations in respect of housing provident fund contributions; and (ii) we have paid housing provident fund contributions for its employees in accordance with national and local requirements. According to these confirmations, since 1 January 2022 up till the date of the relevant confirmations, (i) we have not been subject to any investigation, requirement to pay for any shortfall, or administrative penalties by the competent authorities for violating laws, rules, regulations or normative documents relating to housing provident fund contributions; (ii) there are no past, ongoing or potential disputes or disputes with relevant authorities regarding housing provident fund contributions; (iii) the relevant government authorities did not receive any complaints or reports from any of our employees or third party individuals regarding housing provident fund contributions.

Our PRC Legal Advisers have confirmed that each of the confirmation issuing entities is the relevant competent authority to provide the aforementioned confirmations within its scope of responsibility according to the laws.

Views of our Directors

Our Directors are of the view that no further provision is required to be made in respect of the shortfalls for the social insurance and housing provident funds, and the said shortfalls will not adversely affect, in any material aspects, our business operations and financial conditions, based on:

- (i) written confirmations from local social insurance and housing provident fund authorities as stated above;

BUSINESS

- (ii) the indemnity from our Controlling Shareholders in favour of our Group in respect of non-compliance; and
- (iii) as at the Latest Practicable Date, we had not received any notification from relevant PRC authorities alleging that we had not fully contributed to the social insurance premiums and housing provident funds and demanding payment of the same before a stipulated deadline. As at the Latest Practicable Date, we were also not aware of any complaints from relevant PRC authorities made by our employees or demands from our employees for payment of social insurance premiums and housing provident fund contributions, nor had we received any legal documentation from the labour arbitration tribunals or the PRC courts regarding material disputes in this regard. Nevertheless, in the event that we are required by the relevant authorities to make full contributions, we will make full contributions or pay any shortfall within the prescribed time period accordingly.

View of our PRC Legal Advisers

Based on the foregoing, our PRC Legal Advisers are of the view that the risk that we would be subject to material administrative penalties by relevant authorities is low.

Remedial measures and enhanced internal control

In December 2024, we updated our internal control protocol based on the advice from our internal control consultant, pursuant to which our human resource department shall strictly follow our employee benefit policies and relevant laws and regulations on social insurance and housing provident fund contributions. We have enhanced internal policies pursuant to which appropriate calculation basis of salary is used during social insurance and housing provident fund calculation. Our human resource department will check the calculation of social insurance and housing provident fund contributions monthly to ensure the calculation is in compliance with relevant laws and regulations. Additionally, regular internal and/or external training is provided to all responsible staff to ensure that they are familiar with the latest requirements of laws and regulations in relation to social insurance and housing provident fund.

(ii) Third Party Failure to Comply with Fire Safety Procedure

Background

Our 4A-rated Scenic Wuyi Tea Park did not go through the fire control acceptance inspection procedure by the relevant fire safety inspection authority in accordance with the Fire Control Law of the PRC (《中華人民共和國消防法》) (“**PRC Fire Control Law**”) prior to its operation in October 2019. According to the prevalent PRC laws and regulations, a constructing entity is obligated to complete fire control design examination before a construction project is put into operation. In respect of our 4A-rated Scenic Wuyi Tea Park, the constructing entity was Mount Wuyi Tourism Resort Development Co., Ltd. (武夷山旅遊度假產業開發有限責任公司) (“**Mount Wuyi Tourism Resort Development**”), who should bear the responsibility of going through the fire control acceptance inspection procedure.

BUSINESS

Reasons for the absence of requisite procedure

In October 2019, Mount Wuyi Tourism Resort Development and our Company entered into a cooperation agreement, according to which we have been granted an exclusive right to operate the 4A-rated Scenic Wuyi Tea Park for 15 years. As at the Latest Practicable Date, Mount Wuyi Tourism Resort Development had yet to submit the relevant fire safety inspection documents and carried out fire control acceptance inspection with the relevant authority. According to the relevant PRC laws and regulations, to facilitate fire safety acceptance for construction projects, it is necessary for the constructing entity to submit relevant documents, including completion drawings related to fire safety and a project completion acceptance report signed by the construction, design and supervision teams. Nonetheless, Mount Wuyi Tourism Resort Development was unable to provide these documents in entirety due to the historical issues related to the project’s initial design and other factors during the early stages of construction. Although Mount Wuyi Tourism Resort Development had already contained all the necessary land use certificate, it became unable to request another filing due to the completion of all construction works as at the Latest Practicable Date.

Legal consequences and potential maximum penalties

Pursuant to the Article 13 and Article 58 of the PRC Fire Control Law and relevant laws and regulations, any entity which commences a construction project without completing the relevant fire control design examination, if required by law, or puts a construction project into operation without completing the acceptance inspection may be ordered to cease construction, use or production and operation, and a fine of no less than RMB30,000 and not exceeding RMB300,000 (being the potential maximum penalty) could be imposed; for other construction projects which failed to submit the relevant fire safety design documents to the relevant authorities after carrying out fire control acceptance inspection, an order to make rectification and a fine of less than RMB5,000 may be imposed.

Confirmation from the relevant competent authority

We obtained written confirmations from Mount Wuyi Fire Brigade (武夷山消防救援大隊) on 8 September 2025, which confirmed that:

- (i) the 4A-rated Scenic Wuyi Tea Park was unable to complete fire safety related acceptance and filing procedures due to historical issues such as the initial design of the project. However, since its opening, it has passed all previous and annual fire safety inspections and no fire accidents have occurred, and it has complied with relevant fire safety requirements;
- (ii) we are permitted to continue to use and operate the relevant venues and structures in accordance with the current status of the 4A-rated Scenic Wuyi Tea Park, and no penalties will be imposed in respect of the aforementioned failure to complete fire safety related acceptance and filing procedures; and
- (iii) since the date of establishment of each of our Company and Impression Dahongpao Cultural up till 8 September 2025, (a) we have complied with the relevant laws, rules, regulations and normative documents on fire safety management; and (b) we have not been subject to any administrative penalties or investigations for violating laws, rules, regulations or normative documents in relation to fire safety management.

BUSINESS

Our PRC Legal Advisers have confirmed that Mount Wuyi Fire Brigade (武夷山消防救援大隊) is the relevant competent authority responsible for inspecting fire safety issues and issuing the aforementioned confirmation according to the law.

Views of our Directors

Our Directors are of the view that the failure to comply with the fire safety procedure does not and will not have any material impact on our business operations and financial conditions, and there is no safety implication in relation to the initial failure of Mount Wuyi Tourism Resort Development to comply with the fire control acceptance inspection procedure by Mount Wuyi Tourism Resort Development based on the following:

- (i) we were not the constructing entity of the 4A-rated Scenic Wuyi Tea Park, and it was Mount Wuyi Tourism Resort Development which was legally responsible for submitting the relevant fire safety inspection documents and carrying out fire control acceptance inspection with the relevant authority pursuant to the Article 13 of the PRC Fire Control Law; and accordingly, the failure to comply with fire safety procedure was and will not be attributable to us;
- (ii) in connection with the aforesaid, we have made our best efforts to attempt to rectify the initial failure on behalf of Mount Wuyi Tourism Resort Development to complete the fire safety procedure. Nonetheless, there is no legal or administrative procedure available to us to rectify a third party's procedural defect under the current regulatory scheme as Article 13 of the PRC Fire Control Law explicitly stipulates that it is the developer, i.e., constructing entity, who should bear the responsibility of going through the fire control acceptance inspection procedure;
- (iii) written confirmations from Mount Wuyi Fire Brigade as stated above, confirming that it will not impose penalties on us;
- (iv) as the operating entity of the 4A-rated Scenic Wuyi Tea Park, we have been consistently prioritising fire safety and all potential hazards for the centre. Since October 2019 when we have commenced the operation of the centre and up to the Latest Practicable Date, there has been no safety incident; and we have completed fire safety inspection conducted by an independent third party expert; and
- (v) the indemnity from our Controlling Shareholder in favour of our Group in respect of the initial failure by Mount Wuyi Tourism Resort Development to comply with the fire control acceptance inspection procedure.

View of our PRC Legal Advisers

Based on the foregoing, our PRC Legal Advisers are of the view that (i) the risk that we would be subject to administrative penalties by relevant competent authority is low; and (ii) we should be able to continue operating the 4A-rated Scenic Wuyi Tea Park.

BUSINESS

Remedial measures and enhanced internal control

A set of internal control policies has also been adopted to ensure that the construction of our projects is in compliance with all aspects of the relevant laws and regulations to prevent future non-compliance incidents, either by a third party or our Company. Our internal control consultant has reviewed the internal control policies, and did not have any further recommendation after such review. Such internal control policies include: (i) a control list that records all construction projects within our Group, detailing expected completion dates and monitoring fire safety inspections; (ii) our theatre management department and the administration department (for our subsidiaries) is tasked with regularly monitoring the status of fire safety inspections; and (iii) regular internal and external training is provided to all responsible staff to ensure they are familiar with the latest requirements of relevant laws and regulations.

Views from the Joint Sponsors in Respect of the Non-compliance Incidents

Having considered:

- (i) the nature and reasons for the non-compliance incidents as disclosed above and the incident of use of the Limit-exceeding Premise and the absence of property ownership certificates as disclosed in “— Properties — Owned Properties” in this section (collectively “**Non-compliance Incidents**”);
- (ii) the written confirmation obtained from the relevant competent authority for each of the Non-compliance Incidents;
- (iii) the rectification measures and the internal control measures adopted by our Group as recommended by our internal control consultant;
- (iv) that there has been no recurrence of similar non-compliance incidents and findings since the implementation of the rectification measures and internal control measures;
- (v) the views of our PRC Legal Advisers given in respect of the Non-compliance Incidents;
- (vi) the view of our Directors in respect of the Non-compliance Incidents; and
- (vii) the independent due diligence conducted by the Joint Sponsors;

the Joint Sponsors are of the view that (i) our internal control measures are adequate and effective to prevent recurrence of the Non-compliance Incidents in the future; (ii) the Non-compliance Incidents do not have any material adverse impact on our business operation and financial performance; (iii) the Non-compliance Incidents were unintentional and did not indicate any material deficiencies in our internal control system; (iv) the Non-compliance Incidents, jointly or severally, do not affect our suitability for the [REDACTED] under Rule 8.04 of the Listing Rules; and (v) given that there was no fraud, dishonesty, bribery or other illegal activities involved, the Non-compliance Incidents do not constitute integrity non-compliances which impact our Directors’ character and integrity, and do not affect our Directors’ suitability to act as directors of a listed issuer required under Rules 3.08 and 3.09 of the Listing Rules.

BUSINESS

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Corporate Governance

We are exposed to various risks in our operations and have established a risk management system with relevant policies and procedures that we believe are appropriate for our business operations. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as financial reporting, compliance, and anti-bribery and kick-back. Such risk management policies are established by our Board based on the current effective laws and regulations of the PRC and our Memorandum and Articles of Association.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after [REDACTED], we have adopted and will continue to adopt, among other things, the following risk management measures:

- establish an audit committee to review and supervise our financial reporting process and internal control system. For details of the qualifications and experience of these committee members, see “Directors and Senior Management” in this document;
- adopt various policies to ensure compliance with the Listing Rules, including but not limited to policies and procedures related to internal control and risk management, periodically reviewing their effectiveness and compliance to relevant rules and regulations; and
- continue to organise training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong.

Internal Control

In preparation for the [REDACTED], we have engaged an independent third party consultant (the “**Internal Control Consultant**”) to perform a review over selected areas of our internal controls in November 2024 (the “**Internal Control Review**”). The scope of the Internal Control Review performed by the Internal Control Consultant was agreed between the Internal Control Consultant and us. The selected areas of our internal controls that have been reviewed by the Internal Control Consultant included corporate governance practice, revenue and receipts management, purchases and payments management, inventory management, capital expenditure management, operating expenses and payments, human resources and payroll management, treasury (including cash management), financial reporting, tax reporting and payments, connected transactions monitoring, ticket distributor management, investment management, fund-raising management, contract and lease management, regulatory compliance, insurance management, environmental protection management, I.T. general controls, use of intellectual property rights and suggestions in respect of historical non-compliance incidents. We have subsequently taken corrective actions in response to such findings and recommendations from our Internal Control Consultant. The Internal Control Consultant performed a follow-up review from December 2024 to August 2025 (the “**Follow-up Review**”) to review the status of the management actions taken by us to address the findings of the Internal Control Review. The

BUSINESS

Internal Control Consultant did not see the need to make any further recommendations in said Follow-up Review. The Internal Control Review and the Follow-up Review were conducted based on information provided by us and no assurance or opinion on internal controls was expressed by the Internal Control Consultant.

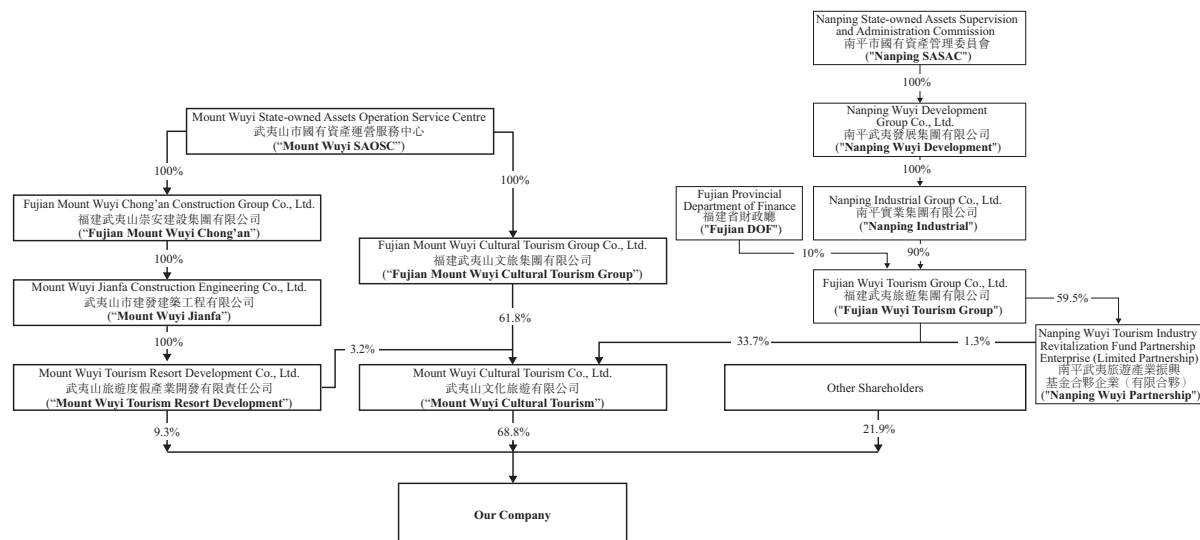
In order to ensure our ongoing compliances with applicable laws and regulations upon **[REDACTED]** and to prevent recurrence of non-compliance incidents and to optimise our business operation going forward, we have also adopted certain key measures in respect of the management of our ticket selling distributors as disclosed in “— Shows and Performance Services — Impression — Dahongpao Scenery Show — Preparatory Stage — Sales of Tickets — Ticket sales management” in this section, and each of the Non-compliance Incidents as disclosed in “— Regulatory Compliance — Non-compliance Incidents” in this section, based on the advice from our Internal Control Consultant.

Based on the above, our Directors are of the view that our Group has taken reasonable steps to establish a proper internal control system to minimise the risks of non-compliance incidents and prevent future recurrence of the non-compliance incidents as disclosed in this document, at both working and monitoring levels. Therefore, our Directors are of the view that the enhanced internal control measures adopted our Group are adequate and effective in reducing the risk of future non-compliance incidents by our Group with legal and regulatory requirements.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As at the Latest Practicable Date, the shareholding structure of our Controlling Shareholders is set out as follows:



As at the Latest Practicable Date, both Mount Wuyi Cultural Tourism and Mount Wuyi Tourism Resort Development are fellow subsidiaries under the control of Mount Wuyi SAOSC, which is a public institution (事業單位) under the supervision of Mount Wuyi SASAC and therefore, they are regarded as “acting in concert” for the purpose of the Takeovers Code, while Fujian Wuyi Tourism Group, Nanping Industrial and Nanping Wuyi Development are under the control of Nanping SASAC. As Mount Wuyi City is a county-level city under the jurisdiction of Nanping City, accordingly, Mount Wuyi Cultural Tourism, Mount Wuyi Tourism Resort Development, Fujian Mount Wuyi Cultural Tourism Group, Mount Wuyi Jianfa, Fujian Mount Wuyi Chong’an and Mount Wuyi SAOSC, together with Fujian Wuyi Tourism Group, Nanping Industrial, Nanping Wuyi Development and Nanping SASAC constitute a group of Controlling Shareholders of our Company, and collectively held approximately 78.1% of the voting rights attached to the issued share capital of our Company as at the Latest Practicable Date. Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders will be entitled to exercise the voting rights attached to approximately [REDACTED]% of the total issued share capital of our Company.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

The Controlling Shareholders confirm that as at the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates (other than our Group) after [REDACTED]:

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is managed and conducted by our Board and senior management. Upon [REDACTED], our Board will comprise one executive Director, four non-executive Directors and three independent non-executive Directors.

Save as disclosed in the following table and in “Directors and Senior Management” in this document, none of our Directors or members of our senior management holds any directorship or senior management position in any of the companies in which our Controlling Shareholders are interested in other than those within our Group. Upon the [REDACTED], some of our Directors and members of our senior management will continue to hold certain positions in our Controlling Shareholders and/or their close associates.

Name	Position in our Company	Position(s) held with our Controlling Shareholders and/or their close associates
Mr. Zheng Bin (鄭彬)	Executive Director and general manager	- chairman of the board and non-executive director of Fujian Mount Wuyi Cultural Tourism Group - chairman of the board and non-executive director of Mount Wuyi Travel Development - chairman of the board and non-executive director of Mount Wuyi Cultural Tourism
Mr. Zhong Baiyi (衷柏夷)	Non-executive Director and Chairman	- director and general manager of Mount Wuyi Cultural Tourism - supervisor of Mount Wuyi Travel Development
Ms. Xiao Jianhong (肖建紅)	Non-executive Director	- director of Fujian Mount Wuyi Chong'an; - director of Fujian Mount Wuyi Cultural Tourism Group - director of Mount Wuyi Tourism Cultural Investment - supervisor of Mount Wuyi City Second Sewage Treatment Co., Ltd. (武夷山市第二污水處理有限公司) - supervisor of Mount Wuyi Eco-entrepreneurship Park Development Co., Ltd. (武夷山生態創業園區開發建設有限公司)

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Name	Position in our Company	Position(s) held with our Controlling Shareholders and/or their close associates
Mr. Zheng Feng (鄭豐)	Non-executive Director	- director of Fujian Mount Wuyi Cultural Tourism Group - director of Mount Wuyi Cultural Tourism - supervisor of Mount Wuyi Travel Development - director of Mount Wuyi National Forest Park Tourism Co., Ltd. (武夷山國家森林公園旅遊有限公司)

Notwithstanding the overlapping directors mentioned above, we believe that our Directors and senior management are able to perform their roles in our Company independently. Our Company is capable of managing its business independently from our Controlling Shareholders and their respective close associates for the following reasons:

- (i) Mr. Zheng Bin (鄭彬), as our executive Director and general manager, devotes substantially all his time to discharge his duties of his positions at our Group. Other than his positions held in our Group, he is not involved in the day-to-day operations of the entities as mentioned above;
- (ii) Mr. Zhong Baiyi (衷柏夷), Ms. Xiao Jianhong (肖建紅), Mr. Zheng Feng (鄭豐) and Ms. Xu Zhoumei (許周妹) are our non-executive Directors and they do not participate in the day-to-day management and operations of our business. Although they are not involved in the daily operation of our Group, they would keep up to date with our business affairs and assist in supervising and scrutinising our business performance to fulfil their obligation as a director through providing professional advice and attending business update meetings;
- (iii) during the Track Record Period and up to the Latest Practicable Date, none of the Directors, senior management and employees of our Group have received cash remuneration or other economic benefits for the performance of their services to our Group without being recharged to our Group.
- (iv) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (v) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the cultural tourism industry in which our Group is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, see “Directors and Senior Management” in this document;
- (vi) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review. Our independent non-executive Directors have diverse knowledge and experience in legal, accounting and finance realm to provide professional and experienced advice to our Company. In addition, each of the independent non-executive directors has read the document to have a thorough understanding of our industry and business. They have also obtained the relevant industry experience through their participation in the Board meetings of our Company. In particular, Mr. He Shuqi and Mr. Liu Yongquan, who have been appointed as our independent Director since June 2020 and each of them have been devoting sufficient time in our Company, giving valuable advice and share thoughts to the remaining Directors of our Company since then. As a result, our Directors are of the view that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board if all the executive and non-executive directors are required to abstain from voting (e.g. continuing connected transactions) and protect the interests of our Company and our Shareholders as a whole;
- (vii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting on matters relating to our Company due to potential conflict of interests; and
- (viii) we have adopted sufficient and effective control mechanisms to ensure that our Directors shall discharge their duties appropriately and safeguard the interests of our Shareholders as a whole.

Based on the above, our Directors are satisfied that our Board as a whole, together with our senior management team, are able to perform the managerial role in our Group independently and capable of managing our business independently from the Controlling Shareholders and their respective close associates after [REDACTED].

Operational independence

Our Directors consider that our operations do not depend on our Controlling Shareholders and their respective close associates for the following reasons:

- (i) our Group possesses sufficient capital, property, equipment and technology to operate its business independently, and holds all the relevant material licenses, qualifications, intellectual properties and permits required for conducting that are necessary for our business;
- (ii) our Group has an established and complete organisational structure, comprising various separate departments each charged with specific responsibilities;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (iii) our Group also has independent access to, among others, customers, and suppliers required for our Group’s business, and we operate our business independently, with independent rights to make and implement our operational decisions;
- (iv) we maintain a set of internal control procedures to facilitate the effective operation of our business. For details on the internal control procedures, see “Business — Risk Management and Internal Control” in this document; and
- (v) we have adopted a set of corporate governance practices and manuals, such as rules with respect to the shareholders’ meeting, the board meeting, the board committees’ meeting and the conduct of connected transactions, pursuant to relevant laws and regulations, to facilitate the effective operation of our business.

Financial independence

We have established our own finance department with a team of independent finance staff, who are responsible for financial control, accounting, reporting, group credit and internal control function of our Company, independent from our Controlling Shareholders. We can make financial decisions independently according to our business needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders who do not intervene with our use of funds. We have also established an independent and sound internal audit system, a standardised financial and accounting system and a complete financial management system. We have sufficient capital to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations. We have access to independent third-party financing and are capable of obtaining such financing without the need to rely on any guarantee or security provided by our Controlling Shareholders or their respective close associates. We will not rely on our Controlling Shareholders for financing after the [REDACTED] and we will have sufficient working capital to operate our business independently.

Based on the above, our Directors are of the view that we are capable of carrying on our business independently from, and do not place undue reliance on, our Controlling Shareholders and their respective close associates after [REDACTED].

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of good corporate governance to protect the interests of our Shareholders. Our Company would adopt the following corporate governance measures to manage potential conflict of interests between our Group and the Controlling Shareholders and their respective close associates upon [REDACTED]:

- (i) where a Shareholders’ meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (ii) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with a Controlling Shareholder or any of his/her/its associates, our Company will comply with the applicable Listing Rules;
- (iii) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and the Controlling Shareholders (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (iv) the Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- (v) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;
- (vi) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company’s expenses;
- (vii) we have appointed Gram Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance; and
- (viii) save for (a) the continuing connected transactions set out in “Continuing Connected Transaction” in this document, and (b) certain lease agreements with Mount Wuyi Tourism Resort Development and Mount Wuyi Travel Development (an associate of Fujian Mount Wuyi Cultural Tourism Group under the Listing Rules) which do not constitute continuing connected transactions upon [REDACTED] under Chapter 14A of the Listing Rules, our Directors do not expect that there will be any other transactions between our Group and our Controlling Shareholders. Such transactions were and will be conducted in the ordinary and usual course of business of our Group, on an arm’s length basis and on normal commercial terms.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders’ interests after [REDACTED].

CONTINUING CONNECTED TRANSACTION

OVERVIEW

Prior to the [REDACTED], we entered into certain transactions with parties who will, upon the [REDACTED], become connected persons of our Company. Details of such continuing connected transactions of our Company following the [REDACTED] are set out below.

Connected Persons

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transaction upon the [REDACTED]:

Connected Person	Connected Relationship
Impression Art Development	Following the [REDACTED] (assuming the [REDACTED] is not exercised), we will become directly owned as to [REDACTED]% by Beijing Impression Landscape. Impression Art Development is the holding company of Beijing Impression Landscape and therefore an associate of our substantial shareholder, Beijing Impression Landscape. Pursuant to Rule 14A.07(4), Impression Art Development is a connected person of our Company.
Impression Dahongpao International Travel Agency	Following the [REDACTED] (assuming the [REDACTED] is not exercised), we will become directly owned as to [REDACTED]% by Beijing Impression Landscape. Impression Dahongpao International Travel Agency is a subsidiary of Beijing Impression Landscape and therefore an associate of our substantial shareholder, Beijing Impression Landscape. Pursuant to Rule 14A.07(4), Impression Dahongpao International Travel Agency is a connected person of our Company.
Yifeng Travel Agency	Following the [REDACTED] (assuming the [REDACTED] is not exercised), we will become directly owned as to [REDACTED]% by Mount Wuyi Cultural Tourism. Yifeng Travel Agency is a fellow subsidiary of Mount Wuyi Cultural Tourism and therefore an associate of our substantial shareholder, Mount Wuyi Cultural Tourism. Pursuant to Rule 14A.07(4), Yifeng Travel Agency is a connected person of our Company.
Mount Wuyi Travel Agency	As at the Latest Practicable Date, Moonlight Wuyi, one of our subsidiaries, is indirectly owned as to 35% by Fujian Wuyi Tourism Group. Mount Wuyi Travel Agency is a subsidiary of Fujian Wuyi Tourism Group and therefore an associate of the substantial shareholder of our subsidiary, Fujian Wuyi Tourism Group. Pursuant to Rule 14A.07(4), Mount Wuyi Travel Agency is a connected person of our Company.

CONTINUING CONNECTED TRANSACTION

Connected Person	Connected Relationship
Mount Wuyi China International Travel Agency	As at the Latest Practicable Date, Moonlight Wuyi, one of our subsidiaries, was indirectly owned as to 35% by Fujian Wuyi Tourism Group. Mount Wuyi China International Travel Agency was held as to 40% by Fujian Wuyi Tourism Group and therefore an associate of the substantial shareholder of our subsidiary, Fujian Wuyi Tourism Group. Pursuant to Rule 14A.07(4), Mount Wuyi China International Travel Agency is a connected person of our Company.
Mount Wuyi Tourism Cultural Investment	As at the Latest Practicable Date, Mount Wuyi SAOSC is one of our Controlling Shareholders. See “Relationship with our Controlling Shareholders” in this document for details. Mount Wuyi Tourism Cultural Investment is an indirectly wholly-owned subsidiary of Mount Wuyi SAOSC. Pursuant to Rule 14A.07(4), Mount Wuyi Tourism Cultural Investment is a connected person of our Company.
Chong’an Water Supply	As at the Latest Practicable Date, Mount Wuyi Tourism Resort Development is one of our Controlling Shareholders. See “Relationship with our Controlling Shareholders” in this document for details. Chong’an Water Supply is a fellow subsidiary of Mount Wuyi Tourism Resort Development. Pursuant to Rule 14A.07(4), Chong’an Water Supply is a connected person of our Company.
Mount Wuyi Travel Development	Following the [REDACTED] (assuming the [REDACTED] is not exercised), we will become directly owned as to [REDACTED]% by Mount Wuyi Cultural Tourism. Mount Wuyi Travel Development is a fellow subsidiary of Mount Wuyi Cultural Tourism and therefore an associate of our substantial shareholder, Mount Wuyi Cultural Tourism. Pursuant to Rule 14A.07(4), Mount Wuyi Travel Development is a connected person of our Company.
Digital Wuyi E-Commerce	Following the [REDACTED] (assuming the [REDACTED] is not exercised), we will become directly owned as to [REDACTED]% by Mount Wuyi Cultural Tourism. Digital Wuyi E-Commerce is a fellow subsidiary of Mount Wuyi Cultural Tourism and therefore an associate of our substantial shareholder, Mount Wuyi Cultural Tourism. Pursuant to Rule 14A.07(4), Digital Wuyi E-Commerce is a connected person of our Company.

CONTINUING CONNECTED TRANSACTION

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

No.	Nature of Transactions	Relevant Listing Rules	Connected Person(s)	Category of Transaction	Waiver Sought
1. Exclusive Intellectual Property Rights Authorisation Framework Agreement for the Impression — Dahongpao Scenery Show					
	Exclusive performance right for the Impression — Dahongpao Scenery Show obtained from Impression Art Development, as well as the trademark right and other ancillary rights of Impression Dahongpao	14A.35, 14A.36, 14A.46, 14A.49, 14A.52, 14A.55, 14A.105	Impression Art Development	Non-exempt continuing connected transaction	Waiver from the announcement, circular and independent shareholders’ approval requirements Waiver from the fixed term requirement
2. Travel Agency Ticket Procurement Framework Agreement					
(i) Impression Dahongpao International Travel Agency					
	Ticket procurement from Impression Dahongpao International Travel Agency involves securing tickets for the Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi and Chatang Resort experience tickets as well as packages of these tickets	14A.35, 14A.49, 14A.55, 14A.76(2)(b) 14A.105	Impression Dahongpao International Travel Agency	Partially exempt continuing connected transaction	Waiver from announcement requirements
(ii) Yifeng Travel Agency					
	Ticket procurement from Yifeng Travel Agency involves securing tickets for the Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi and Chatang Resort experience tickets as well as packages of these tickets	14A.35, 14A.49, 14A.55, 14A.76(2)(a) 14A.105	Yifeng Travel Agency	Partially exempt continuing connected transaction	Waiver from announcement requirements
(iii) Mount Wuyi Travel Agency					
	Ticket procurement from Mount Wuyi Travel Agency involves securing tickets for the Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi and Chatang Resort experience tickets as well as packages of these tickets	14A.35, 14A.49, 14A.55, 14A.76(2)(a) 14A.105	Mount Wuyi Travel Agency	Partially exempt continuing connected transaction	Waiver from announcement requirements

CONTINUING CONNECTED TRANSACTION

No.	Nature of Transactions	Relevant Listing Rules	Connected Person(s)	Category of Transaction	Waiver Sought
(iv) Mount Wuyi China International Travel Agency					
	Ticket procurement from Mount Wuyi China International Travel Agency involves securing tickets for the Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi and Chatang Resort experience tickets as well as packages of these tickets	14A.35, 14A.49, 14A.55, 14A.76(2)(a) 14A.105	Mount Wuyi China International Travel Agency	Partially exempt continuing connected transaction	Waiver from announcement requirements
3. Lease Agreement					
	Lease theatre for the Moonlight over Mount Wuyi from Mount Wuyi Tourism Cultural Investment	14A.76(1)(c) 14A.52	Mount Wuyi Tourism Cultural Investment	Fully exempt continuing connected transaction	Not applicable
4. Water and Sewage Treatment Service					
	Provision of water and sewage treatment services from Chong'an Water Supply	14A.76(1)(c)	Chong'an Water Supply	Fully exempt continuing connected transaction	Not applicable
5. Advertising Space Rental Agreements					
	(i) Rental of advertising space on bus seats	14A.76(1)(c), 14A.81	Mount Wuyi Travel Development	Fully exempt continuing connected transaction	Not applicable
	(ii) Rental of advertising space on the billboards in Mount Wuyi North Railway Station	14A.76(1)(c), 14A.81	Digital Wuyi E-Commerce	Fully exempt continuing connected transaction	Not applicable

1. Exclusive Intellectual Property Rights Authorisation Framework Agreement for the Impression — Dahongpao Scenery Show

Principal terms

On 9 December 2025, our Company entered into an exclusive intellectual property rights authorisation framework agreement for the Impression — Dahongpao Scenery Show (“**Exclusive Intellectual Property Rights Authorisation Framework Agreement**”) with Impression Art Development.

Pursuant to the Exclusive Intellectual Property Rights Authorisation Framework Agreement, our Company will obtain the exclusive performance right for the Impression — Dahongpao Scenery Show as well as the trademark right and other ancillary rights of “Impression — Dahongpao” 印象大红袍 from Impression Art Development and its subsidiaries. Meanwhile, our Company also authorised Impression Art Development and its subsidiaries to use the trademark of “Impression Dahongpao” for the cultural and creative products that are and will be developed by Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大红袍文化產業有限公司), an associate owned as to 55% by Impression Art Development and 45% by our Company, respectively, at nil consideration.

CONTINUING CONNECTED TRANSACTION

The term of the Exclusive Intellectual Property Rights Authorisation Framework Agreement will commence on the [REDACTED] and shall continue until terminated by mutual agreement between Impression Art Development and us.

Pricing policy

The amount of directorial royalty service fees payable under the Exclusive Intellectual Property Rights Authorisation Framework Agreement will be calculated based on the amount of income generated from actual ticket sales (before tax), multiplied by the directorial royalty rate prescribed under the Exclusive Intellectual Property Rights Authorisation Framework Agreement (currently set at 10%). The directorial royalty rate is subject to adjustments and will be determined through arm's length negotiation taking into account (i) the market average directorial royalty rates; (ii) the duration of services and associated costs for long-term commitments; and (iii) fee quotes obtained from independent third party service providers. In any event, the fees shall not exceed the prices charged for similar services by independent third parties. According to Frost & Sullivan, the current directorial royalty rate as prescribed under the Exclusive Intellectual Property Rights Authorisation Framework Agreement is in line with the industry norm. See “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Preparatory Stage — Obtaining the Exclusive Performance Right” in this document for details.

Reasons for the transactions

This long-term stable (i.e., more than three years) transaction secures the exclusive performance right for the Impression — Dahongpao Scenery Show as well as the trademark right and other ancillary rights of “Impression Dahongpao”, thereby enhancing our brand and market positioning. This partnership also leverages the expertise of Impression Art Development, which in turn promotes high-quality performances while minimising operational risks.

Historical figures and annual caps

For the three years ended 31 December 2024 and the six months ended 30 June 2025, the aggregate amounts paid by us for the abovementioned transactions were approximately RMB5.9 million, RMB13.5 million, RMB12.6 million and RMB 5.1 million, respectively.

The estimated annual cap under the Exclusive Intellectual Property Rights Authorisation Framework Agreement for the three years ending 31 December 2027 is RMB14.0 million, RMB15.4 million and RMB16.9 million, respectively.

Basis of annual cap

The estimated annual cap under the Exclusive Intellectual Property Rights Authorisation Framework Agreement was determined based on the following factors and assumptions:

- (a) the historical transaction amounts for the directorial royalty service fees between our Company and Impression Art Development and its subsidiaries;

CONTINUING CONNECTED TRANSACTION

- (b) the expected growth of our business and the anticipated increased demand for the Impression — Dahongpao Scenery Show; and
- (c) the assumptions that there will be no material changes to (i) the general socio-economic environment of the PRC; and (ii) the prevailing market prices for similar services during the term of the agreement.

Implications under the Listing Rules

As at least one of the applicable percentage ratios under the Listing Rules in respect of the annual caps in relation to the Exclusive Intellectual Property Rights Authorisation Framework Agreement is expected to be more than 5%, the transactions contemplated under the Exclusive Intellectual Property Rights Authorisation Framework Agreement are subject to the reporting, annual review, circular, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Under the requirements of Rule 14A.52 of the Listing Rules, the period for the agreement must be fixed and reflect normal commercial terms or better and any agreement for a continuing connected transaction must be fixed and not exceed three years except in special circumstances where the nature of the transaction requires it to be of a longer period.

Our Directors, having considered (i) the significance of the Exclusive Intellectual Property Rights Authorisation Framework Agreement to our Group’s business and financial position; (ii) the strategic importance for our Group to exclusively use the intellectual property rights under the Exclusive Intellectual Property Rights Authorisation Framework Agreement in our Impression — Dahongpao Scenery Show; (iii) the long term stability that is expected to be brought to our business by the Exclusive Intellectual Property Rights Authorisation Framework Agreement; and (iv) as advised by Frost & Sullivan, it is not uncommon for such intellectual property rights authorisation agreements to be for an unspecified duration due to the need for performance show operators to secure stable copyrights for their shows, are of the view that it is the normal business practice for agreements of this type to be of such duration.

The Joint Sponsors, having considered (i) the significance of the Exclusive Intellectual Property Rights Authorisation Framework Agreement to our business and financial position; (ii) the strategic importance for us to exclusively use the intellectual property rights under the Exclusive Intellectual Property Rights Authorisation Framework Agreement in its Impression — Dahongpao Scenery Show; (iii) the long term stability that is expected to be brought to our business by the Exclusive Intellectual Property Rights Authorisation Framework Agreement; and (iv) as advised by Frost & Sullivan, it is not uncommon for such intellectual property rights authorisation agreements to be for an unspecified duration due to the need for performance show operators to secure stable copyrights for their shows, the Joint Sponsors are not aware of any matter which indicates that the longer term provided for under the Exclusive Intellectual Property Rights Authorisation Framework Agreement is unreasonable and is of the view that it is the normal business practice for agreements of this type to be of such duration.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirement under Rule 14A.52 of the Listing Rules such that the Exclusive Intellectual Property Rights Authorisation Framework Agreement can be of an unspecified term

CONTINUING CONNECTED TRANSACTION

commencing from [REDACTED] and continue in force until terminated by mutual agreement between Impression Art Development and us or by either party with 30 days’ prior written notice in the event of a material breach or either party failing to perform its obligations under the agreement, on the following grounds:

- (i) there are strong commercial reasons for the Exclusive Intellectual Property Rights Authorisation Framework Agreement to be for an unspecified term, taking into consideration the significance and strategic importance of the Exclusive Intellectual Property Rights Authorisation Framework Agreement to our Group’s business and financial position and the long term stability that is expected to be brought to our Group;
- (ii) as advised by Frost & Sullivan, it is not uncommon for such intellectual property rights authorisation agreements to be for a longer duration due to the need for performance show operators to secure stable copyrights for their shows;
- (iii) such a long-term cooperation is in the interest of our Company and the Shareholders as a whole;
- (iv) we can terminate the Exclusive Intellectual Property Rights Authorisation Framework Agreement if Impression Art Development is in material breach of the agreement or fails to perform its obligations under the agreement;
- (v) the directorial royalty rate under the Exclusive Intellectual Property Rights Authorisation Framework Agreement is subject to adjustments taking into account factors including, among others, the market average directorial royalty rates and fee quotes obtained from independent third party service providers;
- (vi) we have set the estimated annual caps for the transactions contemplated under the Exclusive Intellectual Property Rights Authorisation Framework Agreement for the three years ending 31 December 2027 and applied for a waiver from strict compliance with the announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules for the same period. After the year ending 31 December 2027, we will re-comply with the requirements under the Listing Rules for non-exempt continuing connected transactions (if the highest applicable percentage ratio is no less than 5%), including seeking independent shareholders’ approval for the annual caps of the transactions contemplated under the Exclusive Intellectual Property Rights Authorisation Framework Agreement, and providing full details, together with the views of the independent financial adviser, in circulars to enable Shareholders to make an informed decision. If there is any subsequent changes to the annual caps, we are required to re-comply with the announcement and shareholders’ approval requirements before such annual cap is exceeded as required under Rule 14A.54; and
- (vii) details of the waiver and the major reasons for the Exclusive Intellectual Property Rights Authorisation Framework Agreement to be for an unspecified term have been disclosed in this document.

CONTINUING CONNECTED TRANSACTION

2. Travel Agency Ticket Procurement Framework Agreements

Principal terms

On 9 December 2025, our Company entered into four separate travel agency ticket procurement framework agreements with Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency, respectively (“Travel Agency Ticket Procurement Framework Agreements”).

Pursuant to the Travel Agency Ticket Procurement Framework Agreements, our Company will grant each of Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency the authority to operate and sell tickets for the Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi, Chatang Resort experience tickets as well as the packages of these tickets. Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency will procure these tickets and packages of these tickets directly from our Company, thereby facilitating a streamlined sales process for all parties involved.

Each Travel Agency Ticket Procurement Framework Agreement will have a term commencing from the [REDACTED] to 31 December 2027 and will be subject to renewal based on mutual negotiations between the parties, in compliance with the Listing Rules.

Pricing policy

The procurement price of the tickets under the Travel Agency Ticket Procurement Framework Agreements will be determined based on normal commercial terms and shall consist of the settlement price and the quality deposit. The quality deposit is refundable and will be calculated based on annual ticket sales and performance metrics. Additionally, market assurance measures will be enforced to maintain pricing integrity. In any event, the price of the tickets that will be sold to end customers shall not be lower than the minimum sales prices for the tickets as specified in the agreements. See “Business — Shows and performance services — Impression — Dahongpao Scenery Show — Operation Stage — Sales of Tickets — Ticket selling distributors” in this document for details.

Reasons for the transactions

The Travel Agency Ticket Procurement Framework Agreements with Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency are strategically important as they expand our distribution network, enabling greater market reach and improved ticket sales for the Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi and Chatang Resort experience tickets. By leveraging the agencies’ established customer bases and sales expertise, we anticipate increased revenue and streamlined sales processes. Additionally, these partnerships provide valuable market insights, enhance our brand visibility, and foster long-term relationships with key players in the travel industry, aligning with our strategic objectives to enhance operational efficiency and strengthen our position in the tourism and entertainment sectors.

CONTINUING CONNECTED TRANSACTION

Historical figures and annual caps

(i) Impression Dahongpao International Travel Agency

For the three years ended 31 December 2024 and the six months ended 30 June 2025, the transaction amounts for the abovementioned transactions with Impression Dahongpao International Travel Agency were approximately RMB2.7 million, RMB4.9 million, RMB5.1 million and RMB1.6 million, respectively.

The estimated annual caps under the Travel Agency Ticket Procurement Framework Agreement with Impression Dahongpao International Travel Agency for the three years ending 31 December 2027 are approximately RMB6.6 million, RMB7.2 million and RMB7.6 million, respectively.

(ii) Yifeng Travel Agency

For the three years ended 31 December 2024 and the six months ended 30 June 2025, the transaction amounts for the abovementioned transactions with Yifeng Travel Agency were nil, RMB0.2 million, RMB1.5 million and RMB0.3 million, respectively.

The estimated annual caps under the Travel Agency Ticket Procurement Framework Agreement with Yifeng Travel Agency for the three years ending 31 December 2027 are approximately RMB2.1 million, RMB2.3 million and RMB2.4 million, respectively.

(iii) Mount Wuyi Travel Agency

For the three years ended 31 December 2024 and the six months ended 30 June 2025, the transaction amounts for the abovementioned transactions with Mount Wuyi Travel Agency were nil, nil, RMB1.5 million and RMB0.8 million, respectively.

The estimated annual caps under the Travel Agency Ticket Procurement Framework Agreement with Mount Wuyi Travel Agency for the three years ending 31 December 2027 are approximately RMB1.6 million, RMB1.8 million and RMB2.0 million, respectively.

(iv) Mount Wuyi China International Travel Agency

For the three years ended 31 December 2024 and the six months ended 30 June 2025, the transaction amounts for the abovementioned transactions with Mount Wuyi China International Travel Agency were nil, nil, RMB1.4 million and RMB0.4 million, respectively.

The estimated annual caps under the Travel Agency Ticket Procurement Framework Agreement with Mount Wuyi China International Travel Agency for the three years ending 31 December 2027 are approximately RMB1.6 million, RMB1.8 million and RMB2.0 million, respectively.

CONTINUING CONNECTED TRANSACTION

Basis of annual cap

The estimated annual cap under the Travel Agency Ticket Procurement Framework Agreement with Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency were determined based on the following factors and assumptions:

- (a) the historical transaction amounts for ticket sales between our Company and Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency, respectively;
- (b) the expected growth of our business and the anticipated increased demand for the Impression — Dahongpao Scenery Show and Chatang Resort experience tickets and in particular, the expected demand for our new show which has been launched in May 2025, namely Moonlight over Mount Wuyi;
- (c) the average selling prices of the tickets and the expected selling capacity of Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency; and
- (d) the assumptions that there will be no material changes to (i) the general socio-economic environment of the PRC; and (ii) the prevailing market prices for tickets during the three years ending 31 December 2027.

Implications under the Listing Rules

For the transactions contemplated under the Travel Agency Ticket Procurement Framework Agreement with Impression Dahongpao International Travel Agency, as the highest applicable percentage ratios under the Listing Rules is expected to be more than 5% but less than 25% and the total consideration is less than HK\$10,000,000, the transactions contemplated under the Travel Agency Ticket Procurement Framework Agreement with Impression Dahongpao International Travel Agency is subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As the transactions contemplated under the Travel Agency Ticket Procurement Framework Agreements with Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency have been entered into between our Company and parties who are connected with one another (i.e. (i) each of Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency is an associate of Fujian Wuyi Tourism Group, which is ultimately controlled by Nanping SASAC, (ii) Yifeng Travel Agency is ultimately controlled by Mount Wuyi SAOSC; and (iii) Mount Wuyi City is a county-level city under the jurisdiction of Nanping City), the relevant transaction amounts shall be aggregated pursuant to Rule 14A.81 of the Listing Rules.

CONTINUING CONNECTED TRANSACTION

For the transactions contemplated under the Travel Agency Ticket Procurement Framework Agreements with Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency (on aggregate basis), as the highest applicable percentage ratio under each agreement is higher than 0.1% but less than 5%, the transactions contemplated under the Travel Agency Ticket Procurement Framework Agreements with Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency is subject to the reporting, annual review and announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

3. Lease Agreement

Principal terms

On 28 April 2025, Moonlight Wuyi, one of our subsidiaries, entered into a lease agreement with Mount Wuyi Tourism Cultural Investment for renting the theatre for the performance of our new show, Moonlight over Mount Wuyi (the “**Lease Agreement**”). The term of the Lease Agreement shall be 20 years commencing from the signing date.

The amount of annual rental fee under the Lease Agreement shall be (i) RMB5.0 million (the “**Fixed Rental Payment**”), or (ii) 10.0% of the operating income from the performance of Moonlight over Mount Wuyi (representing the revenue from sales of tickets) (the “**Payment from Sales Income**”), whichever is higher, and the surplus (if any) between the Payment from Sales Income and the Fixed Rental Payment constitutes the variable rental payment (the “**Variable Rental Payment**”). The rental fee is determined based on the prevailing market price of similar premises with reference to a fair rental valuation report of the rented theatre issued by an independent property valuer. See “Business — Shows and performance services — Moonlight over Mount Wuyi” in this document for details.

Implications under the Listing Rules

In accordance with HKFRS 16 “Leases”, the Fixed Rental Payment made by our Group as lessee will be recognised as right of-use assets on the consolidated statement of financial position of our Group. The Variable Rental Payment will not be recognised as right-of-use assets but will continue to be recognised as expenses in the consolidated statement of profit or loss of our Group. Correspondingly, Fixed Rental Payment will result in a one-off connected transaction, while Variable Lease Payments will constitute continuing connected transactions under Chapter 14A of the Listing Rules and we are required to set annual caps based on the Variable Lease Payments.

As the highest of all applicable percentage ratios in respect of the proposed annual caps under such Variable Lease Payments are expected to be less than 5% and the Variable Lease Payments are expected to be less than HK\$3,000,000, the Variable Lease Payments under the Lease Agreement will be fully-exempt from the reporting, annual review, circular, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTION

Furthermore, in respect of such variable lease payments, under the requirements of Rule 14A.52 of the Listing Rules, the period for the agreement must be fixed and reflect normal commercial terms or better and any agreement for a continuing connected transaction must be fixed and not exceed three years except in special circumstances where the nature of the transaction requires it to be of a longer period.

Our Directors, having considered (i) the significance of the Lease Agreement to our Group’s business and financial position; (ii) the strategic importance for our Group to use the theatre under the Lease Agreement for the performance our new show, Moonlight over Mount Wuyi; (iii) the long term stability that is expected to be brought to our business by the Lease Agreement; and (iv) as advised by Frost & Sullivan, it is not uncommon for such lease agreement to be for a longer duration due to the need for performance show operators to secure stable premises for their shows, are of the view that it is the normal business practice for agreements of this type to be of such longer duration.

The Joint Sponsors, having considered (i) the significance of the Lease Agreement to our Group’s business and financial position; (ii) the strategic importance for our Group to use the theatre under the Lease Agreement for the performance our new show, Moonlight over Mount Wuyi; (iii) the long term stability that is expected to be brought to our business by the Lease Agreement; and (iv) as advised by Frost & Sullivan, it is not uncommon for such lease agreement to be for a longer duration due to the need for performance show operators to secure stable premises for their shows, are of the view that it is the normal business practice for agreements of this type to be of such duration, the Joint Sponsors are not aware of any matter which indicates that the longer term provided for under the Lease Agreement is unreasonable and is of the view that it is fair and reasonable, and of normal business practice for agreements of this type to be of such longer duration.

4. Water and Sewage Treatment Service from Chong’an Water Supply

Major terms and reasons for the transaction

From time to time, we will receive water and sewage treatment service from Chong’an Water Supply. The fees will be determined based on, among other things, (i) the volume of water treated and the volume of sewage processed; and (ii) the prevailing market prices for similar water and sewage treatment services. In any event, the fees shall be based on fair market conditions. Such water and sewage treatment service is essential for our Group in complying with regulatory requirements regarding water quality and sewage disposal, and Chong’an Water Supply is one of the major water and sewage treatment service providers in Mount Wuyi City.

Implications under the Listing Rules

The transaction contemplated with Chong’an Water Supply is conducted in the ordinary and usual course of business on normal commercial terms and our Directors currently expect that all applicable percentage ratios in respect of such transactions will be less than 5% and the total consideration will be less than HK\$3,000,000. As such, the transactions will be fully-exempt from the reporting, annual review, circular, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTION

5. Advertising Space Rental Agreements

Major terms and reasons for the transactions

We have entered into an advertising space rental agreement with Mount Wuyi Travel Development, pursuant to which we will rent advertising space on the seats of buses of Mount Wuyi Travel Development during the period from 1 August 2024 to 31 July 2027 and will pay an annual rental fee of approximately RMB0.3 million.

In addition, we have entered into an advertising space rental agreement with Digital Wuyi E-Commerce, pursuant to which we will rent advertising space on the billboards in Mount Wuyi North Railway Station during the period from 1 August 2022 to 31 July 2025 and will pay an annual rental fee of approximately RMB0.2 million.

As advertising space on buses and in railway station has high exposure to tourists, which are our potential customers, we believe it is a cost efficient way to advocate our shows.

Implications under the Listing Rules

As the transactions contemplated under the advertising space rental agreements have been entered into between our Company and parties who are connected with one another (i.e., each of Mount Wuyi Travel Development and Digital Wuyi E-Commerce is a fellow subsidiary of Mount Wuyi Cultural Tourism), the relevant transaction amounts shall be aggregated pursuant to Rule 14A.81 of the Listing Rules.

The transactions contemplated under the advertising space rental agreements with Mount Wuyi Travel Development and Digital Wuyi E-Commerce are conducted in the ordinary and usual course of business on normal commercial terms and our Directors currently expect that all applicable percentage ratios in respect of such transactions, in aggregate, will be less than 5% and the total consideration will be less than HK\$3,000,000. As such, the transactions will be fully-exempt from the reporting, annual review, circular, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVER

Pursuant to Rule 14A.105 of the Listing Rules, (i) in respect of the non-exempt continuing connected transactions as contemplated under the Exclusive Intellectual Property Rights Authorisation Framework Agreement as described above, we have applied for, and the Stock Exchange [has granted,] a waiver from strict compliance with the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) in respect of the partially exempt continuing connected transactions as contemplated under the Travel Agency Ticket Procurement Framework Agreements with Impression Dahongpao International Travel Agency, Yifeng Travel Agency, Mount Wuyi Travel Agency and Mount Wuyi China International Travel Agency as described above, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTION

We have also applied for, and the Stock Exchange [has granted,] a waiver from strict compliance with the requirement under Rule 14A.52 of the Listing Rules such that the term of the Exclusive Intellectual Property Rights Authorisation Framework Agreements can be of an unspecified term.

GENERAL

In the event that our Group enters into any new transaction or agreement or renews any transaction or agreement with any connected person in the future, we will comply with all the relevant requirements under Chapter 14A of the Listing Rules, including the announcement, circular and/or independent shareholders' approval requirements, where applicable.

DIRECTORS' VIEW

Our Directors, including the independent non-executive Directors, are of the view that (i) the partially exempt/non-exempt continuing connected transactions referred to above have been entered into in the ordinary and usual course of business of our Group, on normal commercial terms and such terms are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (ii) the respective proposed annual caps for the partially exempted/non-exempted continuing connected transactions referred to above are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION BY THE JOINT SPONSORS

Based on the documents and information provided by our Group, the discussions with our Group and the Joint Sponsors' participation in the due diligence in respect of the partially exempt/non-exempt continuing connected transactions referred to above, the Joint Sponsors concur with our Directors that (i) the partially exempt/non-exempt continuing connected transactions referred to above have been entered into in the ordinary and usual course of our businesses, on normal commercial terms, and such terms are fair and reasonable and in the interests of our Company and the Shareholders as a whole; and (ii) the respective proposed annual caps for the partially exempt/non-exempt continuing connected transactions referred to above are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board of Directors consists of eight Directors, comprising one executive Director, four non-executive Directors and three independent non-executive Directors. Our Board of Directors is responsible for, and has general powers of, the management and conduct of our business.

The following table sets out information about our Directors:

Name	Age	Position(s)	Time of joining our Group	Date of appointment as Director	Roles and responsibilities	Relationships with other Directors or senior management
Executive Director						
Mr. Zheng Bin (鄭彬)	47	Executive Director and the general manager of our Company	December 2009	January 2022	Responsible for overseeing the overall daily corporate management and business development of our Group	N/A
Non-executive Directors						
Mr. Zhong Baiyi (衷柏夷)	58	Non-executive Director and our Chairman	January 2009	November 2022	Responsible for formulating our long-term business strategies, supervising the management of our Board and providing strategic advice to our business and operation	N/A
Ms. Xiao Jianhong (肖建紅)	47	Non-executive Director	May 2023	May 2023	Responsible for providing strategic advice to our business and operation	N/A
Mr. Zheng Feng (鄭豐)	55	Non-executive Director	January 2015	January 2015	Responsible for providing strategic advice to our business and operation	N/A
Ms. Xu Zhoumei (許周妹)	51	Non-executive Director	January 2020	July 2022	Responsible for providing strategic advice to our business and operation	N/A
Independent non-executive Directors						
Mr. He Shuqi (何書奇)	43	Independent non-executive Director	June 2020	December 2024 ^(Note 1)	Responsible for supervising and providing independent advice to our Board	N/A
Mr. Liu Yongquan (劉用銓)	47	Independent non-executive Director	June 2020	December 2024 ^(Note 2)	Responsible for supervising and providing independent advice to our Board	N/A
Mr. Chan Tsz Kit (陳子傑)	49	Independent non-executive Director	Effective upon [REDACTED]	Effective upon [REDACTED]	Responsible for supervising and providing independent advice to our Board	N/A

Note 1: Mr. He has been serving as an independent director of our Company since June 2020. Mr. He was re-designated as an independent non-executive director in December 2024.

Note 2: Mr. Liu has been serving as an independent director of our Company since June 2020. Mr. Liu was re-designated as an independent non-executive director in December 2024.

DIRECTORS AND SENIOR MANAGEMENT

Executive Director

Mr. Zheng Bin (鄭彬), aged 47, is our executive Director and the general manager of our Company. Mr. Zheng is mainly responsible for overseeing the overall daily corporate management and business development of our Group. Mr. Zheng has been acting as a Director since January 2022 and the general manager of our Company since December 2009. Mr. Zheng was re-designated as our executive Director in December 2024. Mr. Zheng also serves as the chairman of the board and a non-executive director at each of Fujian Mount Wuyi Cultural Tourism Group, Mount Wuyi Cultural Tourism and Mount Wuyi Travel Development, the chairman of board of Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大紅袍文化產業有限公司), a director and the general manager of Moonlight Wuyi, as well as the executive partner of Mount Wuyi Landscape LLP.

From August 1999 to September 2000, Mr. Zheng served as an officer of the Communist Youth League at the Xingcun Town (共青團星村鎮委員會) of Mount Wuyi City and was appointed as its deputy secretary in July 2000. From December 2001 to April 2005, Mr. Zheng successively served as a senior staff member and an assistant to the director of Mount Wuyi Municipal Tourism Bureau (武夷山市旅遊局) (currently known as Mount Wuyi Municipal Cultural Sports and Tourism Bureau (武夷山市文化體育和旅遊局)), responsible for assisting in its marketing and daily administrative affairs. From December 2001 to April 2003, Mr. Zheng served as the assistant to the general manager of Fujian Mount Wuyi Qingzhu Mountain Villa Co., Ltd. (福建省武夷山青竹山莊有限公司). From May 2007 to October 2009, Mr. Zheng served as the deputy general manager of Fujian Jintai Tourism Industrial Development Co., Ltd. (福建金泰旅遊實業發展有限公司).

Mr. Zheng obtained his bachelor’s degree in economics, majoring in tourism economic management from Huaqiao University (華僑大學) in the PRC in July 1999.

Mr. Zheng was recognised as one of “The Eighth Batch of Outstanding Talent of Nanping City” (南平市第八批優秀人才) in December 2014, and as an “Outstanding Communist Party Member of Fujian Province” (福建省優秀共產黨員) in June 2014, respectively. Mr. Zheng was awarded the title of “New Era, New Responsibilities, New Achievements Advanced Individual of Mount Wuyi for the year of 2019” (2019年“武夷山市新時代、新擔當、新作為”先進個人) by the Communist Party of China Mount Wuyi Municipal Committee (中國共產黨武夷山市委員會) and Mount Wuyi Municipal People’s Government (武夷山市人民政府) in December 2020. Mr. Zheng was recognised as a candidate for the “Ministry of Culture and Tourism’s Excellent Expert” (國家文化和旅遊部優秀專家推薦人選) in June 2020, and nominated as an “Outstanding Entrepreneur of Fujian Province” (福建省優秀企業家) in September 2020. In January 2023, Mr. Zheng was honoured as an “Advanced Individual in the Three Major Tackling Actions of Nanping City for the year of 2022” (南平市2022年“三大攻堅行動”先進個人) by the Communist Party of China Nanping Municipal Committee (中國共產黨南平市委員會) and the Nanping Municipal People’s Government (南平市人民政府).

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. Zhong Baiyi (衷柏夷), aged 58, is our non-executive Director and our Chairman. Mr. Zhong is primarily responsible for formulating our long-term business strategies, supervising the management of our Board. Mr. Zhong has been acting as our Chairman since December 2022. Mr. Zhong was re-designated as our non-executive Director in December 2024. He acted as an executive deputy general manager of our Company from January 2009 to July 2013, and the secretary of the Board of our Company from January 2009 to September 2014. Mr. Zhong also serves as the chairman of the board of Moonlight Wuyi, a director and the general manager of Mount Wuyi Cultural Tourism, a supervisor of Mount Wuyi Travel Development, respectively.

From December 1993 to September 2002, Mr. Zhong served as the head of the market development division and the office director of Mount Wuyi Municipal Tourism Bureau (武夷山市旅遊局) (currently known as Mount Cultural Sports and Tourism Bureau (武夷山市文化体育和旅遊局)), responsible for assisting in its daily administrative affairs. From August 2002 to December 2002, Mr. Zhong served as the deputy mayor of Mount Wuyi Xingcun Town People’s Government (武夷山星村鎮人民政府), responsible for assisting in the daily administrative affairs of the town. From January 2003 to December 2008, Mr. Zhong served as the office director and the manager of the marketing department of Mount Wuyi Travel Development. From January 2009 to August 2022, Mr. Zhong successively served as the board secretary and the general manager of Fujian Mount Wuyi Tourism (Group) Co., Ltd. (福建武夷山旅遊(集團)有限公司) (currently known as Fujian Mount Wuyi Cultural Tourism Group Co., Ltd. (福建武夷山文旅集團有限公司)). From March 2012 to June 2014, Mr. Zhong served as the deputy general manager of Mount Wuyi Yunhe Drifting Tourism Co., Ltd. (武夷山雲河漂流旅遊有限公司), responsible for assisting in its development strategy planning, business development and market operation. From March 2013 to September 2021, Mr. Zhong served as the general manager and the deputy chairman of Mount Wuyi Qingshui Shengdian Cultural Tourism Co., Ltd. (武夷山清水盛典文化旅遊有限公司), responsible for its overall strategic planning, formulate decisions and implementing its business decisions.

Mr. Zhong obtained his bachelor’s degree in education, majoring in school education from East China Normal University (華東師範大學) in the PRC in July 1989. Mr. Zhong obtained an Intermediate Qualification Certificate of Specialty and Technology (Business Administration) (中級經濟專業技術資格證書(工商管理)) from the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) in November 2003.

Ms. Xiao Jianhong (肖建紅), aged 47, is our non-executive Director. Ms. Xiao is primarily responsible for providing strategic advice to our business and operation. Ms. Xiao has been acting as a Director since May 2023. Ms. Xiao was re-designated as our non-executive Director in December 2024. Ms. Xiao also serves as a director of each of Fujian Mount Wuyi Chong’an and Fujian Mount Wuyi Cultural Tourism Group, respectively. She also acts as a supervisor of each of Mount Wuyi Second Sewage Treatment Co., Ltd. (武夷山市第二污水處理有限公司) and Mount Wuyi Eco-entrepreneurship Park Development Co., Ltd. (武夷山生態創業園區開發建設有限公司), respectively. She is also currently the principal of the asset management division of Mount Wuyi City Finance Bureau (武夷山市財政局資產管理股) and a deputy director of Mount Wuyi SAOSC, respectively.

DIRECTORS AND SENIOR MANAGEMENT

From September 2002 to March 2010, Ms. Xiao acted as the director of the treasury payment centre of Mount Wuyi City Finance Bureau (武夷山市財政局國庫收付中心). From March 2010 to December 2016, Ms. Xiao acted as a staff member in the economic and construction division of Mount Wuyi City Finance Bureau (武夷山市財政局經建股). From December 2016 to December 2021, Ms. Xiao acted as the deputy chief of the asset management division of Mount Wuyi City Finance Bureau (武夷山市財政局資產管理股).

Ms. Xiao obtained her bachelor’s degree in economics, majoring in agricultural economics management from Fujian Agriculture and Forestry University (福建農林大學) in the PRC in July 2002. Ms. Xiao obtained a Senior Accounting Professional Qualification (高級會計師資格) issued by Fujian Provincial Human Resources and Social Security Department (福建省人力資源和社會保障廳) in September 2015.

Mr. Zheng Feng (鄭豐), aged 55, is our non-executive Director. Mr. Zheng has been acting as a Director of our Company since January 2015. From January 2015 to December 2022, Mr. Zheng acted as the Chairman of our Board. Mr. Zheng is primarily responsible for providing strategic advice to our business and operation. Mr. Zheng was re-designated as a non-executive Director in December 2024. Since August 2022, Mr. Zheng has been serving as a director and a deputy general manager of Fujian Mount Wuyi Cultural Tourism Group. Mr. Zheng also acts as a director of each of Mount Wuyi National Forest Park Tourism Co., Ltd. (武夷山國家森林公園旅遊有限公司) and Mount Wuyi Cultural Tourism, respectively, as well as a director and the general manager at Mount Wuyi Tea Tourism Town Development Co., Ltd. (武夷山茶旅小鎮開發有限公司).

From September 1991 to December 2008, Mr. Zheng served successively as a staff member, the deputy director and a director of the Scenic Area Finance Office of Mount Wuyi Scenic Area Management Committee (武夷山風景名勝區管理委員會景區財政所). From March 1998 to November 1999, Mr. Zheng served as a deputy secretary of the Youth League Committee of the Mount Wuyi Scenic Area Committee (共青團武夷山景區委員會). From January 2005 to July 2022, Mr. Zheng successively served as the manager of the finance department and assisted general manager of Mount Wuyi Tourism (Group) Co. Ltd. (武夷山旅遊(集團)有限公司) (currently known as Fujian Mount Wuyi Cultural Tourism Group). From December 2017 to November 2020, Mr. Zheng served as a member of the Communist Party Committee of the Mount Wuyi Tourism Service Centre (中共武夷山市武夷山旅遊服務中心委員會). From December 2020 to August 2022, Mr. Zheng served as a member and the secretary of discipline inspection committee of the Communist Party Committee of the Mount Wuyi Tourism Service Centre.

Mr. Zheng graduated from Southwest Normal University (西南師範大學) in the PRC in April 2004, majoring in accounting through online study. Mr. Zheng also obtained an Intermediate Qualification Certificate of Specialty and Technology (Finance, Tax and Economic) (中級經濟師資格(財政稅收經濟)) issued by the Ministry of Personnel of the PRC (中華人民共和國人事部) (currently known as the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部)) in November 2002.

Ms. Xu Zhoumei (許周妹), aged 51, is our non-executive Director. Ms. Xu is primarily responsible for providing strategic advice to our business and operation. She has been acting as a Director since July 2022 and was re-designated as a non-executive Director in December 2024. From January 2020 to July 2022, Ms. Xu acted as a supervisor of our Company. Ms. Xu also serves as the general manager and a director of Fujian Wuyi Tourism Group.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Xu has been working at Fujian Wuyi Tourism Group since November 2017 and successively served as the deputy general manager and the general manager of Fujian Wuyi Tourism Group. From February 2018 to July 2022, Ms. Xu served as the chairman of Nanping Zhenghe Langhuan Tourism Investment and Development Co., Ltd. (南平政和瑯嬛旅遊投資開發有限公司). From February 2018 to July 2023, Ms. Xu served as the legal representative and an executive director of Nanping Great Wuyi Tourism Development Co., Ltd. (南平大武夷旅遊發展有限公司). From April 2019 to April 2023, Ms. Xu served as a director of Mount Wuyi Zhuzi Culture Development Co., Ltd. (武夷山朱子文化發展有限公司). From May 2019 to May 2023, Ms. Xu served as a director of Fujian Mount Wuyi Manting Shanfang Co., Ltd. (福建武夷山幔亭山房有限公司). From January 2020 to July 2022, Ms. Xu served as the supervisor of our Company. From March 2020 to February 2023, Ms. Xu served as an executive director and the legal representative of Nanping City Wuyi Talent Education Technology Co., Ltd. (南平市武夷人才教育科技有限公司) (formerly known as Nanping Xingnan Capital Operation Service Co., Ltd. (福建省南平市興南資本運營服務有限公司)). From March 2019 to May 2023, Ms. Xu successively served as the general manager, the chairman and the legal representative at Nanping Wuyi Cultural Tourism Investment and Development Co., Ltd. (南平武夷文化旅遊投資開發有限公司).

Ms. Xu graduated from the Central Party School of the Communist Party of China (中共中央學校) through correspondence study in the PRC in June 2002, majoring in economic management. In December 2005, Ms. Xu graduated from the same school through correspondence study, majoring in law.

Independent non-executive Directors

Mr. He Shuqi (何書奇), aged 43, is our independent non-executive Director. Mr. He is primarily responsible for supervising and providing independent advice to our Board. Mr. He was appointed as an independent Director in June 2020 and was re-designated as our independent non-executive Director in December 2024. Mr. He also serves as an independent director of Fujian Fuqing Huitong Rural Commercial Bank Co., Ltd. (福建福清匯通農村商業銀行股份有限公司).

From January 2007 to December 2011, he served as a lawyer at Fujian Chuangyuan Law Firm (福建創元律師事務所). From November 2011 to April 2019, he served as a project member, the Fujian regional team leader of listed company division and a deputy director of listed business division of Industrial Securities Co., Ltd. (興業證券股份有限公司). Mr. He has been serving as the legal director of the legal and compliance department of Fuzhou Pupu E-commerce Co., Ltd. (福州樸樸電子商務有限公司) since April 2019.

Mr. He obtained his bachelor's degree in law from China University of Political Science and Law (中國政法大學) in the PRC in July 2005. Mr. He is currently pursuing an EMBA at Xiamen University (廈門大學). Mr. He obtained his Legal Professional Qualification (法律職業資格證書) issued by the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2006.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu Yongquan (劉用銓), aged 47, is our independent non-executive Director. Mr. Liu is primarily responsible for supervising and providing independent advice to our Board. Mr. Liu was appointed as an independent Director in June 2020 and was re-designated as our independent non-executive Director in December 2024. Mr. Liu has been acting as a director of Xiamen Youxun Chip Co., Ltd. (廈門優迅芯片股份有限公司) since May 2024, an independent director of Shenzhen Ysstech Info-tech Co., Ltd. (深圳市贏時勝信息技術股份有限公司) (stock code: 300377. SZ) since May 2025 and an independent director of Hua Ying Technology (Group) Co., Ltd. (華映科技(集團)股份有限公司)(stock code: 000536. SZ) since July 2025.

Mr. Liu has over 20 years of experience in accounting. Mr. Liu has been working at Xiamen National Accounting Institute (廈門國家會計學院) since July 2004. From January 2015 to November 2023, Mr. Liu acted as an associate professor of the said institution. He has been acting as a professor of the said institution since December 2023. Mr. Liu served as a financial consultant at Shenzhen Shangji Enterprise Service Co., Ltd. (深圳商集企業服務有限公司) from September 2019 to September 2022. Mr. Liu has also been serving as the vice president of the Management Committee of the Fujian Health Economics Association (福建省衛生經濟學會) since October 2023.

Mr. Liu obtained his bachelor’s degree, master’s degree and doctoral degree, majoring in accounting from Xiamen University (廈門大學) in the PRC in July 2001, July 2004 and June 2014, respectively.

Mr. Chan Tsz Kit (陳子傑), aged 49, is our independent non-executive Director, primarily responsible for supervising and providing professional opinion and judgement to our Board. The appointment of Mr. Chan as our independent non-executive Director will be effective from the [REDACTED]. Mr. Chan also serves as the founder and sole proprietor of a certified public accountant firm, namely KD & Co..

Mr. Chan has over two decades of extensive expertise encompassing accounting, financial management, merger and acquisition strategies, capital market financing, and listing compliance. From October 2010 to May 2016, Mr. Chan served as the chief financial officer of QKL Stores Inc., a company listed on Nasdaq (NASDAQ: QKLS). From May 2017 to July 2020, Mr. Chan served as the chief financial officer of Yangtze River Port and Logistics Limited, a company listed on Nasdaq (NASDAQ: YRIV). From September 2009 to April 2020, Mr. Chan served as an independent non-executive director and the chairman of the audit committee of International Standard Resources Holdings Limited (Stock Code: 0091.HK). Mr. Chan served as the company secretary of ZMFY Automobile Glass Services Limited (delisted from the GEM of the Stock Exchange on 16 May 2023) from September 2018 to April 2021, and subsequently served as the company secretary of New City Development Group Limited (Stock Code: 0456.HK) from July 2021 to July 2022. From March 2024 to December 2024, Mr. Chan served as the chief financial officer of Pan Asia Environmental Protection Group Limited (Stock Code: 0556.HK).

Mr. Chan obtained a bachelor of arts (honours) degree in Accountancy from The Hong Kong Polytechnic University (香港理工大學) in 1998. Mr. Chan graduated from The Chinese University of Hong Kong (香港中文大學) with a master’s degree in Business Administration in 2001. Mr. Chan was admitted as a fellow member of the Hong Kong Institute of Certified Public Accountants in 2010 and a Certified Public Accountant in the United States in 2009, holding an active license in the states of Colorado and California.

DIRECTORS AND SENIOR MANAGEMENT

Other disclosure pursuant to Rule 13.51(2) of the Listing Rules

Deregistration

Our Directors, Mr. Zheng Bin, Ms. Xiao Jianhong and Mr. Zheng Feng, held positions in the following entities prior to their respective deregistrations:

Name	Name of the deregistered entity	Place of establishment	Principal business before deregistration	Reasons of deregistration	Date of Deregistration	Position(s) held within the deregistered entity
Director						
Mr. Zheng Bin	Mount Wuyi Shengxin Cultural Tourism Investment Partnership (Limited Partnership) (武夷山盛欣文化旅遊投資合夥企業(有限合伙))	PRC	In investment activities	Deregistered	20 October 2023	Executive partner
Ms. Xiao Jianhong	Fujian Mount Wuyi Urban Public Industrial Group Co., Ltd. (福建武夷山城市公共實業集團有限公司)	PRC	Business management and investment activities	Deregistered	26 October 2023	Supervisor
Mr. Zheng Feng	Mount Wuyi Minyue King City Cultural Tourism Co., Ltd. (武夷山閩越王城文化旅遊有限公司)	PRC	Scenic spot investment and development, scenic spot ticket sales, tourism project development, tourism crafts and services, etc.	Voluntary dissolved	23 April 2021	Supervisor

As confirmed by each of Mr. Zheng Bin, Ms. Xiao Jianhong and Mr. Zheng Feng, (i) the above entities was solvent immediately prior to their respective deregistration; (ii) there was no misfeasance on his part leading to the dissolution; and (iii) each of the above entities was in compliance with the relevant laws and regulations in all material respects prior to its dissolution.

DIRECTORS AND SENIOR MANAGEMENT

Revocation

Mr. Zhong Baiyi, our non-executive Director and Chairman, was the then deputy chairman of board of the following company whose business license was revoked:

Name of the entity	Place of establishment	Principal business	Reason for revocation	Date of revocation of business license	Position held within the entity
Mount Wuyi Overseas Tourism Co., Ltd. (武夷山海外旅遊有限公司)	PRC	Tourism consulting, international economics, technology, environmental protection consulting and related supporting services	Failure to complete the annual examination	20 September 2005	Deputy chairman of board

As confirmed by Mr. Zhong Baiyi, (i) the above entity was solvent immediately prior to the revocation of business licence; (ii) he is not aware of any actual or potential claim which has been or could potentially be made against him as a result of the revocation of business license of the above company; and (iii) there was no misfeasance on his part leading to the revocation of business license of the above company.

SENIOR MANAGEMENT

Our senior management members are responsible for our day-to-day business operations, including curation and performance of Impression — Dahongpao Scenery Show, Impression Cultural Tourism business, Chatang hotel business, financial management and investment related matters of our Group. Our senior management team comprises our executive Director, Mr. Zheng Bin. See above for his biography details. Details of our senior management members other than our executive Director is set out below:

Name	Age	Position(s)	Time of joining our Group	Time of appointment as senior management	Roles and responsibilities	Relationships with other Directors or senior management
Ms. Zheng Liuhua (鄭柳花)	55	Deputy general manager	August 2010	March 2011	Responsible for overseeing the quality of our shows, managing our theatres and properties and supervising the operation of Chatang Resort	N/A
Mr. Zheng Qingrong (鄭青榮)	52	Deputy general manager	November 2009	July 2013	Responsible for overseeing the sales and marketing affairs of our Group and supervising the operation of Impression Dahongpao Cultural	N/A

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Time of joining our Group	Time of appointment as senior management	Roles and responsibilities	Relationships with other Directors or senior management
Mr. Sun Chenjun (孫晨軍)	50	Deputy general manager and Board secretary	June 2023	June 2023	Responsible for overseeing our information disclosure, investors and public relationship, as well as corporate governance affairs	N/A
Ms. Huang Shangzhen (黃上珍)	44	Chief financial officer	June 2023	June 2023	Responsible for overseeing our financial affairs	N/A

Ms. Zheng Liuhua (鄭柳花), aged 55, is our deputy general manager. She joined our Group in August 2010 initially as the theatre department manager. Ms. Zheng was promoted as the deputy general manager of our Company in March 2011. Ms. Zheng is responsible for overseeing the quality of our show, managing our theatre and properties, and supervising the operation of Chatang Resort. Ms. Zheng is also the director and general manager of Mount Wuyi Chatang Resort and the deputy general manager of Moonlight Wuyi.

From August 1998 to December 2005, she served as the manager of catering services department and the assistant to general manager of Fujian Mount Wuyi International Trade Hotel (福建武夷山國貿大酒店). From July 2006 to June 2010, Ms. Zheng worked at catering services department of Mount Wuyi Yuehua Hotel Co., Ltd. (武夷山悅華酒店有限公司).

Ms. Zheng graduated from Minjiang Vocational University (閩江職業大學) (currently known as Minjiang University (閩江學院)), majoring in tourism management through part-time study in the PRC in April 1998.

Mr. Zheng Qingrong (鄭青榮), aged 52, is our deputy general manager. He is responsible for overseeing our sales and marketing affairs. Mr. Zheng joined our Group in November 2009. He served as the marketing manager of our Company from November 2009 to October 2010. Mr. Zheng is also the deputy general manager of Moonlight Wuyi, the manager and a director of Impression Dahongpao Cultural, an executive director of Impression Dahongpao International Travel Agency as well as a director of each of Fujian Feiyue Digital Tourism Industry Investment Co., Ltd. (福建飛躍數字文旅產業投資有限公司) and Wuyishan Shanmenghaishi Cultural Tourism Co., Ltd. (武夷山山盟海誓文化旅遊有限公司). Mr. Zheng has been acting as our deputy general manager since July 2013.

From May 2001 to September 2006, Mr. Zheng worked as the manager at the operating department of Mount Wuyi Oriental International Travel Agency Co., Ltd. (武夷山市東方國際旅行社有限公司), responsible for coordinating and arranging travel group reception plans. From September 2006 to September 2009, Mr. Zheng was the deputy general manager at Mount Wuyi Minzhilv Business Conference and Exhibition Co., Ltd. (武夷山市閩之旅商務會展有限公司), responsible for overseeing its business operations.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zheng graduated from Fuzhou University (福州大學) in the PRC in December 2006 through associate degree’s higher education self-study examination (專科高等教育自學考試), majoring in social work and management. In December 2011, Mr. Zheng graduated from the same university through bachelor degree’s higher education self-study examination (本科高等教育自學考試), majoring in social work and management.

Mr. Sun Chenjun (孫晨軍), formerly known as Sun Chenjun (孫晨鈞), aged 50, is our deputy general manager and board secretary. Mr. Sun has been acting as the deputy general manager of our Company and the board secretary since June 2023 and April 2024, respectively. Mr. Sun also serves as the deputy general manager and a director of Moonlight Wuyi.

From December 1999 to June 2023, Mr. Sun successively served as the deputy office director of Inspection Brigade (監察大隊), the office director of Ticket Inspection Brigade (監票大隊), the deputy office director, the manager of Ticket-selling Branch (票務分公司), the manager of Bamboo Raft Branch (商務竹筏分公司) and the manager of human resource department of Mount Wuyi Travel Development, where he was primarily responsible for daily operation management.

Mr. Sun graduated from Central Radio and Television University (中央廣播電視大學), majoring in horticulture through part-time study in the PRC in November 2002.

Ms. Huang Shangzhen (黃上珍), aged 44, is our chief financial officer. Ms. Huang joined our Group in June 2023 and has been acting as our chief financial officer since then. Ms. Huang is responsible for overseeing our financial affairs. Ms. Huang also serves as the chief financial officer of Mount Wuyi Cultural Tourism and Moonlight Wuyi, respectively.

From March 2004 to March 2014, Ms. Huang worked as a staff at Mount Wuyi Travel Development. From April 2014 to December 2019, she acted as a staff member at the same company, responsible for its general auditing affairs. From January 2020 to June 2023, Ms. Huang was the deputy manager of the finance department of Mount Wuyi Travel Development, responsible for managing its general auditing, fund management, cost control and tax planning affairs.

Ms. Huang graduated from Fujian Radio and Television University (福建廣播電視大學), majoring in finance and insurance, in the PRC in July 2003. Ms. Huang graduated from Southwest University (西南大學) in the PRC in January 2008, majoring in accounting through online study. Ms. Huang obtained the Senior Accountant Qualification Certification (高級會計師資格證書) issued by the Fujian Provincial Human Resources and Social Security Department (福建省人力資源和社會保障廳) in September 2022.

OTHER INFORMATION

Except as disclosed above, each of our Directors and members of senior management has not been a director of any public company whose securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

None of our Directors has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

None of our Directors and members of the senior management is related to other Directors and members of the senior management and/or our Controlling Shareholders.

Save as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters were required to be brought to the attention of Shareholders as at the Latest Practicable Date.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in January 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she had no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as at the Latest Practicable Date, and (iii) that there were no other factors that may affect his/her independence at the time of his/her appointments.

JOINT COMPANY SECRETARIES

Ms. Huang Jinjing (黃金晶), aged 39, acts as one of our joint company secretaries, has over 14 years of experience in human resources and corporate governance. Ms. Huang joined our Group since December 2009. Ms. Huang was appointed as the director of the human resource department and the representative of securities affairs of our Company in February 2016. Ms. Huang has been acting as the manager of investment and securities affairs department and the deputy manager of human resource department of our Company since July 2023. Ms. Huang has been appointed as our employee representative supervisor from May 2023 to November 2025.

Ms. Huang obtained her bachelor's degree majoring in Chinese language and literature from Fujian Normal University (福建師範大學) in the PRC in July 2009. Ms. Huang obtained a Board Secretary Qualification Certificate (董事會秘書資格證書) from the National Equities Exchange and Quotations Co., Ltd. (全國中小企業股份轉讓系統有限責任公司) in April 2017, and a Corporate Human Resources Manager Certificate (企業人力資源管理師證書) issued by the Fujian Provincial Human Resources and Social Security Department (福建省人力資源和社會保障廳) in February 2020, a Board Secretary for List Company Qualification Certificate (上市公司董事會秘書資格證書) from Shenzhen Stock Exchange (深圳證券交易所) in August 2022, respectively.

Mr. CHUNG Ming Fai (鍾明輝), aged 47, was appointed as the joint company secretary of our Company in December 2024, with effect from the [REDACTED]. Mr. Chung has over 20 years of experience in corporate secretary, mergers and acquisitions, financial reporting and auditing. From March 2004 to October 2004, Mr. Chung worked at Henny Wee & Co (黃循強會計師事務所) as an auditor. From November 2004 to January 2008, Mr. Chung worked as at K.W. Lau CPA Limited (劉劍雲會計師事務所有限公司) with his last position held as an audit semi-senior. From January 2008 to August 2011, Mr. Chung served at KPMG (畢馬威會計師事務所) with his last position held as a

DIRECTORS AND SENIOR MANAGEMENT

manager. From August 2011 to October 2021, Mr. Chung served at Sandmartin International Holdings Limited (聖馬丁國際控股有限公司) (a listed company on the Stock Exchange, with the stock code: 0482), with his last position held as the head of project management. Since June 2022, Mr. Chung has been serving at corporate secretarial department of SWCS Corporate Services Group (Hong Kong) Limited (方圓企業服務集團(香港)有限公司) and is currently a senior vice president of the company secretarial department, responsible for managing company secretarial and compliance affairs for companies listed on the Stock Exchange.

Mr. Chung obtained his bachelor's degree in commerce from the Australian National University in Australia in December 2003. Mr. Chung has been a fellow member of the Hong Kong Institute of Certified Public Accountants since February 2008 and a certified practising accountant at CPA Australia since October 2007.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), we have established four board committees, namely the audit committee, the remuneration committee, the nomination committee and a strategy committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Mr. Liu Yongquan, Mr. Zheng Feng and Mr. Chan Tsz Kit, Mr. Liu Yongquan acting as the chairman, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the audit committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- guiding internal audit work;
- examining the financial information of our Company and reviewing financial reports and statements of our Company and giving comments on relevant matters;
- assessing the effectiveness of internal control;
- coordinating the communication among management, internal audit department, related departments and external audit agency; and
- dealing with other matters that are authorised by our Board.

DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules, paragraph E.1 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Remuneration Committee consists of three Directors, namely Mr. He Shuqi, Mr. Zheng Bin and Mr. Liu Yongquan, with Mr. He Shuqi acting as the chairman. The primary duties of the Remuneration Committee include, but not limited to, the following:

- formulating individual remuneration plans for Directors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies;
- examining the criteria of performance evaluation of Directors and the senior management of our Company, conducting performance evaluation and making recommendations to our Board;
- supervising the implementation of the remuneration plan of our Company; and
- dealing with other matters that are authorised by our Board, and if necessary.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules, paragraph B.3 of Part 2 of the Corporate Governance Code, Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Mr. He Shuqi, Mr. Liu Yongquan and Ms. Xu Zhoumei, with Mr. He Shuqi acting as the chairman. The primary functions of the Nomination Committee include, but not limited to, the following:

- making recommendations to our Board with regards to the size and composition of our Board based on our Company’s business operation, asset scale and equity structure;
- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board;
- examining our Board candidates, general manager and members of the senior management and making recommendations to our Board;
- assessing and reviewing the independence of independent non-executive Directors; and
- dealing with other matters that are authorised by our Board.

DIRECTORS AND SENIOR MANAGEMENT

Strategy Committee

We have established a Strategy Committee consists of three Directors, namely Mr. Zhong Baiyi, Mr. Liu Yongquan and Mr. He Shuqi, with Mr. Zhong Baiyi acting as the chairman. The primary duties of the Strategy Committee include, but not limited to, the following:

- reviewing our Company’s long-term development strategies, major investment decisions and other important matters affecting our Company’s development;
- providing recommendations with respect to key strategic initiatives;
- assisting our Board in establishing the strategic planning process, identifying and addressing organisational challenges and evaluating strategic alternatives; and
- dealing with other matters that are authorised by our Board.

CORPORATE GOVERNANCE CODE

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after [REDACTED].

BOARD DIVERSITY POLICY

We are committed to promoting the culture of diversity in our Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure.

We have adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to our Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the nomination committee will consider a range of diversity perspectives with reference to our Company’s business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service. Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting and marketing. They obtained degrees in various majors including but not limited to accounting, law, tourism and business administration. Furthermore, our Board has a relatively wide range of ages, ranging from 47 years old to 57 years old with experience from different industries, sectors and genders.

We will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will encourage our incumbent Board members to recommend female candidate directors and take other actions to help achieve greater board diversity, for example inviting some of our outstanding female staff at mid to senior level to attend and observe Board meetings. This will allow our Board to understand more

DIRECTORS AND SENIOR MANAGEMENT

about these potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for director duties. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasise training of female talent and providing long-term development opportunities for our female staff including but not limited to business operation, management, accounting and finance, legal and compliance matters. As such, we are of the view that our Board will be offered chances to identify competent female staff at mid to senior level to be nominated as a Director in future with a pipeline of female candidates.

We are committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of our Company to enhance the effectiveness of corporate governance of our Company as a whole.

Upon [REDACTED], our Board comprises six male members and two female members. Our Nomination Committee is responsible for ensuring the diversity of our Board members. After [REDACTED], our Nomination Committee will review the board diversity policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules provides that an applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinary resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, [and the Stock Exchange has agreed to grant,] a waiver from strict compliance with Rule 8.12 of the Listing Rules. See “Waivers from Strict Compliance with the Listing Rules — Waiver in respect of Management Presence in Hong Kong” in this document for details.

REMUNERATION AND COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management receive compensation from our Group in the form of basic salary, position salary, performance salary and allowance.

The aggregate emoluments received by our Directors were approximately RMB0.4 million, RMB0.9 million, RMB0.8 million and RMB0.3 million for the three years ended 31 December 2022, 2023, 2024 and period ended 30 June 2025, respectively.

The aggregate emoluments paid to our Company’s five highest paid individuals, including our Directors were approximately RMB1.0 million, RMB1.6 million, RMB1.5 million and RMB0.6 million for the three years ended 31 December 2022, 2023, 2024 and period ended 30 June 2025, respectively.

DIRECTORS AND SENIOR MANAGEMENT

For additional information on Directors’ emoluments during the Track Record Period as well as information on the highest paid individuals, please see Notes 9(b) and 9(c) of the Accountants’ Report set out in Appendix I to this Document.

Pursuant to the arrangements currently in force, the aggregate amount of remuneration payable to and the benefits in kind receivable by our Directors for the year ending 31 December 2025 is estimated to be approximately RMB0.6 million.

We confirmed that during the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company. During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiary to our Directors or the five highest paid individuals during the Track Record Period.

COMPLIANCE ADVISER

We have appointed Gram Capital Limited as our compliance adviser upon the proposed [REDACTED] pursuant to Rules 3A.19 and 19A.05 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance adviser will advise us in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report required by regulatory authorities or applicable laws;
- where a transaction, which might be notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues and share repurchases;
- where we propose to use [REDACTED] of the [REDACTED] in a manner different from that detailed in this document;
- where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules regarding unusual movements in the price or [REDACTED] volume of our Shares.

Pursuant to Rule 3A.24 of the Listing Rules, our compliance adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The compliance adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the [REDACTED] and end on the date on which we distribute our annual report of our financial results for the first full financial year commencing after the [REDACTED], and such appointment may be subject to mutual agreement.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), each of the following persons will have an interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of substantial shareholder	Capacity/ Nature of interest	Type of Shares ⁽¹⁾	Number ⁽²⁾	As at the Latest Practicable Date and immediately prior to the completion of the [REDACTED]	Immediately following the completion of the [REDACTED]	
				Percentage of shareholding in the relevant type of Shares / the total issued share capital	Percentage of shareholding in the relevant type of Shares	Percentage of shareholding in the total issued share capital
Fujian Mount Wuyi Cultural Tourism Group	Interest held by a controlled corporation ⁽³⁾⁽⁵⁾	Unlisted Shares	74,331,429(L)	68.8%	[REDACTED]%	[REDACTED]%
Nanping Wuyi Development	Interest held by a controlled corporation ⁽³⁾	Unlisted Shares	74,331,429(L)	68.8%	[REDACTED]%	[REDACTED]%
Nanping Industrial	Interest held by a controlled corporation ⁽³⁾	Unlisted Shares	74,331,429(L)	68.8%	[REDACTED]%	[REDACTED]%
Fujian Wuyi Tourism Group	Interest held by a controlled corporation ⁽³⁾	Unlisted Shares	74,331,429(L)	68.8%	[REDACTED]%	[REDACTED]%
Mount Wuyi Cultural Tourism	Beneficial Owner ⁽³⁾⁽⁵⁾	Unlisted Shares	74,331,429(L)	68.8%	[REDACTED]%	[REDACTED]%
Impression Art Development	Interest held by a controlled corporation ⁽⁶⁾	Unlisted Shares	16,500,000(L)	15.3%	[REDACTED]%	[REDACTED]%
Beijing Impression Landscape	Beneficial Owner	Unlisted Shares	16,500,000(L)	15.3%	[REDACTED]%	[REDACTED]%
Fujian Mount Wuyi Chong'an	Interest held by a controlled corporation ⁽⁴⁾⁽⁵⁾	Unlisted Shares	10,068,571(L)	9.3%	[REDACTED]%	[REDACTED]%
Mount Wuyi Jianfa	Interest held by a controlled corporation ⁽⁴⁾⁽⁵⁾	Unlisted Shares	10,068,571(L)	9.3%	[REDACTED]%	[REDACTED]%
Mount Wuyi Tourism Resort Development	Beneficial Owner ⁽⁵⁾	Unlisted Shares	10,068,571(L)	9.3%	[REDACTED]%	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Notes:

1. For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.
2. The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such Shares.
3. As at the Latest Practicable Date, our Company was owned as to 68.8% by Mount Wuyi Cultural Tourism, which was owned (i) as to 61.8% by Fujian Mount Wuyi Cultural Tourism Group, which is a wholly state-owned enterprise controlled by Mount Wuyi SAOSC; and (ii) as to 33.7% by Fujian Wuyi Tourism Group, which was owned as to 90% by Nanping Industrial, which was in turn wholly owned by Nanping Wuyi Development, a wholly state-owned enterprise controlled by the Nanping SASAC. By virtue of the SFO, Fujian Mount Wuyi Cultural Tourism Group, Fujian Wuyi Tourism Group, Nanping Industrial and Nanping Wuyi Development are deemed to be interested in the Shares held by Mount Wuyi Cultural Tourism.
4. As at the Latest Practicable Date, our Company was owned as to 9.3% by Mount Wuyi Tourism Resort Development, which is wholly-owned by Mount Wuyi Jianfa, which is wholly-owned by Fujian Mount Wuyi Chong’an, a wholly state-owned enterprise controlled by Mount Wuyi SAOSC. By virtue of the SFO, Mount Wuyi Jianfa and Fujian Mount Wuyi Chong’an are deemed to be interested in the Shares held by Mount Wuyi Tourism Resort Development.
5. As both Mount Wuyi Cultural Tourism and Mount Wuyi Tourism Resort Development are fellow subsidiaries under the control of Mount Wuyi SAOSC, they are regarded as “acting in concert” for the purpose of the Takeovers Code.
6. As at the Latest Practicable Date, our Company was owned as to 15.3% by Beijing Impression Landscape, which is wholly-owned by Impression Art Development. By virtue of the SFO, Impression Art Development is deemed to be interested in the Shares held by Beijing Impression Landscape.

For those who are directly and/or indirectly interested in 10% or more of the issued voting shares of any other members of our Group, see “Statutory and General Information — C. Further Information about our Directors, Senior Management and Substantial Shareholders — 2. Interests of the substantial shareholders” in Appendix VI to this document.

Except as disclosed above and in Appendix VI to this document, our Directors are not aware of any other person who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company or any other member of our Group.

SHARE CAPITAL

OUR SHARE CAPITAL

The following is a description of the share capital of our Company prior to and following the completion of the [REDACTED]:

Before the [REDACTED]

As at the Latest Practicable Date, the share capital of our Company was RMB108,070,000 comprising 108,070,000 Unlisted Shares with a nominal value of RMB1.00 each.

Upon completion of the [REDACTED]

Immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of shares	Approximate percentage to the total share capital of our Company
Unlisted Shares in issue	108,070,000	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100 %

Immediately upon completion of the [REDACTED], assuming the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of shares	Approximate percentage of the total issued share capital
Unlisted Shares in issue	108,070,000	[REDACTED]%
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100 %

SHARE CAPITAL

RANKING

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Company would have [REDACTED] Unlisted Shares and [REDACTED] H Shares. The Unlisted Shares which are currently not [REDACTED] or traded on any stock exchange or authorised trading facility (other than quoted on NEEQ). Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as the same class of Shares.

Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be [REDACTED] for by or traded among legal and natural persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC and our Articles of Association, the holders of unlisted shares may, at their own option, authorise the [REDACTED] applicant to file to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be [REDACTED] and traded on an overseas stock exchange provided that the conversion, [REDACTED] and [REDACTED] of such converted Shares have been approved by the/have completed the filing procedures with securities regulatory authorities, including the CSRC. Additionally, such conversion, [REDACTED] and [REDACTED] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, [REDACTED] and traded as H Shares on the Stock Exchange, such conversion, [REDACTED] and [REDACTED] will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

Register with the CSRC and [REDACTED] Approval by the Stock Exchange

We have received the filing notification from the CSRC dated 12 June 2025 in relation to the registration of the overseas [REDACTED], pursuant to which we are approved to issue no more than [REDACTED] H Shares with a nominal value of RMB1.00 each, which are all ordinary shares, and we may be [REDACTED] on the Main Board of the Stock Exchange.

We have applied to the Listing Committee for the granting of [REDACTED] of, and permission to [REDACTED] in, our H Shares to be issued pursuant to the [REDACTED].

SHARE CAPITAL

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Our Directors and members of the senior management (as defined in our Articles of Association) of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors and such members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the persons held in our Company cannot be transferred within one year from the date on which the shares are [REDACTED] and [REDACTED], nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions or conditions on the transfer of the Shares held by our Directors, members of senior management of our Company and other Shareholders. For details, see “Summary of the Articles of Association” in Appendix V to this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Appendix V — Summary of the Articles of Association” in this document.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for our Company to issue H Shares and seek the [REDACTED] of H Shares on the Stock Exchange. Our Company has obtained such approval at the Shareholders’ general meeting held on 26 December 2024.

FINANCIAL INFORMATION

The following discussion and analysis of our business, financial position and results of operations are based on and should be read in conjunction with our financial statements as at and for each of the years ended 31 December 2022, 2023, 2024, and the six months ended 30 June 2025, respectively, including the notes thereto, as set out in the accountant’s report as set out in Appendix I to this document and other financial information appearing elsewhere in this document. Our consolidated financial statements have been prepared in accordance with HKFRSs, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including “Forward-looking Statements”, “Risk Factors” and “Business”.

OVERVIEW

We are a state-owned cultural tourism service provider headquartered in Mount Wuyi, Fujian Province. According to Frost & Sullivan, we ranked the eighth in terms of sales revenue generated by cultural tourism performance programs in the cultural tourism performance market in China in 2024. Our primary focus has been our signature show, the Impression — Dahongpao Scenery Show, which is the first large-scale outdoor scenic performance in Fujian Province according to Frost & Sullivan, and has been the principal generator of our revenue historically and during the Track Record Period. As an expansion of our performance portfolio to cater to wider tourist preferences, we launched a new show, Moonlight over Mount Wuyi (《月映武夷》). The debut of this new show took place on 17 April 2025, followed by the premiere of the show to the public on 1 May 2025. In addition to our two performance shows, we have been strategically developing our Impression Cultural Tourism Town since 2019. We also expanded our business portfolio to include a Chatang hotel within the national tourist resort area of Mount Wuyi since 2020.

Leveraging the rich tourism heritage and the unparalleled Dahongpao tea culture of Mount Wuyi, we have established ourselves as a cultural tourism service provider in Fujian Province. We are deeply rooted in, and committed to the local cultural tourism market and remain focused on unlocking the tourism potential of Mount Wuyi by creating synergies from our diverse offerings. For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our total revenue amounted to approximately RMB63.0 million, RMB143.9 million, RMB137.2 million, RMB51.5 million and RMB55.9 million, respectively.

FINANCIAL INFORMATION

BASIS OF PREPARATION

The historical financial information of our Group has been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the HKICPA which collective term includes all applicable individual HKFRS Accounting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (“**HKFRS Accounting Standards**”). All effective standards, amendments to standards and interpretations are consistently applied to the Track Record Period.

The historical financial information of our Group as at 31 December 2022, 2023, 2024, and 30 June 2025 has been prepared on the historical cost basis except for certain financial assets at fair value through profit or loss (“**FVTPL**”), which was carried at fair value.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations and financial position have been and will continue to be affected by a number of factors, including those set out in “Risk Factors” in this document and those discussed below:

Our ability to attract travellers to Mount Wuyi, where our business operations are concentrated, and adjust to the tastes and preferences of travellers

The financial performance of our Group is significantly influenced by our continued ability to attract travellers to Mount Wuyi and to respond to the evolving tastes and preferences of travellers. UNESCO-recognised Mount Wuyi is renowned for its natural beauty, cultural heritage, and unique attractions. Effectively highlighting these qualities through our marketing efforts is essential for drawing diverse tourist demographics. Seasonal promotions and targeted campaigns can enhance our visibility and broaden our audience. Understanding tourist preferences is crucial as consumer interests increasingly shift toward experiential travel. It remains important that we adapt our service offerings to meet these expectations by providing immersive cultural experiences, sustainable tourism options, and personalised services that resonate with modern tourists. Regular market research and customer feedback mechanisms will help us identify and respond to these trends effectively. It is therefore imperative that we maintain our competitiveness and the appeal of each of our business segments, being shows and performance services, Impression Cultural Tourism Town business and Chatang hotel business.

Our cultural tourism business operates exclusively in Fujian Province, where all of our business activities are centralised. This geographic concentration allows us to focus our efforts on enhancing our position as a cultural tourism service provider in Fujian Province. However, it also exposes us to various risks associated with regional economic fluctuations, environmental challenges, and shifts in local regulations. For instance, economic downturns in China could result in reduced consumer spending on leisure activities, directly impacting our visitor numbers. Additionally, environmental factors such as natural disasters or the effects of climate change may disrupt access to key attractions such as Mount Wuyi, deterring potential tourists. Furthermore, changes in local regulations, whether related to cultural tourism, environmental protection, or business operations, could introduce new challenges to our business model. Any adverse developments in the tourism scenery performance market or cultural tourism performance market could significantly affect our operations and lead to a decline in tourist attendance, ultimately affecting our financial performance.

FINANCIAL INFORMATION

Impact of transportation disruptions on financial performance

Any disruption to the schedule or increase in the price of flights and trains to and from Mount Wuyi could significantly reduce the demand for our service offerings to tourists. Such disruptions may discourage potential visitors from traveling, which would adversely affect our business operations, results, and overall financial condition. Specifically, rising transportation costs can lead to decreased consumer spending on leisure activities, as tourists may prioritise essential expenses over optional travel. Furthermore, delays or cancellations in transportation services could deter tourists from planning trips to our destination. These transportation-related issues could potentially undermine our ability to attract and retain visitors, ultimately impacting our revenue generation and long-term sustainability.

Seasonal fluctuations in terms of the financial performance of our shows

The financial performance of our shows, namely, the Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi are affected by seasonal fluctuations. Throughout the Track Record Period, peak seasons primarily coincided with major holidays and school vacations. As a result, sales and operating results for a specific period may not accurately represent our overall results for the entire year or future periods. Additionally, our interim results might not proportionally reflect our annual performance. For a detailed explanation of the implications of seasonality, including a monthly revenue breakdown during the Track Record Period for a quantitative analysis, see “Business — Shows and Performance Services — Impression — Dahongpao Scenery Show — Seasonality” and “Business — Shows and Performance Services — Moonlight Over Mount Wuyi — Seasonality” in this document.

Dependence on the reputation of our brandname “Impression — Dahongpao” 印象大红袍

We depend on the strong reputation of “Impression — Dahongpao” to curate and perform our signature show, which is vital for attracting tourists and generating revenue. This established brand recognition not only benefits our show but also influences our other business segments, including our Impression Cultural Tourism Town business and Chatang hotel business. Consequently, any incidents or adverse publicity related to our brandname could significantly harm our overall reputation. Negative media coverage, customer complaints, or operational failures can lead to diminished public perception of our show and may even extend to our entire suite of cultural tourism services. Such reputational damage may result in decreased attendance, lower ticket sales, and an overall decline in profitability. Therefore, maintaining a positive reputation is essential for our success. Any negativity to our brand name could have lasting effects on our business operations and financial performance, underscoring the importance of proactive reputation management.

Business expansions with enlarged live show portfolio and cultural tourism service portfolio

The development and expansion of our live shows, along with our broader initiatives in the cultural tourism industry and Chatang hotel business, may present new challenges that we are not fully equipped to handle. As we seek to enhance our service offerings and capture a larger market share, we face several potential obstacles that could impact our operations and financial performance. Expansion of our live show portfolio, further development of our Impression Cultural Tourism Town business and entering into the hotel sector introduces greater operational complexity. Managing

FINANCIAL INFORMATION

multiple performance venues and coordinating diverse tourist attractions requires a level of expertise and resources that may stretch our current capabilities. If we fail to effectively navigate these complexities, it may be possible that we risk operational inefficiencies that could negatively affect the guest experience. Additionally, the lack of experience in these new areas may hinder our ability to make informed strategic decisions. Without the necessary background in hospitality management or the broader cultural tourism landscape, we may encounter difficulties in adapting our business model to meet evolving market demands. Furthermore, as we expand, we will inevitably face increased competition from established players in the cultural tourism industry. Competing with other cultural tourism service providers with more experience and established customer bases can be particularly challenging. If we are unable to differentiate our offerings, effectively market our brandname, or fail to equip ourselves with sufficient human resources, we may struggle to attract customers and achieve our growth objectives.

Our overall financial results depend on reversing the net loss position of our Chatang hotel business

Our financial performance is significantly influenced by our ability to reverse the net loss position of our Chatang hotel business. Our Chatang hotel opened in 2021 and has a history of incurring gross losses. For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our Chatang hotel recorded gross losses of approximately RMB6.5 million, RMB5.5 million, RMB6.2 million, RMB3.1 million and RMB2.7 million, respectively.

We should remain dedicated to implementing strategies specifically designed to reverse the net loss position of our Chatang hotel. By improving operational efficiency and attracting a broader clientele, we believe we can turn this business around. Our ability to successfully addressing the challenges our Chatang hotel encounters will have a positive impact on our overall business and financial results. Nonetheless, there is no guarantee that our efforts to improve operational efficiency and attract a wider clientele will lead to sustained profitability. Various external factors, such as intense market competition in the hotel business sector in Mount Wuyi City, shifts in guest preferences, economic downturns and operational challenges, could adversely impact our financial performance.

Services and customer mix

During the Track Record Period, the majority of our revenue was derived from our shows and performance services. During the same period, we also generated revenue from our Impression Cultural Tourism Town business and Chatang hotel business. In respect of our shows, customers were primarily ticket selling distributors which conduct onward sales of tickets, and audience who directly purchased our show tickets through our ticket selling points. Customers also included corporate customers which requested for customised performances. Typically, these corporate customers engaged us to perform at their special corporate events, such as team-building activities and annual meetings. During the Track Record Period, our ticket selling distributors contributed approximately 91.9%, 92.6%, 92.3% and 89.6% of the revenue for the provision of our shows. Accordingly, it remains crucial that we maintain good relationships with our ticket selling distributors who are able to assist us in securing broad end customer base, being the audience of our signature show. In respect of our Impression Cultural Tourism Town business and the Chatang hotel business, customers were primarily travellers to Mount Wuyi.

FINANCIAL INFORMATION

Impact of COVID-19 before policy relaxation

Before the relaxation of COVID-19 restrictions, our combined cultural tourism business experienced significant disruptions in 2022. The pandemic led to a decline in tourist numbers primarily because travel restrictions, health protocols, and safety concerns deterred the public from engaging in leisure activities. During this period, our operations were adversely affected by a decrease in our total number of performances of our show, reduced attendance at our Impression Cultural Tourism Town and a decrease in guests at our Chatang hotel, resulting in lower revenue and profitability. Many events were postponed or cancelled, and our ability to market and promote our service offerings was severely limited.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are most significant to the preparation of our historical financial information. Some of our material accounting policies involve subjective assumptions and estimates, as well as complex judgements by our management relating to accounting items. Our Group makes estimates and assumptions concerning the future. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Set out below are accounting policies which we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set out in further detail in notes 2, 3.1 and 3.2 in Appendix I to this document.

Revenue Recognition

We adopted HKFRS 15, which refers to “Hong Kong Financial Reporting Standard 15” aligning with the International Financial Reporting Standard 15, focusing on revenue recognition. HKFRS 15 provides guidelines on how and when to recognise revenue from contracts with customers, ensuring that revenue reflects the transfer of services to customers at an amount that reflects the consideration expected in exchange.

Key principles of HKFRS 15 include:

- **Identifying Contracts:** Recognising revenue only when there is a contract with enforceable rights and obligations.
- **Performance Obligations:** Identifying distinct goods or services within the contract.
- **Transaction Price:** Determining the transaction price, including variable consideration, and allocating it to the performance obligations.
- **Recognition of Revenue:** Recognising revenue when performance obligations are satisfied.

FINANCIAL INFORMATION

Shows and performance services

Revenue from the provision of our two performance shows, namely the Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi were recognised at a point in time when the performance is completed and our Group has a present right to payment and the collection of the consideration is probable. This was usually taken at the time when the services were rendered. The completion of services generally occurred upon completion of performance of the shows. In respect of sales of tickets, we recognise revenue from sales of tickets for our performance shows irrespective of attendance of audience at our auditorium, as well as no-show situations. That said, we are not obligated to refund payments for tickets to our audience who opted not to attend the shows. It is possible that the ticket issuance rate of our performance shows may not accurately reflect our actual attendance situation. In respect of special event performances, revenue was recognised after completion of the performances.

Impression Cultural Tourism Town business

Revenue from our Impression Cultural Tourism Town business included a variety of cultural tourism service offerings provided in the town by us and by third parties who operate their business in the town. Those services, except rental income, was recognised at a point in time when the service is rendered; and our Group has present rights to payment and the collection of the consideration is probable. This is usually taken at the time when the services are rendered. Rental income is recognised on a straight-line basis over the term of the relevant lease.

Chatang hotel business

During the Track Record Period, we also generated revenue from our Chatang hotel business, including (i) accommodation fees from room nights sold to room guests, which were recognised over time when the accommodation services were rendered, and (ii) fees from catering, Chatang and ancillary services, which were recognised at the point in time when the meal and ancillary services were provided. We control the specified services before we transfer the services to our customers (representing the room guests and travellers to Mount Wuyi) after taking into account that we are primarily responsible for discharging our contractual commitment under the service terms by providing the required services to our customers. When we satisfy the service performance obligation, we recognise the revenue from such services in the gross amount of consideration, to which we are entitled under the service terms.

Current Income Tax

Our Group is subject to Enterprise Income Tax (“EIT”) in China, which requires significant judgment in determining the appropriate provision for EIT. During the normal course of our business, there are various transactions and calculations where the ultimate tax determination may be uncertain. If the final tax outcomes differ from the amounts initially recorded, these differences will affect both our current income tax and deferred tax provisions in the period when the determinations are made. This inherent uncertainty underscores the importance of our accounting policies and estimates related to income tax, which are critical for accurately reflecting our financial position and performance.

FINANCIAL INFORMATION

Estimation Uncertainty

Our Group is required to make estimates and assumptions regarding future outcomes that inherently involve uncertainty. As a result, our accounting estimates often do not align precisely with actual results. Our management discusses the estimates and assumptions that carry significant risk of causing material adjustments to the carrying amounts of assets and liabilities in the forthcoming financial year.

Impairment of Trade and Other Receivables

Under HKFRS 9, our Group assesses expected credit losses (“ECL”) for trade and other receivables, as well as other financial assets. This assessment involves making judgments about the risk of default and expected loss rates. These judgments were made based on historical data, current market conditions, and forward-looking estimates at the end of each reporting period, as detailed in note 2.9 in Appendix I to this document.

As at 31 December 2022, 2023, 2024, and 30 June 2025, the carrying amounts of our Group’s trade and other receivables were approximately RMB4.1 million, RMB5.3 million, RMB4.9 million and RMB6.6 million, respectively. Correspondingly, the ECL allowances were RMB243,000, RMB712,000, RMB763,000 and RMB779,000 for the corresponding period. Further details can be found in note 20 in Appendix I to this document.

Useful Lives of Property and Equipment and Intangible Assets

Our management is responsible for determining the estimated useful lives of property and equipment and intangible assets, which directly impacts depreciation and amortisation expenses. These estimates are grounded in historical experience with similar assets and their economic lives. However, actual economic lives may differ from the initial estimates. Our management periodically reviews these estimates and may adjust depreciation and amortisation accordingly, which could affect future financial results. The carrying amounts of property and equipment and intangible assets as at each reporting date are detailed in note 12 and 18 respectively in Appendix I to this document.

Depreciation on property and equipment is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, as follows:

Buildings	20 to 35 years
Leasehold improvements	Shorter of 2 to 15 years, or the lease terms
Machinery	3 to 10 years
Office equipment	3 to 8 years
Motor vehicles	8 years
Mature bearer plants	10 years

FINANCIAL INFORMATION

Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Performance right	20 years

Impairment of Non-Financial Assets

Our Group evaluates whether the net book value of property and equipment (including right-of-use assets), intangible assets, prepayment for acquisition of non-financial assets and the Company’s interests in subsidiaries are recoverable. This assessment occurs at least annually or whenever indications of impairment arise, in accordance with HKAS 36 “Impairment of Assets.”

During the Track Record Period, impairment testing for non-financial assets was based on estimated values of cash-generating units. This involves estimating future cash flows and determining an appropriate discount rate to calculate present value. Should our future cash flows exceed expectations, no impairment loss will be recognised. Based on our Directors’ assessments, no impairment for non-financial assets was deemed necessary during the Track Record Period.

Through these material accounting policies and estimates, our Group strives to ensure accurate financial reporting while navigating the inherent uncertainties present in the business environment.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets out our consolidated statements of profit or loss and other comprehensive income with line items for the years and periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	For the years ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	63,039	143,887	137,200	51,517	55,884
Cost of sales	(45,861)	(60,765)	(62,307)	(25,976)	(32,131)
Gross profit	17,178	83,122	74,893	25,541	23,753
Other revenue and other income, net	1,115	1,943	4,440	970	549
Provision for expected credit loss on financial assets, net	(215)	(1,829)	(51)	(59)	(16)
Selling and distribution expenses	(7,056)	(8,228)	(7,715)	(3,501)	(4,157)
Administrative and other operating expenses	(6,644)	(10,438)	(10,651)	(3,760)	(8,571)
Share of profit/(loss) of associates, net	7	(25)	(288)	(23)	(39)
Finance costs	(1,950)	(1,858)	(1,712)	(857)	(1,419)
Profit before income tax	2,435	62,687	58,916	18,311	10,100
Income tax expense	(5,034)	(15,183)	(16,107)	(5,632)	(3,325)
(Loss)/Profit and total comprehensive income for the year/period	<u>(2,599)</u>	<u>47,504</u>	<u>42,809</u>	<u>12,679</u>	<u>6,775</u>
(Loss)/Profit for the year/period attributable to:					
Equity holders of the Company	(2,599)	47,504	42,859	12,679	10,226
Non-controlling interests	—	—	(50)	—	(3,451)
	<u>(2,599)</u>	<u>47,504</u>	<u>42,809</u>	<u>12,679</u>	<u>6,775</u>
(Losses)/Earnings per share attributable to equity holders of the Company					
Basic and diluted (RMB cents)	<u>(2.4)</u>	<u>44.0</u>	<u>39.7</u>	<u>11.7</u>	<u>9.5</u>

FINANCIAL INFORMATION

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, our revenue was generated from three main business segments, being (i) the shows and performance services, (ii) the Impression Cultural Tourism Town business, and (iii) the Chatang hotel business. For the years ended 31 December 2022, 2023 and 2024, and for the six months ended 30 June 2024 and 2025, our revenue was approximately RMB63.0 million, RMB143.9 million, RMB137.2 million, RMB51.5 million and RMB55.9 million, respectively. The majority of our total revenue came from the shows and performance services. For the years ended 31 December 2022, 2023 and 2024, and for the six months ended 30 June 2024 and 2025, revenue from the shows and performance services was approximately RMB57.9 million, RMB136.4 million, RMB130.0 million, RMB48.0 million and RMB52.0 million, accounting for approximately 91.9%, 94.8%, 94.7%, 93.1% and 93.0% of our total revenue, respectively. During the Track Record Period, all of our revenue was generated in Mount Wuyi City, Fujian Province, China.

The following table sets out a breakdown of our revenue by business line in each year/period during the Track Record Period.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (unaudited)	%	RMB'000	%
Revenue										
Shows and Performance Services										
Ticket bulk sales to ticket selling distributors	53,242	84.5	126,221	87.7	119,984	87.5	44,204	85.8	46,609	83.4
Direct ticket sales to our audience	4,353	6.9	9,452	6.6	9,842	7.1	3,708	7.2	4,826	8.6
Special event show income ^(Note)	338	0.5	690	0.5	164	0.1	38	0.1	561	1.0
Sub-total	57,933	91.9	136,363	94.8	129,990	94.7	47,950	93.1	51,996	93.0
Impression Cultural Tourism Town Business										
Income from Impression Jianzhou										
Food-themed Street (within the scope of HKFRS 16)	2,453	3.8	2,453	1.6	2,524	1.8	1,226	2.4	1,321	2.4
Fixed lease income (within the scope of HKFRS 16)	232	0.4	527	0.4	420	0.3	293	0.6	452	0.8
Admission income from Wuyi Rock Tea Research Society	107	0.2	232	0.2	131	0.1	28	0.1	27	0.1
Others	236	0.4	398	0.3	330	0.3	122	0.1	115	0.2
Sub-total	3,028	4.8	3,610	2.5	3,405	2.5	1,669	3.2	1,915	3.5
Chatang Hotel Business										
Room nights sold	1,404	2.2	3,502	2.4	3,304	2.4	1,532	3.0	1,799	3.2
Catering, Chatang and ancillary services	674	1.1	412	0.3	501	0.4	366	0.7	174	0.3
Sub-total	2,078	3.3	3,914	2.7	3,805	2.8	1,898	3.7	1,973	3.5
Total	63,039	100.0	143,887	100.0	137,200	100.0	51,517	100.0	55,884	100.0

Note: During the Track Record Period, we also provided customised performances for corporate customers, which typically engaged us to perform at their special corporate events, such as team-building activities and annual meetings.

FINANCIAL INFORMATION

Shows and Performance Services

During the Track Record Period, revenue generated from our shows and performance services represented mainly the ticket sales fees of our shows recognised through our dual ticket sales channels, consisting of (i) ticket selling distributors who conducted onward sales of tickets, and (ii) audience who directly purchased show tickets for our shows directly from us through our ticket selling points. To a lesser extent, we also generated revenue from enterprises which requested for customised performances.

Our shows and performance services segment comprises three main offerings: (i) our signature show, the Impression — Dahongpao Scenery Show (《印象大紅袍》山水實景演出); (ii) our new show, Moonlight over Mount Wuyi (《月映武夷》) which was launched in May 2025; and (iii) the provision of customised performances for corporate customers, which typically engaged us to perform at their special corporate events, such as team-building activities and annual meetings.

The following table sets out a breakdown of the revenue from sales of show tickets in respect of our two performance shows, namely, Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi and performance services by service type for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
<i>(unaudited)</i>										
Impression — Dahongpao Scenery Show										
Ticket bulk sales to ticket selling distributors	53,242	91.9	126,221	92.6	119,984	92.3	44,204	92.2	45,442	87.4
Direct ticket sales to our audience	4,353	7.5	9,452	6.9	9,842	7.6	3,708	7.7	3,626	7.0
Sub-total	57,595	99.4	135,673	99.5	129,826	99.9	47,912	99.9	49,068	94.4
Moonlight over Mount Wuyi^(Note 1)										
Ticket bulk sales to ticket selling distributors	—	—	—	—	—	—	—	—	1,167	2.2
Direct ticket sales to our audience	—	—	—	—	—	—	—	—	1,200	2.3
Sub-total	—	—	—	—	—	—	—	—	2,367	4.5
Performance Services										
Special event show income ^(Note 2)	338	0.6	690	0.5	164	0.1	38	0.1	561	1.1
Total	57,933	100.0	136,363	100.0	129,990	100.0	47,950	100.0	51,996	100.0

Notes:

1. Our new show, Moonlight over Mount Wuyi was performed for the public since 1 May 2025.
2. During the Track Record Period, we also provided customised performances for corporate customers, which typically engaged us to perform at their special corporate events, such as team-building activities and annual meetings.

FINANCIAL INFORMATION

Impression Cultural Tourism Town Business

During the Track Record Period, revenue generated from Impression Cultural Tourism Town business mainly consisted of (i) income from Impression Jianzhou Food-themed Street, (ii) fixed lease income from the operations of the vendors who rented our premises in our Impression Cultural Tourism Town to conduct their businesses, and (iii) admission fees from visitors to our Wuyi Rock Tea Research Society. Other revenue for this business segment included parking fees charged from travellers to Mount Wuyi.

The following table sets out a breakdown of the revenue from Impression Cultural Tourism Town business by service type for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Income from Impression Jianzhou Food-themed Street (within the scope of HKFRS 16)	2,453	81.0	2,453	68.0	2,524	74.1	1,226	73.5	1,321	69.0
Fixed lease income (within the scope of HKFRS 16)	232	7.7	527	14.6	420	12.3	293	17.6	452	23.6
Admission income from Wuyi Rock Tea Research Society	107	3.5	232	6.4	131	3.9	28	1.6	27	1.4
Others	236	7.8	398	11.0	330	9.7	122	7.3	115	6.0
Total	3,028	100.0	3,610	100.0	3,405	100.0	1,669	100.0	1,915	100.0

Chatang Hotel Business

During the Track Record Period, revenue generated from Chatang hotel business represented the accommodation fees from room nights sold, fees from catering, Chatang and ancillary services including sales income from dining services, Chatang tickets sold and other hotel related services provided. For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, revenue generated from Chatang hotel business was approximately RMB2.1 million, RMB3.9 million, RMB3.8 million, RMB1.9 million and RMB2.0 million, respectively.

FINANCIAL INFORMATION

The following table sets out a breakdown of the revenue from Chatang hotel business by service type for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Room nights sold	1,404	67.6	3,502	89.5	3,304	86.8	1,532	80.7	1,799	91.2
Catering, Chatang and ancillary services	674	32.4	412	10.5	501	13.2	366	19.3	174	8.8
Total	2,078	100.0	3,914	100.0	3,805	100.0	1,898	100.0	1,973	100.0

Cost of Sales

For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our cost of sales was approximately RMB45.9 million, RMB60.8 million, RMB62.3 million, RMB26.0 million and RMB32.1 million, respectively.

The following table sets forth a breakdown of our cost of sales for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Labour costs	19,113	41.7	24,345	40.1	25,977	41.7	9,712	37.4	12,470	38.8
Depreciation of own assets	11,547	25.2	11,111	18.3	11,364	18.2	5,677	21.9	6,349	19.8
Directorial royalty expenses	5,932	12.9	13,467	22.2	12,635	20.3	4,660	17.9	5,054	15.7
Depreciation of right-of-use assets	3,027	6.6	3,027	5.0	3,072	4.9	1,514	5.8	2,156	6.7
Repair expenses	2,181	4.8	2,618	4.3	2,305	3.7	1,306	5.0	970	3.0
Management fee	1,496	3.3	2,044	3.4	2,787	4.5	1,441	5.5	1,056	3.3
Consumables costs	1,002	2.1	1,465	2.4	1,369	2.2	538	2.1	579	1.8
Utility expenses	496	1.1	812	1.3	788	1.3	323	1.2	459	1.4
Cleaning expenses	180	0.4	377	0.6	516	0.8	201	0.8	166	0.5
Performing arts fees	—	—	—	—	—	—	—	—	2,068	6.5
Printing, production and ancillary service expenses	219	0.5	336	0.6	378	0.6	148	0.6	45	0.1
VAT expenses	609	1.3	986	1.6	988	1.6	408	1.6	438	1.4
Amortisation of intangible assets	—	—	—	—	—	—	—	—	244	0.8
Others	59	0.1	177	0.2	128	0.2	48	0.2	77	0.2
Total	45,861	100.0	60,765	100.0	62,307	100.0	25,976	100.0	32,131	100.0

FINANCIAL INFORMATION

Labour costs represented the salaries of our employees.

Depreciation of own assets represented the depreciation of property and equipment we owned in connection with our Impression — Dahongpao Scenery Show, Moonlight over Mount Wuyi, Impression Cultural Tourism Town business and Chatang hotel business.

Directorial royalty expenses represented the payables to the Impression Art Development in exchange of the exclusive performance right for our Impression — Dahongpao Scenery Show.

Depreciation of right-of-use assets represented the depreciation of leasehold land in connection with our Impression — Dahongpao Scenery Show and the depreciation of premises we rented under lease arrangements, primarily in connection with our Moonlight over Mount Wuyi, Impression Cultural Tourism Town business and Chatang hotel business.

Repair expenses represented the maintenance expenses of our properties and facilities used for our service offerings, including but not limited to the auditorium and performance stage of Impression — Dahongpao Scenery Show, guest rooms of Chatang hotel, and the premises in our Impression Cultural Tourism Town.

Management fee represented the fees incurred in relation to the service fees payable to our cooperating partners for our service offerings, such as Thai Natural.

Consumable costs represented the consumables we purchased in connection with our services offerings, such as water, props and costumes.

Utility expenses represented the costs incurred for the operation of our service offerings in connection with sound and lighting for our performance shows, provision of Chatang and decoration of our Impression Cultural Tourism Town.

Cleaning expenses represented the fees for cleaning costumes, props, performance stage and auditorium.

Performing arts fees represented fees paid to performers engaged through performing arts companies for our Moonlight over Mount Wuyi, after its launch to the public.

Printing, production and ancillary service expenses mainly represented the fees for producing entrance tickets and other service fees payable in connection with our service offerings.

VAT expenses represented the amount we paid to suppliers that were related to our service activities.

Amortisation of intangible assets represented the amortisation of performance right in connection with our Moonlight over Mount Wuyi.

Others represented the miscellaneous expenses, such as shipping costs for performance costumes.

FINANCIAL INFORMATION

The following table sets out a breakdown of our cost of sales by business segment for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Shows and Performance Services										
Impression — Dahongpao Scenery Show	35,920	78.3	49,862	82.1	50,717	81.4	20,086	77.3	22,165	69.0
Moonlight over Mount Wuyi	—	—	—	—	—	—	—	—	4,183	13.0
Sub-total	35,920	78.3	49,862	82.1	50,717	81.4	20,086	77.3	26,348	82.0
Impression Cultural Tourism Town										
Business	1,344	2.9	1,475	2.4	1,613	2.6	864	3.3	1,143	3.6
Chatang Hotel Business	8,597	18.8	9,428	15.5	9,977	16.0	5,026	19.4	4,640	14.4
Total	45,861	100.0	60,765	100.0	62,307	100.0	25,976	100.0	32,131	100.0

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our gross profit amounted to approximately RMB17.2 million, RMB83.1 million, RMB74.9 million, RMB25.5 million and RMB23.8 million, respectively. For the same years, our gross profit margin was approximately 27.2%, 57.8%, 54.6%, 49.6% and 42.5%, respectively.

The following table sets out our gross (loss)/profit margin by service type for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Shows and Performance Services										
Impression — Dahongpao Scenery Show and Performance Services	22,013	38.0	86,501	63.4	79,273	61.0	27,864	58.1	27,464	55.3
Moonlight over Mount Wuyi	—	—	—	—	—	—	—	—	(1,816)	(76.7)
Sub-total	22,013	38.0	86,501	63.4	79,273	61.0	27,864	58.1	25,648	49.3
Impression Cultural Tourism Town										
Business	1,684	55.6	2,135	59.1	1,792	52.6	805	48.2	772	40.3
Chatang Hotel Business	(6,519)	(313.7)	(5,514)	(140.9)	(6,172)	(162.2)	(3,128)	(164.8)	(2,667)	(135.2)
Total	17,178	27.2	83,122	57.8	74,893	54.6	25,541	49.6	23,753	42.5

FINANCIAL INFORMATION

Gross profit of our shows and performance services

For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, gross profit for the shows and performance services was approximately RMB22.0 million, RMB86.5 million, RMB79.3 million, RMB27.9 million and RMB25.6 million, respectively. For the same years/period, the gross profit margin of our shows and performance services was approximately 38.0%, 63.4%, 61.0%, 58.1% and 49.3%, respectively.

For the year ended 31 December 2023, the gross profit margin of our shows and performance services segment significantly increased by approximately 25.4 percentage points compared with that of for the year ended 31 December 2022. The main reason was attributable to an increase in the revenue generated from sales of tickets of Impression — Dahongpao Scenery Show, which increased by RMB78.4 million, or approximately 135.4% during the year. The corresponding cost of sales increased by approximately RMB13.9 million, or approximately 38.8% during the year. The cost of sales consisted of both fixed costs and variable costs. Fixed costs mainly included depreciation of assets and salaries of our employees. Fixed costs increased by approximately RMB1.4 million during the year, because of the renovation works we undertook in 2023. Variable costs mainly included directorial royalty service expenses and bonus of our employees. Variable costs increased by approximately RMB12.5 million during the year, because bonus of our employees and salaries of part-time performance team members increased as a result of an increase in the number of shows performed during the year. That said, in respect of our Impression — Dahongpao Scenery Show and performance services, the growth rate of cost of sales was slower than the growth rate of revenue in 2023. During the year, cost of sales consisted of approximately 47.4% of fixed costs and approximately 52.6% of variable costs. Consequently, the impact of the increase in variable costs was mitigated by the larger portion of fixed costs following the increase in revenue.

For the year ended 31 December 2024, the gross profit margin of our shows and performance services segment decreased by approximately 2.4 percentage points compared with that for the year ended 31 December 2023. The main reason was attributable to a decrease in revenue generated from sales of tickets of our Impression — Dahongpao Scenery Show, which decreased by approximately RMB6.4 million, or approximately 4.7% during the year. Nonetheless, the corresponding cost of sales increased by approximately RMB0.9 million, or approximately 1.7% during the year. Fixed costs increased by approximately RMB1.8 million because of an increase in the salaries of our employees, while variable costs decreased by approximately RMB0.9 million. That said, in respect of our shows and performance services, the increase in cost of sales was slightly slower than the decrease in revenue, comprising approximately 49.9% of fixed costs and approximately 50.1% of variable costs. Consequently, the significant portion of fixed costs offset the impact of the decrease in variable costs following the decrease in revenue in 2024.

FINANCIAL INFORMATION

For the six months ended 30 June 2025, the gross profit margin for our shows and performance services segment decreased by approximately 8.8 percentage points compared with that for the six months ended 30 June 2024. This is despite stable results from our Impression — Dahongpao Scenery Show, which recorded a gross profit margin of 55.3% during the six months ended 30 June 2025, as compared to a gross profit margin of 58.1% during the corresponding period in 2024. Our overall decrease in gross profit margin of this segment was mainly affected by the gross loss position of approximately RMB1.8 million and gross loss margin of approximately 76.7% of our Moonlight over Mount Wuyi, which launched in May 2025. Since this new show was still in early start-up stage, its revenue generated was insufficient to cover its cost of sales. During the six months ended 30 June 2025, Moonlight over Mount Wuyi incurred cost of sales of approximately RMB4.2 million, and generated revenue of approximately RMB2.4 million. Moreover, we have made an upward adjustments to our frontline employees’ wages since September 2024, which increased the cost of sales by approximately RMB2.4 million for the six months ended 30 June 2025. Therefore, despite an increase in revenue generated from the shows and performance services of approximately RMB4.0 million compared with the same period in 2024, the corresponding gross profit margin decreased.

Gross profit of our Impression Cultural Tourism Town Business

For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, gross profit for our Impression Cultural Tourism Town business was approximately RMB1.7 million, RMB2.1 million, RMB1.8 million, RMB0.8 million and RMB0.8 million , respectively. For the same years/period, the gross profit margin of our Impression Cultural Tourism Town business was approximately 55.6%, 59.1%, 52.6%, 48.2% and 40.3%, respectively.

Gross loss of our Chatang Hotel Business

For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, gross loss of our Chatang hotel business was approximately RMB6.5 million, RMB5.5 million, RMB6.2 million, RMB3.1 million and RMB2.7 million , respectively. For the same years/periods, the gross loss margin of our Chatang hotel business was approximately 313.7%, 140.9%, 162.2%, 164.8% and 135.2%, respectively.

Our Chatang hotel opened in 2021 amid the COVID-19 pandemic, which proved to be particularly bad timing, as the pandemic severely disrupted the hospitality, accommodation and tourism industries till 2023. From 2021 to 2022, the number of travellers visiting Mount Wuyi dropped by approximately 50.0% according to the local government’s announcement, leading to a market decline in travel and accommodation demand, due to the enhanced travel restrictions. As a result, we recorded a low guest room occupancy rate of our Chatang hotel in 2022. Although the average annual guest room occupancy rate of our Chatang Hotel increased steadily during the Track Record Period, intensified competition in both the Mount Wuyi City local market and the wider hotel

FINANCIAL INFORMATION

industry continued to exert pressure on our Chatang hotel business, resulting in a sustained gross loss position. For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025, the average annual guest room occupancy rate of our Chatang hotel was approximately 10.2%, 22.6%, 21.8% and 24.8%, respectively. The revenue generated from Chatang hotel business was approximately RMB2.1 million, RMB3.9 million, RMB3.8 million, RMB1.9 million and RMB2.0 million for the corresponding years/period.

The gross loss margin of our Chatang hotel business improved from 164.8% as at 30 June 2024 to 135.2% as at 30 June 2025. This was primarily due to an adjustment of our revenue distribution mechanism under the Chatang Management Arrangements upon its entering into the second phase in January 2025, pursuant to which our management fee payable to Thai Natural has decreased. During the first phase (1 October 2020 to 31 December 2024), we were obliged to pay to Thai Natural a management fee representing 70% and 85% of the revenue recognised by Mount Wuyi Chatang Resort in respect of room nights sold and Chatang services, as well as the provision of catering and ancillary services, respectively. During the second phase (1 January 2025 to 31 December 2026), we are obliged to pay to Thai Natural a management fee representing 50% of the revenue recognised by Mount Wuyi Chatang Resort in respect of the same corresponding services. Therefore, the management fee payable to Thai Natural decreased, which resulted in the cost of sales of our Chatang hotel business decreased to approximately RMB4.6 million for the six months ended 30 June 2025 from approximately RMB5.0 million for the same period in 2024. For details of the key terms of the Chatang Management Arrangements, please refer to the paragraph headed “Business — Chatang Hotel Business — Hotel Management” in this document.

According to Frost & Sullivan, as of January 2025, there were 800 registered lodging establishments in Mount Wuyi City, including 218 hotels and 582 homestays. Accommodations featuring hot spring services in Mount Wuyi City are dominated by homestays. Among these accommodations, Mount Wuyi Wyndham Garden Hotel, which was opened in 2014, has an advantage in the number of rooms. On the upstream side, our Chatang hotel had to deal with the competitive edge of traditional hot spring hotel in group bookings, while on the downstream, our Chatang hotel faces fierce competition from the local accommodation which offer relatively low prices.

In addition to the macro external environment, the operation of our Chatang hotel business heavily relied upon online travel agencies as the primary source of our room guests, lacking development of high-value guest segments such as business conferences and corporate events. The limited guest portfolio restrained our revenue diversification from different customers. Moreover, profitability of our Chatang hotel business is also subject to seasonality. November to March of each year has been the off-peak season of our Chatang hotel business since its opening in 2021. During the said off-season period, the guest room occupancy rate falls below 30.0%, affecting the overall profitability of our Chatang hotel business.

FINANCIAL INFORMATION

The gross loss of our Chatang hotel business was also impacted by our cost of sales, which mainly consisted of fixed costs representing depreciation of own assets, right-of-use assets and labour cost and variable costs in management fee. The amount of fixed costs was approximately RMB6.8 million, RMB6.9 million, RMB6.9 million, RMB3.5 million and RMB3.5 million, which accounted for approximately 79.4%, 73.7%, 69.5%, 69.0% and 74.7% of the cost of sales of Chatang hotel business for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, respectively. Those high fixed costs had not been covered by the revenue generated from our Chatang hotel business during the Track Record Period. The following table sets out a breakdown of our cost of sales for the provision of Chatang hotel business in each year/period during the Track Record Period.

	For the years ended 31 December			For the six months ended	
				30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Depreciation of own assets ^(Note)	5,314	5,514	5,506	2,754	2,752
Management fee	1,496	2,044	2,787	1,440	1,056
Depreciation of right-of-use assets	1,431	1,431	1,431	716	716
Repair expenses	83	152	3	—	—
Labour costs	81	—	—	—	—
VAT expenses	189	231	250	116	116
Other costs	3	56	—	—	—
Total	8,597	9,428	9,977	5,026	4,640

Note: Own assets include buildings, leasehold improvements, machinery and office equipment, with useful life ranging from 3 to 35 years. These assets will be fully depreciated from 2027 to 2053 as at Latest Practicable Date.

See “Risk Factors — We have a history of gross loss in respect of our Chatang hotel business as well as our new Moonlight over Mount Wuyi, and the path to profitability may not be guaranteed” in this document for details.

To primarily focus on our core business of shows and performance services, while also expanding the service portfolio of our Impression Cultural Tourism Town business, we have nominated Thai Natural, an independent third party, to manage our hotel. See “Business — Chatang Hotel Business — Hotel Management” in this document for details. As part of the hotel management arrangement, we are obliged to pay a management fee to Thai Natural in the form of sharing of revenue generated from the Chatang hotel pursuant to the agreed revenue distribution mechanism.

FINANCIAL INFORMATION

While we acknowledge the limits of our Chatang hotel business due to the aforesaid intensified competition and fixed costs factors, we aim to launch various promotional activities to generate synergies between our Moonlight over Mount Wuyi and our Chatang hotel, as the theatre of Moonlight over Mount Wuyi is located close to our Chatang hotel. Since 2024, we have invested more resources and increased our efforts in promoting the appeal of our Chatang hotel as an upscale family friendly holiday destination on online platforms, through the word-of-mouth marketing of our staff of the Impression — Dahongpao Scenery Show, and through our ticket selling distributors who had the first chance dealing with the travellers to Mount Wuyi. Following the launch of our new show, Moonlight over Mount Wuyi, which is expected to bring more foot traffic to nearby areas, we offered packaged sales of show tickets together with Chatang hotel rooms. We believe we can improve the guest room occupancy rate of our Chatang hotel and therefore improve the gross loss position of our Chatang hotel business. Moreover, our Chatang hotel is located in an area where all buildings are of ancient Chinese architecture, and the addition of Moonlight over Mount Wuyi as an attraction nearby elevates the cultural atmosphere of the area, further enhancing its appeal to tourists who prefer to experience the cultural aspect in their travels. We aim to feature our Chatang hotel as a Zhuzi culture-themed hotel and host a series of cultural activities in the hotel. By showcasing the essence of Zhuzi culture, we can provide guests with an immersive experience of this traditional culture, enhancing our hotel’s cultural atmosphere and appeal. Moreover, based on the revenue distribution mechanism under the Chatang Management Arrangements, since 1 January 2025, the management fee payable to Thai Natural has been adjusted downwards. In light of this, we believe the gross loss position of our Chatang hotel business can be further improved.

Based on the aforesaid measures and combining our breakeven analysis on our Chatang hotel business, we expect to reverse the loss-making position of the segment by 2030.

Impairment assessment of Chatang hotel business

We have performed impairment assessment for Chatang hotel business. The recoverable amounts of the cash-generating unit where Chatang hotel business belongs to are determined using valuation method of income approach of discounted cash flows for value-in-use calculation. We, with the assistance of an independent third-party valuer, prepared a cash flow forecast covering a five-year period. Cash flows beyond the five-year period are extrapolated using the long-term growth rate. The discount rate was derived from the weighted average cost of capital.

The following table sets out the key parameters used in the discounted cash flows as at the dates indicated:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Pre-tax discount rate	11.39%	10.97%	11.34%	10.48%
Long-term growth rate	1.76%	1.76%	1.76%	1.58%

FINANCIAL INFORMATION

Apart from the aforesaid measures, we have taken the reference from the research from Ministry of Culture and Tourism of the PRC that the hotel occupancy rate in Fujian Province was increased from approximately 53% to 62% in 2022 to 2024. According to the Frost & Sullivan Report, it was estimated that the hotel occupancy rate in Fujian Province will reach approximately 68.7% in 2029. This estimation was based on different factors, including the number of tourists, demand and number of hotel rooms occupied. According to 2015 to 2019 statistics (before the Covid-19 pandemic), the historical occupancy rate in Fujian Province was from approximately 55% to 60% and the highest occupancy rate in China was approximately 80%. After the Covid-19 pandemic, tourism and spending in travelling have been increasing. Therefore, it was estimated that the hotel occupancy rate in Fujian Province will be increased to approximately 68.7% in 2029.

The following table sets out the carrying amounts and the recoverable amounts as at the dates indicated:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Recoverable amount	108,500	109,000	208,400	255,000
Carrying amount	87,447	81,346	94,751	223,084

Based on our impairment assessment, as the recovering amount is higher than the carrying amount, no impairment was required for the Track Record Period.

Other Revenue and Other Income, net

During the Track Record Period, other revenue consisted of (i) other services revenue, (ii) rental income and (iii) compensation income. During the same period, other income mainly consisted of (i) bank interest income, (ii) government subsidies, (iii) gain on disposal of financial assets at FVTPL, (iv) effective interest income/(expenses) of deposits and (v) sundry income.

FINANCIAL INFORMATION

The following table sets out a breakdown of our other revenue and other income, net for the years and periods indicated.

	For the years ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Other revenue					
Other services revenue	217	216	217	—	94
Rental income — fixed lease income	—	190	189	81	95
Compensation income	—	—	1,074	—	—
	217	406	1,480	81	189
Other income					
Bank interest income	123	393	109	83	85
Fair value gain on financial assets at FVTPL	—	86	—	—	104
Gain on disposal of financial assets at FVTPL	216	583	1,639	268	132
Government subsidies (Note)	426	182	765	531	26
Effective interest income/(expenses) of deposits	49	31	(3)	(17)	13
Gain on early termination of leases	26	236	—	—	—
Gain on disposal of an associate	—	—	26	—	—
Penalty income	54	1	150	—	—
Sundry income	4	25	274	24	—
	898	1,537	2,960	889	360
	1,115	1,943	4,440	970	549

Note: The amount represents unconditional government subsidies received from the local government authorities for the purpose of supporting the Group.

FINANCIAL INFORMATION

Other Revenue

During the Track Record Period, other services revenue including the advertisement income from a local mineral water supplier.

Rental income represented the income from our tenants who rented our properties.

Compensation income recorded in the year ended 31 December 2024 represented (i) a one-off fixed mediation-based compensation of RMB0.6 million from Thai Natural to compensate the minimum gross profit of operation amounting to RMB1.8 million in Mount Wuyi Chatang Resort. According to a civil mediation agreement adjudicated in our favour, Thai Natural was required to settle the defaulted profits along with the accrued interests owed to us. The mediation was concluded on 1 August 2024. We received such compensation amount of RMB0.6 million in December 2024; and (ii) a one-off fixed compensation of RMB460,000 from an independent third party which infringed our “Impression — Dahongpao” trademark. According to the final judgment relating to the adjudication of the contravention our “Impression — Dahongpao” trademark, the contravening party was ordered to pay us a fixed compensation of RMB460,000. The judgment was issued on 30 December 2024. As the Latest Practicable Date, we received RMB12,789 as compensation, and the contravening party had not yet settled the remaining RMB447,211 of such compensation.

Other Income

Government subsidies were generally one-off in nature, primarily related to local government’s supportive measures or incentives for our cultural tourism projects in Mount Wuyi.

Gain on disposal of financial assets at FVTPL represented the gains generated from the financial products we purchased.

Bank interest income represented the interest accrued from our deposits in the commercial banks.

Effective interest income/(expenses) of deposits mainly represented the present value of our deposit payable to Mount Wuyi Tourism Resort Development (being one of our Controlling Shareholders) for the right-of-use asset of the 4A-rated Scenic Wuyi Tea Park, with an effective term of 15 years in connection with our Impression Cultural Tourism Town business.

Gain on early termination of leases represented the write-off of unamortised assets and liabilities in relation to the termination of the said leases.

Selling and Distribution Expenses

Selling and distribution expenses represented the fees incurred in our marketing activities, primarily representing staff costs of our marketing personnel, advertisement service costs in connection with our marketing endeavours on Ctrip, Douyin and Meituan, and depreciation of property and equipment. For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our selling and distribution expenses were approximately RMB7.1 million, RMB8.2 million, RMB7.7 million, RMB3.5 million and RMB4.2 million, respectively.

FINANCIAL INFORMATION

Administrative and Other Operating Expenses

Administrative and other operating expenses mainly consisted of (i) employee related expenses, (ii) depreciation of property and equipment, (iii) general office, administration, public utility and office disbursement expenses, (iv) employee benefits expenses, (v) professional services expense, (vi) general property maintenance expenses, (vii) business travel expenses, (viii) depreciation of right-of-use assets, and (ix) [REDACTED].

The following table sets out a breakdown of our administrative and other operating expenses, sorted by nature, for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Employee related expenses	3,530	53.1	5,947	57.0	5,473	51.4	2,027	53.9	1,959	22.9
Performing arts fees	—	—	—	—	—	—	—	—	3,840	44.8
Depreciation of property and equipment	657	9.9	890	8.5	930	8.7	444	11.8	480	5.6
General office, administration, public utility and office disbursement expenses	630	9.5	969	9.3	1,280	12.0	638	17.0	808	9.4
Employee benefits expenses	485	7.3	583	5.6	554	5.2	189	5.0	244	2.8
Professional services expense	497	7.5	609	5.8	986	9.3	151	4.0	641	7.5
General property maintenance expenses	398	6.0	646	6.2	310	2.9	116	3.1	298	3.5
Business travel expenses	218	3.3	304	2.9	269	2.5	97	2.6	125	1.5
Depreciation of right-of-use assets	140	2.1	58	0.6	63	0.6	32	0.9	33	0.4
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	89	1.3	432	4.1	463	4.4	66	1.7	80	0.9
Total	6,644	100.0	10,438	100.0	10,651	100.0	3,760	100.0	8,571	100.0

Employee related expenses were our largest administrative expenses during the years ended 31 December 2022, 2023 and 2024, primarily representing the staff costs of our management and administrative personnel, including the basic salary, bonus and pension of these management and personnel.

Performing arts fees were our largest administrative expenses during the six months ended 30 June 2025, which represented fees paid to performing arts companies for actors and performers of our Moonlight over Mount Wuyi, prior to its launch to the public.

Depreciation of property and equipment represented the depreciation expenses of property and equipment.

General office, administration, public utility and office disbursement expenses represented property management fees, public utility expenses, employee disbursement expenses and other fees incurred in relation to general office management.

FINANCIAL INFORMATION

Employee benefits expenses represented expenses incurred primarily for activities for our labour union.

Professional services expenses included auditor remuneration and fees for legal and other professional services.

Business travel expenses represented the fees incurred from our business travel and public relation related travel expenses incurred in the ordinary course of our business. As our management team needs to travel to different locations within Fujian Province for business development meetings and conferences, our management team and relevant staff need to make necessary arrangements on business travel and accommodations.

Depreciation of right-of-use assets represented depreciation of our right-of-use assets in relation to the leased properties we had.

General property maintenance expenses represented the costs incurred for the cleaning, repair and maintenance of our properties and facilities.

[REDACTED] were the professional fees incurred in relation to our preparation for the [REDACTED].

Others mainly included disposal loss on property and equipment and other tax expenses.

Share of Profit/(Loss) of Associates, net

For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our share of profits/(losses) of associates were approximately RMB7,000, RMB(25,000), RMB(288,000), RMB(23,000) and RMB(39,000), respectively. Our share of profit/(loss) represented the equity-accounted investment profits or losses in three associates, being Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大紅袍文化產業有限公司), Mount Wuyi Shancha Impression Commercial Management Co., Ltd. (武夷山茶印象商業管理有限公司) and Mount Wuyi Mountain Alliance Cultural Tourism Co., Ltd. (武夷山山盟海誓文化旅遊有限公司), over which we did not have full control. See “Risk Factors — Risks Relating to Our Cultural Tourism Business and Industry — We are subject to risks associated with investments in, and share losses in our associates, over which we do not have full control” in this document for details. We disposed all of our equity interest in Mount Wuyi Shancha Impression Commercial Management Co., Ltd. in November 2024.

Finance Costs

During the Track Record Period, our finance costs represented (i) finance charges on lease liabilities and (ii) bank charges. For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our finance costs were approximately RMB2.0 million, RMB1.9 million, RMB1.7 million, RMB0.9 million and RMB1.4 million, respectively.

FINANCIAL INFORMATION

The following table sets out a breakdown of our finance costs for the years and periods indicated.

	For the years ended 31 December						For the six months ended 30 June			
	2022		2023		2024		2024		2025	
	RMB' 000	%	RMB' 000	%	RMB' 000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Finance charges on lease liabilities	1,908	97.8	1,751	94.2	1,607	93.9	814	95.0	1,381	97.3
Bank charges	42	2.2	107	5.8	105	6.1	43	5.0	38	2.7
Total	1,950	100.0	1,858	100.0	1,712	100.0	857	100.0	1,419	100.0

Income Tax Expense

For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our income tax expense was approximately RMB5.0 million, RMB15.2 million, RMB16.1 million, RMB5.6 million and RMB3.3 million, respectively. During the Track Record Period, all of our profits were derived from our business in China. Therefore, our profits generated from our business operations were operations subject to the PRC corporate income tax. The reconciliation of the tax expense applicable to profit before tax, at the statutory rates for the jurisdictions in which our Company and majorities of subsidiaries are domiciled to the tax expense at the effective tax rate, is disclosed in note 8 to the accountant’s report as set out in Appendix I to this document.

The following table sets out our income tax expense for the years and periods indicated.

	For the years ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	<i>(unaudited)</i>				
Current income tax					
- PRC corporate income tax					
Income tax	3,492	17,941	15,703	5,582	5,025
Deferred income tax	1,542	(2,758)	404	50	(1,700)
Total	5,034	15,183	16,107	5,632	3,325

For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our effective tax rates were approximately 206.7%, 24.2%, 27.3%, 30.8%, and 32.9%, respectively.

FINANCIAL INFORMATION

As our Company and all of our operating subsidiaries are incorporated in China, we are subject to EIT of the PRC on each of our Company and our subsidiaries’ taxable income in accordance with the EIT Law. According to the EIT Law, a uniform 25% EIT rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies, which does not apply to our Group. The EIT is calculated based on the entity’s global income as determined under PRC tax laws and accounting standards.

During the Track Record Period and up to the Latest Practicable Date, we had fulfilled all our income tax obligations and have not had any unresolved income tax issues or disputes with the relevant tax authorities.

Profit/(Loss) for the Year

As a result of the foregoing, for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our net profits/(losses) were approximately RMB(2.6) million, RMB47.5 million, RMB42.8 million, RMB12.7 million and RMB6.8 million, respectively. For the same years, our net profit/(loss) margins were approximately (4.1)%, 33.0%, 31.2%, 24.6% and 12.1%, respectively.

We improved our net loss position in 2022 to net profit position in 2023, primarily due to an increase in our total revenue following the end of COVID-19. The lifting of COVID-19 restrictions in December 2022 was the key contributing factor to the resurgence of broad tourism industry, reflecting the release of pent-up demand in tourism that had been suppressed during the lockdown. Similarly, our net profit decreased by approximately RMB4.7 million from 2023 to 2024, primarily due to a decrease in revenue from our Impression — Dahongpao Scenery Show and performance services, as (i) leisure spending activities, especially tourism spending, in 2024 was not as active as that in the previous year after the release of the pent-up demand in 2023. 2023 recorded significant improvement in tourist levels as COVID-19 officially came to an end. There was a notable increase in consumer enthusiasm for non-essential spendings, particularly in the tourism sector. Following a period of restrictions and limitations as a result of COVID-19, many individuals opted to seize the travelling experiences they had previously missed; (ii) there was a longer closure of our Impression — Dahongpao Scenery Show during the period between the start of the new year and the start of the Spring Festival (Chinese Lunar New Year) holidays, which is the typical rest period for our performers. In 2024, we closed for 35 days as the Spring Festival occurred in February 2024, compared to our closure for 22 days in 2023 as the Spring Festival occurred in January 2023; and (iii) bad weather conditions in June 2024 resulted in a drop in audience and even the temporary closure of our performance stage and auditorium for our Impression — Dahongpao Scenery Show. For the six months ended 30 June 2025, net profit of our Group was mainly impacted by the launch of our new show Moonlight over Mount Wuyi in May 2025. Prior to its launch, we had to make significant capital outlays and investment, such as equipment purchases and costs of performers who underwent training and rehearsals, without any revenue generation from ticket sales. After its launch, as the show was still in its early start-up stage, we had to carry out various marketing deals to promote the show and attract audience, which led to higher marketing expenses and at times resulted in us selling tickets at highly discounted prices or offering complimentary tickets as part of our marketing campaign.

FINANCIAL INFORMATION

We have taken, and plan to take, a series of measures to improve our financial performance. Such measures include: (i) in respect of Moonlight over Mount Wuyi, increasing marketing efforts to trade unions, the local educational bureau, schools and other educational institutions, focused promotion of the show as a point of interest to trade unions, study tour groups and senior citizen groups, and offering group bulk purchase deals to these types of group customers; (ii) also in respect of Moonlight over Mount Wuyi, updating of marketing slogans, emphasising its key selling points of its water curtain stage and related stage effects, as well as its cultural educational values, which differentiates it from other live performances; (iii) in respect of our Chatang hotel, offering bulk purchase discount for hot bath passes and launching seasonal hot bath passes; (iv) cooperating with various third party tourism platforms and local hotels to offer promotional deals or sales packages together with other tourist spots within Mount Wuyi City; (v) in light of a series of large-scale events to take place in Mount Wuyi City, such as the Cross-Strait Tea Expo (海峽兩岸茶博會), Mount Wuyi International Marathon (武夷山國際馬拉松), offering specific promotional deals to organisers and participants of these events alike; (vi) strengthening liaison and cooperation with tour group operators who specifically arrange self-driving road trip tour groups to broaden our customer base; (vii) increasing marketing and ads at offline channels, such as at airports, high-speed rail stations, highways; (viii) increasing online presence marketing, such as setting up official accounts, engaging key opinion leaders for marketing purpose, and posting on various online video-streaming and content sharing platforms.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

Year Ended 31 December 2023 Compared to Year Ended 31 December 2022

Revenue

Our revenue increased by approximately RMB80.9 million, or 128.4%, from approximately RMB63.0 million for the year ended 31 December 2022 to approximately RMB143.9 million for the year ended 31 December 2023, primarily attributable to the end of the COVID-19 pandemic which had led to a resurgence in the regional tourism industry, resulting in a booming tourism sector in Mount Wuyi during the year. The increase in our revenue in 2023 as compared to 2022 by business segment is analysed as follows:

- (i) The revenue from our shows and performance services increased by approximately RMB78.5 million, or 135.6% from approximately RMB57.9 million for the year ended 31 December 2022 to approximately RMB136.4 million for the year ended 31 December 2023, primarily attributable to an increase in the number of performances of our show, Impression — Dahongpao Scenery Show during the year, as a result of the post-pandemic resurgence of local tourism industry.
- (ii) The revenue from our Impression Cultural Tourism Town business increased by approximately RMB0.6 million, or 20.0% from approximately RMB3.0 million for the year ended 31 December 2022 to approximately RMB3.6 million for the year ended 31 December 2023, primarily attributable to the surge in number of tourists as a result of the post-pandemic resurgence of local tourism industry, which led to increased fixed lease income from letting out of shop premises.

FINANCIAL INFORMATION

- (iii) The revenue from our Chatang hotel business increased by approximately RMB1.8 million, or 85.7% from approximately RMB2.1 million for the year ended 31 December 2022 to approximately RMB3.9 million for the year ended 31 December 2023, attributable to an improvement of its guest room occupancy rate due to the post-pandemic resurgence of the regional tourism industry as elaborated above.

Cost of Sales

Cost of sales increased by approximately RMB14.9 million, or 32.5% from approximately RMB45.9 million for the year ended 31 December 2022, to approximately RMB60.8 million for the year ended 31 December 2023. Such an increase was primarily attributable to an increase in the number of performances of our show during the year, resulting in an increase in labour costs, directorial royalty service fees, and costume cleaning and venue cleaning expenses.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by approximately RMB65.9 million, or 383.1% from approximately RMB17.2 million for the year ended 31 December 2022, to approximately RMB83.1 million for the year ended 31 December 2023.

Gross profit margin increased by approximately 30.6 percentage points, from approximately 27.2% for the year ended 31 December 2022, to approximately 57.8% for the year ended 31 December 2023. Such an increase was mainly due to resurgence of the regional tourism industry after COVID-19 restrictions have been lifted. This contributed to a jump in ticket sales from our signature Impression — Dahongpao Scenery Show, while its cost of sales grew at a slower pace. As a result of the tourism boost, popularity of the Impression — Dahongpao Scenery Show also brought knock-on effects that contributed to improved results for our Impression Cultural Tourism Town and Chatang hotel.

The gross profit/(loss) and gross profit/(loss) margins by business segment are analysed as follows:

(i) *Shows and performance services*

Gross profit for our shows and performance services increased by approximately RMB64.5 million, or 293.2% from approximately RMB22.0 million for the year ended 31 December 2022 to approximately RMB86.5 million for the year ended 31 December 2023, generally in line with the increased engagement level of our show in Mount Wuyi as a result of the resurgence in the regional tourism industry during the year. Gross profit margin increased from approximately 38.0% for the year ended 31 December 2022 to approximately 63.4% for the year ended 31 December 2023, primarily due to the substantial increase in revenue from ticket sales of our Impression — Dahongpao Scenery Show outpaced the increase in its cost of sales. Such increase in cost of sales included renovation expenses and bonus of our employees and salaries of part-time performance team members as a result of the increase in number of shows performed, as elaborated in “— Gross profit of our shows and performance services” above.

FINANCIAL INFORMATION

(ii) Impression Cultural Tourism Town business

Gross profit for our Impression Cultural Tourism Town business increased by approximately RMB0.4 million, or 23.5% from approximately RMB1.7 million for the year ended 31 December 2022 to approximately RMB2.1 million for the year ended 31 December 2023, which was propelled by the resurgence in the regional tourism industry resulting in an increase in tourist numbers during the year. Gross profit margin increased from approximately 55.6% for the year ended 31 December 2022 to approximately 59.1% for the year ended 31 December 2023, primarily due to an increase in fixed lease income from letting out of shop premises, while the cost of sales remained stable as fixed cost due to depreciation of land use rights accounted for a large proportion.

(iii) Chatang hotel business

Gross loss for our Chatang hotel business decreased by approximately RMB1.0 million or 15.4% from approximately RMB6.5 million for the year ended 31 December 2022 to RMB5.5 million for the year ended 31 December 2023, primarily due to an increase in the number of travellers to Mount Wuyi, which directly led to improved guest room occupancy rate of our Chatang hotel. Gross loss margin decreased from approximately 313.7% for the year ended 31 December 2022 to approximately 140.9% for the year ended 31 December 2023, due to the improved results of operation of our Chatang hotel as a result of the resurgence of regional tourism industry while its cost of sales remained stable.

Other Revenue and Other Income

Other revenue and other income increased by approximately RMB0.8 million, or 72.7% from approximately RMB1.1 million for the year ended 31 December 2022 to approximately RMB1.9 million for the year ended 31 December 2023, primarily attributable to an increase in gains on disposal of financial assets at FVTPL, an increase in our rental income, an increase in bank interest income and gains on early termination of leases, partially offset by a decrease in government subsidies during the year.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately RMB1.1 million, or 15.5% from approximately RMB7.1 million as at 31 December 2022 to approximately RMB8.2 million as at 31 December 2023. Such an increase was mainly attributable to an increase in our staff costs and marketing expenses during the year.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by approximately RMB3.8 million, or 57.6% from approximately RMB6.6 million for the year ended 31 December 2022 to approximately RMB10.4 million for the year ended 31 December 2023, primarily because we incurred more general property, maintenance expenses, and also recorded an increase in employee related expenses, primarily because more staff bonus was paid as a result of overall improvement in earnings of our Group.

FINANCIAL INFORMATION

Share of Profit/(Loss) of Associates, net

We recorded a net share of profit of associates of approximately RMB7,000 for the year ended 31 December 2022, and we recorded a net share of loss of associates of approximately RMB25,000 for the year ended 31 December 2023. Such a decrease mainly reflected the respective financial performance of our three associates which we did not have full control over.

Finance Costs

Finance costs were relatively stable during the year. For the years ended 31 December 2022 and 2023, our finance costs were approximately RMB2.0 million and RMB1.9 million, respectively. The slight decrease primarily represented a small decrease in finance charges on lease liabilities, as we terminated two lease agreements in 2023, partially offset by an increase in bank charges.

Income Tax Expenses

Income tax expense increased by approximately RMB10.2 million, or 204.0% from approximately RMB5.0 million for the year ended 31 December 2022 to approximately RMB15.2 million for the year ended 31 December 2023, resulting from an increase in our taxable profit during the year.

Profit for the Year

Our net profit increased by approximately RMB50.1 million from approximately RMB(2.6) million for the year ended 31 December 2022 to approximately RMB47.5 million for the year ended 31 December 2023, due to the combined effects of the foregoing.

Year Ended 31 December 2024 Compared to Year Ended 31 December 2023

Revenue

Our revenue decreased by approximately RMB6.7 million, or 4.7%, from approximately RMB143.9 million for the year ended 31 December 2023, to approximately RMB137.2 million for the year ended 31 December 2024, primarily because the driving force of the local tourism sector to the tourist spending was not as significant as that of in the same period of 2023 despite the fact that our business operation was still benefited from the post-pandemic resurgence in the tourism industry. The decrease in our revenue for the year ended 31 December 2024 compared to the year ended 31 December 2023 by business segment is analysed as follows:

- (i) The revenue from our shows and performance services decreased by approximately RMB6.4 million, or 4.7% from approximately RMB 136.4 million for the year ended 31 December 2023 to approximately RMB130.0 million for the year ended 31 December 2024, primarily attributable to a decrease in the number of tourists who visited Mount Wuyi bought tickets to watch our signature show. 2023 was a special year which saw strong rebound in consumer travel spending within the tourism industry following COVID-19. The boost in 2023 could be attributed to several factors, including the lifting of travel restrictions, growing consumer confidence, and a strong desire among people to make up

FINANCIAL INFORMATION

for lost travel opportunities during the pandemic, which reflected the release of pent-up demand for tourism that had been suppressed during the lockdown. As a result, 2023 saw a significant uptick in tourist activity and spending, highlighting the recovery of the tourism industry and people’s renewed enthusiasm for travelling. 2023 is generally perceived as a special year of rapid increase in rebound travels and non-essential spendings, including leisure spending such as spendings in tourism sector. Comparatively, the overall performance of the tourism industry in 2024 was relatively stable. This was because after a period of release of pent-up spending, most people returned to a more prudent spending mindset. Nonetheless, based on the traveller-to-audience conversion rate (at 6.7% as recorded in 2023), our Impression — Dahongpao Scenery Show was well-received by the audience and had a stable and strong market response. The growth pattern of our Impression — Dahongpao Scenery Show has shifted toward steady stable growth instead of rapid growth. Such shift of the growth pattern suggests that it is moving towards a phase of maturation in its development. Therefore, the decrease in revenue from Impression — Dahongpao Scenery Show does not necessarily mean it will become less attractive going forward. Additionally, such decrease in revenue was partially attributable to the longer closure of our Impression — Dahongpao Scenery Show business during the period between the start of the new year and the start of the Spring Festival (Chinese Lunar New Year) holidays, which is the typical rest period for our performers. In 2024, we closed for 35 days as the Spring Festival occurred in February 2024, compared to our closure for 22 days in 2023 as the Spring Festival occurred in January 2023. Moreover, bad weather conditions in June 2024 resulted in a drop in audience and even temporary closure of our performance stage and auditorium for our Impression — Dahongpao Scenery Show. As the result of the foregoing, our revenue from the shows and performance services decreased by approximately RMB6.4 million in 2024.

- (ii) The revenue from our Impression Cultural Tourism Town business decreased by RMB0.2 million, or 5.6% from approximately RMB3.6 million for the year ended 31 December 2023 to approximately RMB3.4 million for the year ended 31 December 2024, primarily due to stabilisation of tourism demand and more prudent consumer spending habits, after a particularly strong year in 2023 after the lifting of COVID-19 restrictions. This is despite that we continued to focus our resources and attention on enlarging the portfolio of our cultural tourism service offerings in our Impression Cultural Tourism Town to diversify our business streams, such as by encouraging a night economy for Mount Wuyi by launching the Impression Market (印象市集) business in October 2024.
- (iii) The revenue from our Chatang hotel business decreased by RMB0.1 million, or 2.6% from approximately RMB3.9 million for the year ended 31 December 2023 to approximately RMB3.8 million for the year ended 31 December 2024, primarily due to stabilisation of tourism demand and more prudent consumer spending habits, after a particularly strong year in 2023 after the lifting of COVID-19 restrictions.

FINANCIAL INFORMATION

Cost of Sales

Cost of sales increased by approximately RMB1.5 million, or 2.5% from approximately RMB60.8 million for the year ended 31 December 2023 to approximately RMB62.3 million for the year ended 31 December 2024. Such increase was primarily attributable to the upward salary adjustments for our employees and the distribution of additional staff bonus to our employees during the year.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by approximately RMB8.2 million or 9.9% from approximately RMB83.1 million for the year ended 31 December 2023, to approximately RMB74.9 million for the year ended 31 December 2024.

Gross profit margin decreased by approximately 3.2 percentage points, from approximately 57.8% for the year ended 31 December 2023 to approximately 54.6% for the year ended 31 December 2024. The slight decrease primarily reflected that although the tourism industry continued to benefit from the post-pandemic recovery for the year ended 31 December 2024, revenue decreased during 2024, while there was an increase in cost of sales as a result of increase in labour costs.

The gross profit/(loss) and gross profit/(loss) margin by business segment are analysed as follows:

(i) *Shows and performance services*

Gross profit for our shows and performance services decreased by approximately RMB7.2 million, or 8.3% from approximately RMB86.5 million for the year ended 31 December 2023 to approximately RMB79.3 million for the year ended 31 December 2024. Such a decrease generally reflected a decrease in our revenue for the year, as consumer travel spending within the tourism industry stabilised after the significant rebound of travel demand in 2023 after lifting of COVID-19 restrictions. At the same time, labour costs for our Impression — Dahongpao Scenery Show increased as a result of an upward salary adjustment for our employees during 2024. Gross profit margin decreased from approximately 63.4% for the year ended 31 December 2023 to approximately 61.0% for the year ended 31 December 2024, primarily as a result of the decrease in revenue coupled with increase in cost of sales as a result of increase in labour costs.

(ii) *Impression Cultural Tourism Town business*

Gross profit for our Impression Cultural Tourism Town business slightly decreased by approximately RMB0.3 million, or 14.3% from approximately RMB2.1 million for the year ended 31 December 2023 to approximately RMB1.8 million for the year ended 31 December 2024, reflecting the prudent consumption habits of consumers in 2024, unlike the significant demand in 2023 due to a resurgence in the regional tourism industry. The gross profit margin decreased from approximately 59.1% for the year ended 31 December 2023 to approximately

FINANCIAL INFORMATION

52.6% for the year ended 31 December 2024, primarily due to a decrease in revenue for this business segment as elaborated above, while the cost of sales slightly increased due to depreciation of the newly leased car park and equipment for the newly launched Impression Market during the year.

(iii) Chatang hotel business

Gross loss for our Chatang hotel business increased by approximately RMB0.7 million, or 12.7% from approximately RMB5.5 million for the year ended 31 December 2023 to approximately RMB6.2 million for the year ended 31 December 2024. The gross loss margin changed from 140.9% for the year ended 31 December 2023 to 162.2% for the year ended 31 December 2024, primarily due to a decrease in our revenue of Chatang hotel business after a particularly strong 2023, while the cost of sales for the segment increased as management fee payable to our hotel operator increased.

Other Revenue and Other Income

Other revenue and other income increased by approximately RMB2.5 million, or 131.6% from approximately RMB1.9 million for the year ended 31 December 2023, to approximately RMB4.4 million for the year ended 31 December 2024, mainly attributable to an increase in gains on disposal of financial assets at FVTPL, an increase in compensation income and an increase in government subsidies, primarily offset by a decrease in bank interest income and a decrease in gains on early termination of leases (as there was no lease being terminated) during the year.

Selling and Distribution Expenses

Selling and distribution expenses decreased by approximately RMB0.5 million, or 6.1% from approximately RMB8.2 million for the year ended 31 December 2023, to approximately RMB7.7 million for the year ended 31 December 2024. The decrease in selling and distribution expenses was attributable to a decrease in the fees incurred in our marketing activities during the period, as we had less marketing activities in 2024.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by approximately RMB0.3 million, or 2.9% from approximately RMB10.4 million for the year ended 31 December 2023 to approximately RMB10.7 million for the year ended 31 December 2024 mainly because we incurred [REDACTED] in relation to our preparation for the [REDACTED] for the year ended 31 December 2024.

Share of Profit/(Loss) of Associates, net

We recorded a net share of loss of associates of approximately RMB25,000 for the year ended 31 December 2023 and approximately RMB288,000 for the year ended 31 December 2024. Such a decrease mainly reflected the combined financial performance of each of our three associates during the year, each of which we did not have full control over.

FINANCIAL INFORMATION

Finance Costs

Finance costs were relatively stable during the year. For the year ended 31 December 2023 and the year ended 31 December 2024, our finance costs were approximately RMB1.9 million and RMB1.7 million, respectively. The slight decrease primarily represented a small decrease in finance charges on lease liabilities and a small decrease in our bank charges.

Income Tax Expenses

Income tax expenses increased by approximately RMB0.9 million, or 5.9% from approximately RMB15.2 million for the year ended 31 December 2023 to approximately RMB16.1 million for the year ended 31 December 2024, as we recorded net profit for the provision of Impression Cultural Tourism Town business in 2024 and as a result, our subsidiary Impression Dahongpao Cultural became subject to EIT in the same year.

Profit for the Year

Due to the combined effect of the foregoing, our profit and total comprehensive incomes for the years ended 31 December 2023 and 2024 are approximately RMB47.5 million and RMB42.8 million respectively.

Six months ended 30 June 2025 compared to six months ended 30 June 2024

Revenue

Our revenue increased by approximately RMB4.4 million, or 8.5%, from approximately RMB51.5 million for the six months ended 30 June 2024, to approximately RMB55.9 million for the six months ended 30 June 2025, primarily because (i) the revenue from our Impression — Dahongpao Scenery Show and performance services increased by approximately RMB1.6 million, or 3.3%, from approximately RMB48.0 million for the six months ended 30 June 2024 to approximately RMB49.6 million for the six months ended 30 June 2025 as our Impression — Dahongpao Scenery Show continued to attract more tourists; (ii) the revenue from our Impression Cultural Tourism Town business increased approximately RMB0.2 million, or 11.8%, from approximately RMB1.7 million for the six months ended 30 June 2024 to approximately RMB1.9 million for the six months ended 30 June 2025; (iii) we recorded a revenue of approximately RMB2.4 million from our new show, Moonlight over Mount Wuyi (《月映武夷》) which commenced performance since May 2025, and (iv) the revenue from our Chatang hotel business increased by approximately RMB 75,000 over the six months period ended 30 June 2025 compared to the same period in 2024.

Cost of Sales

Cost of sales increased by approximately RMB6.1 million, or 23.5%, from approximately RMB26.0 million for the six months ended 30 June 2024 to approximately RMB32.1 million for the six months ended 30 June 2025. Such increase was primarily attributable to (i) the upward salary adjustments for our employees and (ii) the cost of sales of approximately RMB4.2 million recorded

FINANCIAL INFORMATION

for Moonlight Wuyi for the six months ended 30 June 2025, which comprises performing arts fees for Moonlight over Mount Wuyi of approximately RMB2.1 million, rental expenses for lease of its theatre of approximately RMB0.6 million, depreciation of integrated equipment of approximately RMB0.6 million, and other costs.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by approximately RMB1.7 million, or 6.7%, from approximately RMB25.5 million for the six months ended 30 June 2024 to approximately RMB23.8 million for the six months ended 30 June 2025. Gross profit margin decreased by approximately 7.1 percentage points, from approximately 49.6% for the six months ended 30 June 2024 to approximately 42.5% for the six months ended 30 June 2025.

The gross profit/(loss) and gross profit/(loss)margin by business segment are analysed as follows:

(i) *Shows and performance services*

Despite that the revenue from our Impression — Dahongpao Scenery Show and performance services increased by approximately RMB1.6 million from approximately RMB48.0 million for the six months ended 30 June 2024 to approximately RMB49.6 million for the six months ended 30 June 2025, we made an upward salary adjustments for our employees in September 2024, leading to an increase of approximately RMB2.4 million cost of sales which was partially offset by decrease in repair expenses of approximately RMB355,000 for the six months ended 30 June 2025. Consequently, the gross profit margin decreased from 58.1% for the six months ended 30 June 2024 to 55.3% for the six months ended 30 June 2025.

In addition, for the six months ended 30 June 2025, our new show Moonlight over Mount Wuyi, recorded a gross loss margin of 76.7%. As Moonlight Wuyi was established in September 2024, and the Moonlight over Mount Wuyi only commenced performance since May 2025, this business was still in its start-up stages, therefore the current revenue scale remains insufficient to cover its fixed costs and amortisation.

(ii) *Impression Cultural Tourism Town business*

Gross profit for our Impression Cultural Tourism Town business decreased by approximately RMB33,000, or 4.1%, from approximately RMB805,000 for the six months ended 30 June 2024, to approximately RMB772,000 for the six months ended 30 June 2025. Gross profit margin decreased by approximately 7.9 percentage points, from approximately 48.2% for the six months ended 30 June 2024 to approximately 40.3% for the six months ended 30 June 2025, primarily due to the increase in cost of sales resulting from depreciation of right-of-use assets for the newly leased car park in July 2024 and the depreciation of equipment purchased for the newly launched Impression Market in October 2024.

FINANCIAL INFORMATION

(iii) Chatang hotel business

Gross loss for our Chatang hotel business decreased by approximately RMB0.4 million, or 12.9%, from approximately RMB3.1 million for the six months ended 30 June 2024, to approximately RMB2.7 million for the six months ended 30 June 2025. The gross loss margin decreased by approximately 29.6 percentage points, from approximately 164.8% for the six months ended 30 June 2024 to approximately 135.2% for the six months ended 30 June 2025, primarily due to a decrease in the management fee payable to Thai Natural, which resulted in the cost of sales of our Chatang hotel business decreased to approximately RMB4.6 million from approximately RMB5.0 million for the same period in 2024. This was due to an adjustment of our revenue distribution mechanism under the Chatang Management Arrangements upon its entering into the second phase in January 2025, as elaborated above. For details of the key terms of the Chatang Management Arrangements, please refer to the paragraph headed “Business — Chatang Hotel Business — Hotel Management” in this document.

Other Revenue and Other Income

Other revenue and other income decreased by approximately RMB421,000, or 43.4%, from approximately RMB970,000 for the six months ended 30 June 2024 to approximately RMB549,000 for the six months ended 30 June 2025, mainly attributable to a decrease in government subsidies, from approximately RMB531,000 for the six months ended 30 June 2024 to approximately RMB26,000 for the six months ended 30 June 2025. In 2024, we received a government subsidy of RMB531,000 from the local government authorities after proactively applying for it and meeting the relevant criteria outlined in the specific policy documents issued by the government that year. As this government subsidy depends on the policy direction and requirements each year and is not a fixed arrangement, we did not receive such government subsidy in 2025. Such decrease was partially offset by an increase in fair value gain on financial assets at FVTPL of approximately RMB104,000.

Selling and Distribution Expenses

Selling and distribution expenses increased by approximately RMB0.7 million, or 20.0%, from approximately RMB3.5 million for the six months ended 30 June 2024 to approximately RMB4.2 million for the six months ended 30 June 2025. The increase in selling and distribution expenses was mainly attributable to an increase in the fees incurred in our marketing activities for our new show, Moonlight over Mount Wuyi, of approximately RMB0.5 million in 2025, as we did not have such marketing activities in 2024.

Administrative and Other Operating Expenses

Administrative and other operating expenses increased by approximately RMB4.8 million, or 126.3%, from approximately RMB3.8 million for the six months ended 30 June 2024 to approximately RMB8.6 million for the six months ended 30 June 2025, mainly because we incurred approximately RMB4.5 million administrative and other operating expenses for our new show, Moonlight over Mount Wuyi, in 2025.

FINANCIAL INFORMATION

Share of Profit/(Loss) of Associates, net

We recorded a net share of loss of associates of approximately RMB39,000 for the six months ended 30 June 2025 and approximately RMB23,000 for the six months ended 30 June 2024. Such an increase mainly reflected the financial performance of Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd. (武夷山印象大紅袍文化產業有限公司) and Mount Wuyi Mountain Alliance Cultural Tourism Co., Ltd. (武夷山山盟海誓文化旅遊有限公司) during the period, both of which we did not have full control over.

Finance Costs

Finance costs increased by approximately RMB0.5 million, or 55.6%, from approximately RMB0.9 million for the six months ended 30 June 2024 to approximately RMB1.4 million for the six months ended 30 June 2025. The increase primarily represented an increase in finance charges on lease liabilities and a small decrease in our bank charges.

Income Tax Expenses

Income tax expenses decreased by approximately RMB2.3 million, or 41.1%, from approximately RMB5.6 million for the six months ended 30 June 2024 to approximately RMB3.3 million for the six months ended 30 June 2025. The decrease primarily represented the increase in recognition of net deferred tax assets for the period.

Profit for the Period

Due to the combined effect of the foregoing, our profit and total comprehensive incomes for the six months ended 30 June 2024 and 2025 are approximately RMB12.7 million and RMB6.8 million, respectively.

FINANCIAL INFORMATION

SELECTED BALANCE SHEET ITEMS

The following table sets out our selected balance sheet items as at the dates indicated.

	As at 31 December			As at 30 June	As at 31 October
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current Assets					
Inventories	133	57	47	11	6
Trade and other receivables	5,525	6,055	13,271	20,332	22,174
Financial assets at FVTPL	3,000	7,586	—	15,291	49,991
Restricted cash	—	—	2	2	2
Cash and cash equivalents	27,692	85,241	101,081	64,133	42,421
Total Current Assets	36,350	98,939	114,401	99,769	114,594
Current liabilities					
Contract liabilities	512	468	663	2,718	3,233
Trade and other payables	10,052	15,830	14,995	54,238	37,433
Lease liabilities	3,575	4,963	6,682	11,234	13,708
Income tax payable	1,094	1,999	3,399	4,138	2,621
Total Current Liabilities	15,233	23,260	25,739	72,328	56,995
Net Current Assets	21,117	75,679	88,662	27,441	57,599
Non-current assets					
Property and equipment	153,475	144,534	135,202	186,157	181,247
Right-of-use assets	45,560	40,122	37,426	102,549	100,294
Intangible assets	—	—	—	29,002	28,514
Investment properties	348	335	323	318	314
Interests in associates	2,141	2,571	2,190	2,151	2,151
Deposit	579	610	607	620	620
Prepayments	—	—	20,331	—	—
Deferred tax assets	5,441	7,164	6,485	8,101	9,196
	207,544	195,336	202,564	328,898	322,336
Non-current liabilities					
Other payables	32	8	—	—	—
Lease liabilities	37,622	33,531	31,637	95,126	92,912
Deferred tax liabilities	4,980	3,945	3,670	3,586	3,586
	42,634	37,484	35,307	98,712	96,498
Net Assets	186,027	233,531	255,919	257,627	283,437

FINANCIAL INFORMATION

We had net current assets of approximately RMB21.1 million, RMB75.7 million, RMB88.7 million and RMB27.4 million as at 31 December 2022, 2023, 2024, and 30 June 2025, respectively. As at 31 October 2025, we had net current assets of approximately RMB57.6 million.

The increase in our net current assets as at 31 December 2023 as compared to 31 December 2022 was primarily attributable to an increase in cash and cash equivalents of approximately RMB57.5 million, which related to the cash income from our operating activities during the year and an increase in financial assets at FVTPL of approximately RMB4.6 million, partially offset by an increase in our trade and other payables of approximately RMB5.8 million.

The increase in our net current assets as at 31 December 2024 as compared to 31 December 2023 was primarily attributable to an increase in our cash and cash equivalents of approximately RMB 15.8 million and in increase in our trade and other receivables of approximately RMB7.2 million, partially offset by a decrease in our financial assets at FVTPL of approximately RMB7.6 million (which all became due on 30 September 2024) and increase in our lease liabilities of approximately RMB 1.7 million as compared to 31 December 2024.

The decrease in our net current assets as at 30 June 2025 as compared to 31 December 2024 was primarily attributable to a significant increase in contract liabilities of approximately RMB2.1 million, trade and other payables of approximately RMB39.2 million, lease liabilities of approximately RMB4.6 million, and decrease in cash and cash equivalents of approximately RMB36.9 million, and partially offset by increase in financial assets at FVTPL of approximately RMB15.3 million and trade and other receivables of approximately RMB7.1 million.

We had net current assets of approximately RMB57.6 million as at 31 October 2025 compare with the net current assets of approximately RMB27.4 million as at 30 June 2025. The increase in our net current assets as at 31 October 2025 was primarily due to financial assets at FVTPL increasing by RMB34.7 million. Additionally, there was a decrease in trade and other payables by RMB16.8 million due to the repayment for the acquisition of intangible assets and property and equipment by our subsidiary, Moonlight Wuyi and partially offset by cash and cash equivalents decreased by RMB21.7 million due to acquired financial products.

Inventories

Inventories represent finished goods, primarily being bottled mineral water and Dahongpao tea. We distribute these bottled mineral water to our VIP seated audience of our signature show free of charge and Dahongpao tea is used in connection with our business operations. Back in 2022, our business operations, particularly the number of performances of our signature show, were restricted by COVID-19, resulting in a higher inventory level for the year, especially the inventory level of bottled mineral water. In 2023, due to the resurgence in the regional tourism industry which ultimately led to an increase in our number of performances of the show, our inventories decreased to a reasonable level of approximately RMB57,000 as at 31 December 2023 from approximately RMB133,000 as at 31 December 2022. Inventories further decreased from approximately RMB57,000 as at 31 December 2023 to approximately RMB47,000 as at 31 December 2024, attributable to an increase in our consumption of Dahongpao tea, which was used in both performance, and then to approximately RMB11,000 as at 30 June 2025 mainly of our show and in connection with the operation of our Wuyi Rock Tea Research Society.

FINANCIAL INFORMATION

As at 31 October 2025, approximately RMB6,000 or 54.5% of our inventories as at 30 June 2025 had been fully utilised.

Trade and Other Receivables

Trade and other receivables include (i) trade receivables, representing balances due from Fujian Spring in respect of the operation of Impression Jianzhou Food-themed Street, (ii) prepayments, representing the balances of prepaid advertising expenses, (iii) other receivables, representing balances due from our other customers, being the premise renovation fees paid on behalf of the vendors who rented our premises in the Impression Cultural Tourism Town to conduct their businesses, and compensation income of RMB460,000 due from the defaulting party in relation to the contravention of our “Impression — Dahongpao” trademark following a court adjudication on 30 December 2024, and (iv) other tax recoverables, representing the difference between our input VAT and deductible output VAT. Our trade and other receivables are non-interest-bearing.

The following table sets out a breakdown of our trade and other receivables as at the dates indicated.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	3,831	5,191	4,187	6,008
Less: ECL allowance provision	(218)	(674)	(692)	(709)
	<u>3,613</u>	<u>4,517</u>	<u>3,495</u>	<u>5,299</u>
Prepayments	1,173	546	21,515	464
Prepaid [REDACTED]	—	—	5,548	9,303
Other receivables	519	777	1,427	1,401
Other tax recoverable	245	253	1,688	3,935
Less: ECL allowance provision	(25)	(38)	(71)	(70)
	<u>1,912</u>	<u>1,538</u>	<u>30,107</u>	<u>15,033</u>
	<u>5,525</u>	<u>6,055</u>	<u>33,602</u>	<u>20,332</u>

Our trade and other receivables increased by approximately RMB0.6 million from approximately RMB5.5 million as at 31 December 2022 to approximately RMB6.1 million as at 31 December 2023, as the amount of balances due from Fujian Spring increased as at 31 December 2023. Such a balance increase mainly reflected the minimum guarantee income and a revenue distribution mechanism mutually agreed in the Jianzhou Street Business Arrangement Agreement with Fujian Spring, subject to the actual operation of Impression Jianzhou Food-themed Street by Fujian Spring as we agreed upon later payments from our customers as they were still recovering from the impact of the COVID-19 pandemic. See “Business — Impression Cultural Tourism Town Business” for the details

FINANCIAL INFORMATION

relating to the said minimum guarantee income and revenue distribution mechanism mutually agreed between Fujian Spring and us. Our trade and other receivables increased by approximately RMB27.5 million from approximately RMB6.1 million as at 31 December 2023 to approximately RMB33.6 million as at 31 December 2024. Such an increase was primarily attributable to an increase in prepayments to the Directory Unity for the settlement of fees in respect of the construction of the performance stage’s integrated equipment and devices, and the directorial content creativity in connection with Moonlight over Mount Wuyi. Our trade and other receivables decreased by approximately RMB13.3 million from approximately RMB33.6 million as at 31 December 2024 to approximately RMB20.3 million as at 30 June 2025. Such a decrease was primarily attributable to a decrease in the prepayments of approximately RMB21.1 million, of which, approximately RMB8.6 million was directorial fees and approximately RMB11.7 million was fees in respect of the performance stage integrated equipments and devices of our new show, Moonlight over Mount Wuyi. The decrease was partially offset by an increase in the trade receivables of approximately RMB1.8 million, which were mainly due from Fujian Spring in connection with our Impression Jianzhou Food-themed Street.

The following table sets out an ageing analysis of our trade receivables based on the date of revenue recognition, as at the dates indicated.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within 1 year	2,937	3,097	3,850	4,350
1 - 2 years	894	1,648	323	1,632
2 - 3 years	—	446	14	26
	<u>3,831</u>	<u>5,191</u>	<u>4,187</u>	<u>6,008</u>

Average trade receivables turnover days for a period is calculated using the average of the beginning and ending trade receivables of the period divided by revenue for that period and multiplied by the number of days in that period. Our average trade receivables turnover days remained stable at 13.8 days, 10.3 days, 10.7 days and 14.4 days for the years ended 31 December 2022, 2023, 2024, and for the six months ended 30 June 2025, respectively.

As at the Latest Practicable Date, approximately RMB1.9 million, or 9.4% of our trade and other receivables as at 30 June 2025 had been settled. Trade and other receivables that had yet been settled as at the Latest Practicable Date primarily represented the minimum guarantee income from Fujian Spring in connection with our Impression Jianzhou Food-themed Street. Our Group applies individual assessment on high credit risk customer i.e. Fujian Spring, and our Group evaluates the past payment history, collateral and takes into account the operations at Fujian Spring as well as the prevailing economic environment to access the expected credit loss associated with Fujian Spring. Based on the aforesaid, save for our expected credit loss for trade and other receivables, our Directors are of the view that there is no imminent recoverability issue due to the settlement of our trade and other receivables.

FINANCIAL INFORMATION

For our ticket selling distributors, who are our customers in respect of our Impression — Dahongpao Scenery Show, and Moonlight over Mount Wuyi we require these distributors to purchase our show tickets through prepaid deposits. Before engaging a new customer, we assess the customer’s credit rate and determine the credit limit for the customer. Credit limits granted to our customers are reviewed periodically by us. We apply the simplified approach to provide the ECL provisions prescribed by HKFRS 9, which permits the use of lifetime expected credit loss provision for all trade receivables. To measure the ECL, trade receivables are grouped based on shared credit risk characteristics and the days past due. Any historical credit rate is adjusted to reflect current and forward-looking macroeconomic factors affecting a customer’s ability to settle the amount outstanding.

Financial Assets at FVTPL

Financial assets at FVTPL represent our fixed-term investment in some financial products with financial institutions. Our financial assets at FVTPL increased by approximately RMB4.6 million from approximately RMB3.0 million as at 31 December 2022 to approximately RMB7.6 million as at 31 December 2023, primarily because more financial products became due on 31 December 2023. We redeemed all of our financial products in December 2024 and made investments in other financial products in January 2025. Therefore our financial assets at FVTPL recorded nil and approximately RMB15.3 million as at 31 December 2024 and 30 June 2025, respectively.

If we continue to invest in financial products after [REDACTED], we will comply with requirements under Chapter 14 of the Listing Rules and disclose the details of our investments and other notifiable transactions to the extent necessary and as appropriate.

With regards to the purchase and redemption of financial products, we have formulated the investment policy of diversifying risks and generating steady returns on the premise of ensuring the safety of funds. We mainly purchase and redeem short-term financial products from time to time for liquidity management purposes. We generally prefer bank-issued financial products with a relatively low risk level assigned to them by relevant banks and as stipulated in the purchase agreements for such products. In terms of investing in financial products, our investment strategy is to diversify risks and generate returns, while ensuring the safety of the funds. Our chief financial officer and finance department are mainly responsible for making, implementing and supervising our investment strategies and decisions. We have implemented the following investment policies:

- Our chief financial officer is responsible for the approval of our investments in financial products through a strict review and decision-making process;
- Our finance department is responsible for the analysis and research of investments in financial products, as well as the routine management of such investments; and
- Investments in financial products could be made when we have surplus cash that is not required for our short-term working capital purposes.

FINANCIAL INFORMATION

We have established internal control measures for investing in financial products, including: (i) evaluating working capital sufficiency for business needs prior to and after investment; (ii) adopting a prudent approach in selecting and approving financial assets to minimise financial risks; and (iii) making case-by-case investment decisions based on factors such as the macroeconomic environment, market conditions, risk control and expected investment outcomes. In relation to the valuation of financial products, our Directors (i) reviewed the terms and conditions on the investment agreements, carefully considered all related information and agreed on the valuation approaches adopted and key assumptions; and (ii) approved the results if the procedures were deemed satisfactory and it was unnecessary to appoint external valuation expert to conduct the valuation. Based on the above processes, our Directors are of the view that the valuation analysis is fair and reasonable, and the fair value measurements of financial products are properly prepared.

Restricted Cash

For the year ended 31 December 2024 and the six months ended 30 June 2025, we had restricted cash of RMB2,000, representing our deposit at a commercial bank in exchange for the use right of a POS portable machine for us to take payments from our customers.

Contract Liabilities

Our contract liabilities represent our performance duty towards ticket selling distributors who secured tickets to be issued by us with deposits, and our performance duty towards guests who purchase Chatang value-added cards to enjoy our Chatang services. As at 31 December 2022, 2023, 2024, and 30 June 2025, our contract liabilities were approximately RMB0.5 million, RMB0.5 million, RMB0.7 million and RMB2.7 million, respectively.

The following table sets out a breakdown of our contract liabilities as at the dates indicated.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Amount received in advance for sales expected to be recognise within one year:				
- Shows tickets	471	436	623	2,679
- Hotel membership cards	41	32	40	39
	<u>512</u>	<u>468</u>	<u>663</u>	<u>2,718</u>

Our contract liabilities slightly increased from RMB0.5 million as at 31 December 2023 to approximately RMB0.7 million as at 31 December 2024 primarily because we received deposits from our ticket selling distributors, representing payments for placing ticket requests, and it increased significantly from approximately RMB0.7 million as at 31 December 2024 to approximately RMB2.7 million as at 30 June 2025 primarily because we received a large amount of deposits from our ticket selling distributors in anticipation of the summer peak season.

FINANCIAL INFORMATION

As at the Latest Practicable Date, approximately RMB2.7 million, or 98.5%, of our contract liabilities as at 30 June 2025 had been subsequently recognised as revenue.

Trade and Other Payables

Trade and other payables represent balances due to our suppliers, including both third party suppliers and related party suppliers for the provision of products procured therefrom and the provision of services procured. The term granted by each of our suppliers is on a case-by-case basis and is set out in our supplier agreements and service agreements. Other payables mainly represented the quality deposit and performance deposit refundable to ticket selling distributors. As at 31 December 2022, 2023, 2024, and 30 June 2025, our trade and other payables were approximately RMB10.1 million, RMB15.8 million, RMB15.0 million and RMB54.2 million, respectively.

The following table sets out our trade and other payables as at the dates indicated.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	1,268	1,102	1,220	4,818
Other payables	6,015	8,487	6,572	46,503
Accrued salaries	2,320	5,464	6,317	2,132
Other tax payable	481	785	886	785
	<u>10,084</u>	<u>15,838</u>	<u>14,995</u>	<u>54,238</u>

Our trade and other payables increased by RMB5.7 million from approximately RMB10.1 million as at 31 December 2022 to RMB15.8 million as at 31 December 2023, primarily due to an increase in other payables and an increase in accrued salaries during the year. Our trade and other payables decreased from RMB15.8 million as at 31 December 2023 to RMB15.0 million as at 31 December 2024 primarily due to a decrease in other payables during the year. Our trade and other payables increased significantly from approximately RMB15.0 million as at 31 December 2024 to approximately RMB54.2 million as at 30 June 2025 mainly due to an increase in the other payables which mainly represent performance deposit, quality deposit received and acquisition of property and equipment and intangible assets for the performance of Moonlight over Mount Wuyi.

FINANCIAL INFORMATION

The following tables set out an ageing analysis of our trade payables, based on the invoice date, as at the dates indicated.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	943	857	980	4,557
1 - 2 years	259	145	18	26
2 - 3 years	26	52	144	156
Over 3 years	40	48	78	79
	<u>1,268</u>	<u>1,102</u>	<u>1,220</u>	<u>4,818</u>

Average trade payables are equal to trade payables at the beginning of the period plus trade payables at the end of the period and divided by two. The average trade payables turnover days were 22.1 days, 7.1 days, 6.8 days and 17.1 days for the years ended 31 December 2022, 2023, 2024, and for the six months ended 30 June 2025, respectively, which was equivalent to the average trade payables divided by total cost of sales and multiplied by the number of days in the relevant period. The relatively higher average trade payables turnover days in 2022 were primarily due to our efforts to postpone payments to suppliers as much as possible, within the stipulated contractual limits, in response to the COVID-19 situation for the purpose of cash management.

As at the Latest Practicable Date, approximately RMB28.4 million, or 52.3%, of our trade and other payables as at 30 June 2025 had been settled.

Lease Liabilities, *current*

Lease liabilities represent our leases of properties, land use rights, leasehold land and car park in connection with our office administration and business operations. Our lease liabilities increased by approximately RMB1.4 million from approximately RMB3.6 million as at 31 December 2022 to RMB5.0 million as at 31 December 2023, primarily because of our efforts to postpone payments in respect of our right-of-use asset as much as possible, within the stipulated contractual limits, in response to the COVID-19 situation for the purpose of cash management during the year. Our lease liabilities increased by approximately RMB1.7 million from approximately RMB5.0 million as at 31 December 2023 to RMB6.7 million as at 31 December 2024 because the total balance of our lease liabilities increased due to the additions of new leases during the year. Our lease liabilities increased by approximately RMB4.5 million from approximately RMB6.7 million as at 31 December 2024 to approximately RMB11.2 million as at 30 June 2025, primarily due to our Group entering into a lease for a theatre for Moonlight over Mount Wuyi and a building.

FINANCIAL INFORMATION

Income Tax Payable

Income tax payable represents the amount of income tax payable to the local tax authority which has yet to be paid. Our income tax payable increased by approximately RMB0.9 million from approximately RMB1.1 million as at 31 December 2022 to RMB2.0 million as at 31 December 2023, reflecting an increase in our profit before tax during the year. Our income tax payable increased by approximately RMB1.4 million from approximately RMB2.0 million as at 31 December 2023 to approximately RMB3.4 million as at 31 December 2024, because the increase in our profit before tax for the fourth quarter of 2024 was higher than that of in 2023. Our income tax payable increased by approximately RMB0.7 million from approximately RMB3.4 million as at 31 December 2024 to approximately RMB4.1 million as at 30 June 2025. The income tax payable for our Group as at 31 December 2024 was paid by May 2025. We recorded the second-quarter income tax provision in June 2025.

Property and Equipment

Our property and equipment consist of (i) buildings, (ii) leasehold improvements, (iii) machinery, (iv) office equipment, (v) motor vehicles, (vi) construction in progress and (vii) mature bearer plants.

The following table sets out our property and equipment as at the dates indicated.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Buildings	58,365	55,955	53,543	52,337
Leasehold improvements	62,927	58,085	53,020	61,410
Machinery	18,127	17,011	16,031	61,039
Office equipment	13,619	12,449	11,752	10,571
Motor vehicles	339	765	642	587
Construction in progress	—	200	158	163
Mature bearer plants	98	69	56	50
	<u>153,475</u>	<u>144,534</u>	<u>135,202</u>	<u>186,157</u>

Our property and equipment decreased from approximately RMB153.5 million as at 31 December 2022 to approximately RMB144.5 million as at 31 December 2023, due to the depreciation of property and equipment of approximately RMB14.5 million and the disposal of property and equipment of approximately RMB23,000 during the year. Our property and equipment decreased from approximately RMB144.5 million as at 31 December 2023 to approximately RMB135.2 million as at 31 December 2024, primarily due to the depreciation of property and equipment of approximately RMB15.1 million and the disposal of property and equipment, adjusted by additional leasehold

FINANCIAL INFORMATION

improvements of approximately RMB5.8 million during the year. Our property and equipment increased by approximately RMB51.0 million from approximately RMB135.2 million as at 31 December 2024 to approximately RMB186.2 million as at 30 June 2025, primarily due to the acquisition of new machinery for Moonlight over Mount Wuyi.

Right-of-Use Assets

Our right-of-use assets represent leases of properties for our business operations. Our right-of-use assets decreased from approximately RMB45.6 million as at 31 December 2022 to approximately RMB40.1 million as at 31 December 2023, primarily because of an aggregated decrease of approximately RMB2.1 million in respect of our right-of-use assets following the termination of certain leases during the year and depreciation of our total right-of-use assets amounting to approximately RMB3.3 million during the year. Our right-of-use assets decreased from approximately RMB40.1 million as at 31 December 2023 to approximately RMB37.4 million as at 31 December 2024, primarily due to depreciation of total right-of-use assets amounting to approximately RMB3.2 million, offset by an addition of right-of-use assets of approximately RMB0.5 million during the year. Our right-of-use assets increased by approximately RMB65.1 million from approximately RMB37.4 million as at 31 December 2024 to approximately RMB102.5 million as at 30 June 2025, primarily due to our Group entering into a lease for a theatre for Moonlight over Mount Wuyi.

Intangible assets

We recorded intangible assets of approximately RMB29.0 million as at 30 June 2025, as compared to nil as at 31 December 2024, due to our acquisition of the exclusive performance right to curate and perform Moonlight over Mount Wuyi upon signing of the directorial service agreement.

WORKING CAPITAL SUFFICIENCY

Taking into account cash from our operating activities and the [REDACTED] from the [REDACTED], our Directors are of the opinion that we will have sufficient funds to meet our working capital requirements and financial requirements for upfront funding for at least the next 12 months from the date of this document.

INDEBTEDNESS

During the Track Record Period and up to the Latest Practicable Date, we did not have any bank borrowings. Our indebtedness represented our lease liabilities. That said, we were not subject to any covenant of any borrowing arrangements during the Track Record Period and up to the Latest Practicable Date.

As at the Latest Practicable Date, we had no banking facilities.

Our Directors have further confirmed that there has been no material change in our indebtedness position since 31 October 2025 being the latest practicable date for the purpose of the indebtedness statement up to the Latest Practicable Date.

FINANCIAL INFORMATION

Lease Liabilities

As at the Latest Practicable Date, we had 12 leased properties in China, which was used for (i) the operation of our Impression — Dahongpao Scenery Show in terms of power distribution and guard duty, (ii) the operation our Chatang hotel business, (iii) basement, scenic parks and car parks in connection with our Impression Cultural Tourism Town business and (iv) performance theatre for Moonlight over Mount Wuyi. As at 31 December 2022, 2023 and 2024, 30 June 2025, and 31 October 2025, our lease liabilities amounted to approximately RMB41.2 million, RMB38.5 million, RMB38.3 million, RMB106.4 million and RMB106.6 million, respectively. All the properties we leased were located in Mount Wuyi, Fujian Province.

Our lease liabilities decreased by approximately RMB2.7 million from approximately RMB41.2 million as at 31 December 2022, to approximately RMB38.5 million as at 31 December 2023, primarily due to the cessation of two right-of-use assets used as a tourist centre and *Wuyi Ge* (a tourist spot) during the year. Our lease liabilities remained stable in 2024, as we did not enter into any new, or cease any lease agreement in 2024. Our lease liabilities increased by approximately RMB68.1 million from approximately RMB38.3 million as at 31 December 2024 to approximately RMB106.4 million as at 30 June 2025, mainly due to we have entered into one lease for a theatre and two leases for residential units as dormitories for our performers for Moonlight over Mount Wuyi and a building in 2025.

Amongst our current leases, four were entered into with our related parties in the ordinary course of our business, the details of which can be referred to note 31 in Appendix I to this document and “Business — Properties — Leased Properties” in this document.

FINANCIAL INFORMATION

LIQUIDITY AND CAPITAL RESOURCES

We had cash and cash equivalents of approximately RMB27.7 million, RMB85.2 million, RMB101.1 million, RMB64.1 million and RMB42.4 million as at 31 December 2022, 2023 and 2024, 30 June 2025 and 31 October 2025, respectively.

The following table sets out our cash flows for the years and periods indicated.

	For the years ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Net cash generated from operating activities	16,417	69,265	60,794	25,098	16,438
Net cash used in investing activities	(6,197)	(9,597)	(16,673)	(53,441)	(43,869)
Net cash used in financing activities	(2,211)	(2,119)	(28,281)	(33,388)	(9,517)
Net cash increase/(decrease) in cash and cash equivalents	8,009	57,549	15,840	(61,731)	(36,948)
Cash and cash equivalents at beginning of year/period	19,683	27,692	85,241	85,241	101,081
Cash and cash equivalents at end of year/period	27,692	85,241	101,081	23,510	64,133

Cash Flows from Operating Activities

During the Track Record Period, we primarily derived our cash inflows from operating activities of our Impression — Dahongpao Scenery Show, together with cash inflows from operating activities of our Impression Cultural Tourism Town business and Chatang hotel business. Our primary cash outflows from operating activities primarily related to directorial royalty service expenses and also employee related expenses. Our cash flows from operating activities can be affected by factors such as the net amounts of payments from our customers in respect of each of our business segments and the time of receipt of trade and other receivables from our customers and our payments of trade payables to suppliers during the ordinary course of our business.

FINANCIAL INFORMATION

For the year ended 31 December 2022, our net cash generated from operating activities was approximately RMB16.4 million, primarily reflecting our profit before tax of approximately RMB2.4 million, adjusted by (i) depreciation of property and equipment and right-of-use assets of approximately RMB18.0 million, (ii) finance cost of approximately RMB1.9 million, (iii) a decrease in trade and other receivables of approximately RMB2.6 million and (iv) a decrease in trade and other payables of approximately RMB5.5 million.

For the year ended 31 December 2023, our net cash generated from operating activities was approximately RMB69.3 million, primarily reflecting our profit before tax of approximately RMB62.7 million, adjusted by (i) an increase in depreciation of property and equipment and right-of-use assets of approximately RMB17.9 million, (ii) an increase in trade and other receivables of RMB2.4 million, (iii) an increase in trade and other payables of approximately RMB5.8 million and (iv) net provision of ECL on financial assets of approximately RMB1.8 million.

For the year ended 31 December 2024, our net cash generated from operating activities was approximately RMB60.8 million, primarily reflecting our profit before tax of approximately RMB58.9 million, adjusted by (i) an increase in depreciation of property and equipment and right-of-use assets of approximately RMB18.3 million, (ii) an increase in trade and other receivables of approximately RMB1.7 million, (iii) an increase in contract liabilities of RMB0.2 million and (iv) an increase in gains on disposal of financial assets at FVTPL of approximately RMB1.6 million.

For the six months ended 30 June 2025, our net cash generated from operating activities was approximately RMB16.4 million, primarily reflecting our profit before tax of approximately RMB10.1 million, adjusted by (i) an increase in depreciation of property and equipment and right-of-use assets of approximately RMB10.5 million, (ii) a decrease in depreciation of investment properties of approximately RMB5,000, (iii) recorded amortisation of intangible assets of approximately RMB244,000, and (iv) a decrease in provision for ECL on financial assets, net of approximately RMB16,000.

Cash Flows used in Investing Activities

During the Track Record Period, our net cash used in investment activities represented by (i) acquisition of property and equipment, (ii) acquisition of investment properties, (iii) acquisition of intangible assets and (iv) our net cash from investment activities of fixed-term financial products from the commercial banks.

For the year ended 31 December 2022, we had net cash outflows in investing activities of approximately RMB6.2 million, mainly representing our acquisition of properties and machinery of approximately RMB16.3 million, in support of our business operation and staff accommodation.

For the year ended 31 December 2023, we had net cash outflows in investing activities of approximately RMB9.6 million, mainly representing our acquisition of property, equipment and net cash from fixed term investment in financial products.

FINANCIAL INFORMATION

For the year ended 31 December 2024, we had net cash outflows from investing activities of approximately RMB16.7 million, primarily representing the prepayment for construction of performance stage-related equipment and devices, and directorial content creativity expenses in respect of Moonlight over Mount Wuyi.

For the six months ended 30 June 2025, we had net cash outflows from investing activities of RMB43.9 million, primarily presenting our acquisition of property and equipment of approximately RMB17.6 million, and net cash payment of fixed term investment in financial products of approximately RMB15.1 million.

Cash Flows used in Financing Activities

During the Track Record Period, our cash outflows in financing activities represented (i) payment of lease liabilities, (ii) interests paid on lease liabilities, (iii) payment of dividends declared, (iv) capital contribution from non-controlling interests and (v) payment of [REDACTED].

For the year ended 31 December 2022, our net cash outflows in financing activities were approximately RMB2.2 million, primarily representing interests paid on lease liabilities during the year.

For the year ended 31 December 2023, our net cash outflows used in financing activities were approximately RMB2.1 million, primarily representing our interest paid on lease liabilities during the year.

For the year ended 31 December 2024, our net cash outflows in financing activities were approximately RMB28.3 million, relating to the payment of dividends which were declared for the previous year, capital contribution received from non-controlling interests and payment of [REDACTED].

For the six months ended 30 June 2025, we had net cash outflows from financing activities of RMB9.5 million, primarily presenting dividends and [REDACTED] paid, which offset by capital contribution from non-controlling interests of approximately RMB36.0 million.

CAPITAL EXPENDITURE

Our historical capital expenditure during the Track Record Period primarily included expenditures for the purchase of property and equipment in the ordinary course of our business. We funded our capital expenditure requirements during the Track Record Period mainly from cash flows generated from our business operations. For the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2024 and 2025, our capital expenditure were RMB0.4 million, RMB2.9 million, RMB1.7 million, RMB2.1 million and RMB46.7 million, respectively. We expect to incur capital expenditure of RMB[REDACTED] million in 2026 in connection with the purchase of equipment and devices in connection with the overhaul of hardware for our signature show and further development of our Impression Cultural Tourism Town, as elaborate in “Future Plans and [REDACTED]” in this document. We plan to fund our future capital expenditure primarily using the [REDACTED].

FINANCIAL INFORMATION

CAPITAL COMMITMENTS

As at the Latest Practicable Date, we recorded capital commitments of approximately RMB0.5 million in connection with the capital commitment towards Moonlight over Mount Wuyi, Impression — Dahongpao Scenery Show and the innovation of our Impression Cultural Tourism Town.

CONTINGENT LIABILITIES

Except as disclosed herein and apart from intra-group liabilities, we did not have any outstanding loan capital, bank overdrafts and liabilities under acceptance or other similar indebtedness, debentures, mortgages, charges or loans, or acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities or any covenant in connection therewith as at 31 October 2025, being the latest practicable date for the purpose of the indebtedness statement.

OFF-BALANCE SHEET TRANSACTIONS

During the Track Record Period and up to the Latest Practicable Date, we had not entered into any off-balance sheet transaction.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time in the ordinary course of our business and on terms comparable to the terms of transactions with other entities that are not related parties, details of which are set out in note 31 of the Accountants’ Report included in Appendix I of this document. Our Directors believe that each of the related party transactions in trade nature set out in note 31 to the Accountants’ Report included in Appendix I to this document were conducted on arm’s length bases and would not distort our track record results or make our historical results not reflective of our future performance.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets out certain of our key financial ratios as at the dates indicated and for the years and periods indicated.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Liquidity Ratio				
Current ratio ⁽¹⁾	2.4	4.3	4.4	1.4
Quick ratio ⁽²⁾	2.4	4.3	4.4	1.4
Profitability Ratio				
Gross profit margin	27.2%	57.8%	54.6%	42.5%
Rates of Return				
Return on assets ⁽³⁾	(1.1)%	16.1%	13.5%	1.6%
Return of equity ⁽⁴⁾	(1.4)%	20.3%	16.7%	2.6%

Notes:

- (1) Current ratio is calculated by dividing total current assets by total current liabilities as at the end of the year/period.
- (2) Quick ratio is calculated by dividing total current assets (excluding inventories) by total current liabilities as at the end of the year/period.
- (3) Return on assets ratio is calculated using net profit divided by total assets at the end of the year/period, multiplied by 100%.
- (4) Return on equity ratio is calculated using net profit divided by total equity at the end of the year/period, multiplied by 100%.

Analysis of Certain Financial Ratio

Current Ratio

Our current ratios were 2.4 times, 4.3 times, 4.4 times and 1.4 times as at 31 December 2022, 2023, 2024, and 30 June 2025, respectively. The increase of our current ratio as at 31 December 2023 as compared to 31 December 2022 mainly resulted from the increase in our current assets outpacing the increase in our current liabilities, primarily due to an increase in our cash and cash equivalents as a result of our net profits generated for the year ended 31 December 2023. The increase of our current ratio as at 31 December 2024 as compared to 31 December 2023 was primarily due to an increase in trade and other receivables following an increase in [REDACTED]. The decreased of our

FINANCIAL INFORMATION

current ratio as at 30 June 2025 as compared to 31 December 2024 was primarily due to our subsidiary, Moonlight Wuyi, acquiring property, equipment, and intangible assets, resulting in an outstanding amount in our trade and other payables. As a result, our current liabilities have increased significantly as of 30 June 2025.

Quick Ratio

Consistent with the changes in our current ratio, our quick ratios were 2.4 times, 4.3 times, 4.4 times and 1.4 times, as at 31 December 2022, 2023, 2024, and 30 June 2025, respectively, due to reasons explained above.

Gross Profit Margin

See “— Review of Historical Results of Operations” in this section for a detailed analysis of our gross profit margin during the Track Record Period.

Return on Assets

Our Group’s return on assets were (1.1)%, 16.1%, 13.5% and 1.6% as at 31 December 2022, 2023, 2024, and 30 June 2025. Our return on assets increased from (1.1)% as at 31 December 2022 to 16.1% as at 31 December 2023, primarily due to an increase in our net profits during the year. Our return on assets decreased from 16.1% as at 31 December 2023 to 13.5% as at 31 December 2024, primarily due to a decrease in net profit during the year. Our return on assets decreased from 13.5% as at 31 December 2024 to 1.6% as at 30 June 2025, primarily due to our subsidiary, Moonlight Wuyi, acquiring property, equipment, and intangible assets for our new show, Moonlight Over Mount Wuyi. The show is still in its start-up stage and has just been launched in May 2025. There have not been significant returns from the show. Consequently, the return on assets ratio has significantly dropped as of 30 June 2025, compared to 31 December 2024.

Return on Equity

Our Group’s return on equity was (1.4)%, 20.3%, 16.7% and 2.6% as at 31 December 2022, 2023, 2024, and 30 June 2025. Our return on equity increased from (1.4)% as at 31 December 2022 to 20.3% as at 31 December 2023, primarily due to our net profits generated for the year. Our return on equity decreased from 20.3% as at 31 December 2023 to 16.7% as at 31 December 2024, primarily due to a decrease in net profit during the year. Our return on equity decreased from 16.7% as at 31 December 2024 to 2.6% as at 30 June 2025, primarily due to our new show, Moonlight Over Mount Wuyi, is still in its start-up stage and has just been launched in May 2025. There have not been significant returns from the show. Consequently, the return on equity ratio has significantly dropped as of 30 June 2025, compared to 31 December 2024.

FINANCIAL INFORMATION

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

We are exposed to various types of financial and market risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. Our operation management is responsible for the risk management. For details, see note 32 to the Accountants’ Report included in Appendix I to this document.

Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our Group and our Company’s business mainly operates in China with most of its transactions denominated and settled in RMB and therefore exposure to foreign currency translation risk is considered not significant. Our Group and our Company had not used any financial instrument to hedge against foreign exchange risk.

Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Lease liabilities bearing fixed rates expose our Group and our Company to fair value interest rate risk. Our Group’s and our Company’s bank balances are mainly pay variable interest rates.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to our Group. Our Group’s exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations. Our Group’s maximum exposure to credit risk is limited to the carrying amounts of the financial assets at the end of each reporting period as detailed in note 32.1 to the Accountants’ Report included in Appendix I to this document.

Liquidity Risk

Liquidity risk relates to the risk that our Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Our Group is exposed to liquidity risk in respect of settlement of its payables, and also in respect of its cash flow management. Our Group’s objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

DIVIDENDS

In May 2024, we fully paid dividends of RMB32.4 million. We declared dividends of RMB41.1 million in March 2025, which was settled on 22 April 2025.

Our Board is responsible for submitting proposals in respect of dividend payments, if any, to the Shareholders’ general meeting for approval. Our Board may declare dividends in the future after taking into account our distributable profits, financial condition, cash flows, expected future capital

FINANCIAL INFORMATION

expenditure, return to our Shareholders, capital requirements, finance costs, the external financing environment and any other factors that the Directors may deem relevant. Any declaration and payment, as well as the amount of, dividends will be subject to the requirements of our Article of Association, the PRC Company Law and the NEEQ rules and regulations. Under the PRC Company Law and our Articles of Association, dividends are distributed to our Shareholders in proportion to their shareholdings. We currently do not have any fixed pay-out ratio for future cash dividends. The payment of dividends may also be limited by legal restrictions.

In any event, we will pay dividends out of our profit after tax only after we have made the following allocations:

- (a) recovery of accumulated losses, if any;
- (b) allocation to the statutory common reserve fund an amount of 10% of our profit after tax, as determined under the Accounting Standards for Business Enterprises issued by the MOF (the “**PRC GAAP**”); until such fund has reached more than 50% of our registered capital; and
- (c) allocation, if any, to a discretionary common reserve fund an amount approved by the Shareholders in a Shareholders’ meeting.

Payment of dividends is also subject to restrictions under PRC laws. Under PRC laws, dividends may be paid only out of distributable profits. Distributable profits are our net profit as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make.

DISTRIBUTABLE RESERVES

As at 30 June 2025, our Company had approximately RMB50.2 million distributable reserves, representing retained profits.

[REDACTED]

The estimated total [REDACTED], including [REDACTED] (based on the mid-point of the [REDACTED] range and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] million (HK\$[REDACTED] million), which represents approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. Such estimated total [REDACTED] include (i) [REDACTED]-related expenses, including [REDACTED], of approximately RMB[REDACTED] million (HK\$[REDACTED] million); (ii) fees and expenses of our legal advisers and reporting accountant of approximately RMB[REDACTED] million (HK\$[REDACTED] million); and (iii) other fees and expenses of approximately RMB[REDACTED] million (HK\$[REDACTED] million). An estimated amount of approximately RMB[REDACTED] million (HK\$[REDACTED] million) is expected to be expensed through the statement of profit or loss and the remaining amount of approximately RMB[REDACTED] million (HK\$[REDACTED] million) is expected to be recognised directly as a deduction from equity upon the [REDACTED].

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

FINANCIAL INFORMATION

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

FINANCIAL INFORMATION

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our business operations, financial or trading positions or prospects since 30 June 2025, being the date on which our latest audited consolidated financial statements were prepared, and there has been no event since 30 June 2025 which would materially affect the information as set out in the Accountants’ Report in Appendix I to this document.

DISCLOSURE UNDER RULE 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

We strive to solidify our market position in the broader cultural tourism industry and propel our business growth through our strategies. See “Business — Our Strategies” in this document for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million from the [REDACTED], after deducting the [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised.

Our Directors intend to apply the [REDACTED] from the [REDACTED] for the following purposes:

- (1) approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the nets [REDACTED] from the [REDACTED], will be used for an upgrade for our signature Impression — Dahongpao Scenery Show, including (i) overhaul of hardware, (ii) upgrade of performance contents and (iii) overhaul of performance venue, according to Impression — Dahongpao Scenery Night Show Upgrade Plan (《印象大红袍实景演艺升级改造方案》) conditionally adopted by our Group in December 2024. These enhancements will enrich the performance contents, increase interactivity and enhance audience engagement, further establishing our signature show as a premium platform for exploring the Mount Wuyi Dahongpao tea culture. We will gradually complete updates of our signature show during the off-season and non-performance periods, ensuring that the updates do not cause any interruptions to the performances of our show.

We expect that the [REDACTED] allocated to our signature show will be fully utilised by 2027 with a breakdown of the [REDACTED] to be allocated as below:

Major Uses	Amount of [REDACTED] (RMB in millions)	Percentage of Total [REDACTED] (%)
Overhaul of hardware	[REDACTED]	[REDACTED]
Upgrade of performance contents ^(Note)	[REDACTED]	[REDACTED]
Overhaul of venue	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Note: Upgrade of performance contents in respect of our Impression — Dahongpao Scenery Show mainly represents innovating our show’s contents and presentation including a rewritten script, an addition of new segments featuring rituals with red silk, tea picking, and tea production in terraced fields, along with re-recording existing dialogue.

FUTURE PLANS AND [REDACTED]

- (2) approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the [REDACTED] from the [REDACTED], will be applied to (i) further develop our Impression Jianzhou Food-themed Street to transform it into a vibrant destination that offers performance arts experiences to the travellers, in addition to its current service offerings in 2025. Specifically speaking, we aim to elevate the overall cultural atmosphere of our Impression Jianzhou Food-themed Street by integrating design elements that resonate with the local character, such as art installations and landscaping that reflect the natural beauty of the area. Additionally, we aim to upgrade the surrounding scenic displays which will focus on creating visually appealing attractions that enhance the tourist experience; (ii) further develop our Impression Cultural Tourism Town with enhancement of surrounding scenic views including the introduction of a promenade in 2026; and (iii) comprehensively renovate the 4A-rated scenic Wuyi Tea Museum in 2026. The 4A-rated scenic Wuyi Tea Museum includes the Tea Platform Square (茶壇廣場), Zhuzi Square (朱子廣場) and the Rock Tea History Tour Path (岩茶史話遊覽道). It is located in our Impression Cultural Tourism Town and is located next to the auditorium and performance stage of our Impression — Dahongpao Scenery Show, featuring a traditional Chinese garden design. This multifunctional facilities in the museum integrates display, appreciation, experience and education, offering a comprehensive exhibition space that fully showcases and reflects the tea culture of Mount Wuyi.

The launch of our Impression Cultural Tourism Town offers a transformative travelling experience for travellers to Mount Wuyi, presenting an enriched and varied selection of leisure and travel activities. This initiative not only encourages tourists to prolong their visits but also allows them to explore Mount Wuyi’s rich history and dynamic culture more deeply. Our Directors are of the view that our Impression Cultural Tourism Town is more than a mere tourist spot; and strategically, it plays a crucial role in bolstering Mount Wuyi’s night economy. By enhancing the local cultural and tourism offerings, the town stimulates growth in related industries, such as dining and accommodation, ultimately generating job opportunities for local residents. Although our Impression Cultural Tourism Town business did not contribute a significant portion of revenue to the total revenue of our Group during the Track Record Period, its strategic importance to the local tourism economy is undeniable. Therefore, the expansion of our Impression Cultural Tourism Town extends its strategic effects on both our Group and the tourism industry of Mount Wuyi. See “Business — Impression Cultural Tourism Town Business — Strategic Importance of our Impression Cultural Tourism Town” in this document for a detailed illustration.

FUTURE PLANS AND [REDACTED]

We expect that the [REDACTED] allocated to the expansion of our Impression Cultural Tourism Town business will be fully utilised by 2026 with a breakdown of the [REDACTED] to be allocated as below:

Major Uses	Amount of [REDACTED] <i>(RMB in millions)</i>	Percentage of Total [REDACTED] <i>(%)</i>
Developing the Impression Jianzhou Food-themed Street ⁽¹⁾	[REDACTED]	[REDACTED]
Developing our Impression Cultural Tourism Town ⁽²⁾	[REDACTED]	[REDACTED]
Renovating the 4A-rated scenic Wuyi Tea Museum	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Notes:

- (1) This includes improving signage of the street, adding decorative elements, and ensuring that the scenery complements the dining and recreational facilities, providing a cohesive and enjoyable environment for tourists.
- (2) We aim to obtain the operating right for Binxi Road (濱溪路) through a government bidding process. Spanning five kilometres, Binxi Road provides vital access to several renowned attractions in the Mount Wuyi Resort Area. This connection will enable our Impression Cultural Tourism Town to revitalise the tourism ecosystem along both sides of Binxi Road, enhancing the town’s vibrancy and appeal.
- (3) approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the nets [REDACTED] from the [REDACTED], will be used for acquiring another quality cultural tourism performance project, through the injection of our management experience and innovative operational models into an existing cultural tourism performance project. We will be dedicated to managing and maintaining an existing well-known cultural tourism performance project in Fujian Province and surrounding areas by virtue of acquiring the performance management right of an eligible target. Our goal is to become a leading performance operator in China, creating continuous value growth for our investors by exploring valuable opportunities in the tourism scenery performance market and cultural tourism performance market in China.

We believe the rationale for acquiring a new cultural tourism performance project is multifaceted. Since 2009 when we partnered with Impression Power Trio to curate and perform our signature Impression — Dahongpao Scenery show, we have developed and fostered a stable and experienced core performance team over the 15 years, which lays a solid foundation on our capability of managing and performing a new show. Our commitment to continuous learning from industry peers ensures we can remain at the forefront of performance innovation. By diversifying our performance offerings, we aim to reduce our reliance on a single show, positioning ourselves strategically to compete in a dynamic cultural tourism market landscape, evidenced by our commitment and past efforts in obtaining Moonlight over Mount Wuyi. This differentiation is essential for us to for

FUTURE PLANS AND [REDACTED]

withstanding the challenges posed by the shows performed by our competitors in the market. We also believe that focusing on resource integration and synergy allows us to transition from relying on a single show to developing a diverse ecosystem of performance offerings. Such transition will enhance our resilience to market fluctuations and strengthen our overall capacity to thrive in the cultural tourism market.

Identifying and Acquiring Quality Project

We will conduct rigorous due diligence on target projects based in the established target markets and apply our selection criteria to ensure that selected project meet the following standards:

- **Preliminary Screening:** We will conduct an initial assessment of the potential project based on the target market directions and specific criteria to determine if we should advance to the next stage for in-depth investigation.
- **Due Diligence:** We will conduct comprehensive legal, financial, and technical due diligence on the potential project to ensure that the information is accurate and reliable.
- **Comprehensive Evaluation:** We will invite external consultants and internal experts to assemble an evaluation committee to comprehensively evaluate the target project and select the best cooperation partner.
- **Key Metrics:** Our target tourism performance project shall be able to attract approximately 150,000 audience and is projected to generate revenue of approximately RMB15.0 million on an annual basis.

Through these measures, we will ensure that our [REDACTED] are allocated effectively to the most promising cultural tourism performance project. According to Frost & Sullivan, there were approximately 17,781 national art performance organisations, of which 486 are located in Fujian Province at the end of 2024. Additionally, the box office receipts of live performances in Fujian Province reached approximately RMB1.79 billion. As at the Latest Practicable Date, we had identified two potential targets primarily in Fujian Province, but we had not entered into, nor have we proposed to enter into, any letter of intent, memorandum of understanding or agreement with respect to acquisition of any potential targets. One of the targets focuses on the cultural connotations and performance of a Chinese legend, incorporating classic legends and cultural elements to enhance artistic impact and cultural dissemination value. The other target focuses on the performance of historical stories and folk customs of Fuzhou City by virtue of virtual reality and augmented reality technologies to provide an immersive viewing experience.

We expect that the [REDACTED] allocated to the said acquisition will be fully utilised by 2027, on the basis that the broader cultural tourism market can be substantially recovered from the post-pandemic effects, also prerequisite on our management assessment followed with a conclusion that the risk associated to the acquisition is minimised to the extent reasonable.

FUTURE PLANS AND [REDACTED]

- (4) approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the [REDACTED] from the [REDACTED], will be used for promotional efforts to enhance our brand image and increase our business presence, focusing on elevating the visibility of our upgraded signature show, our new show, i.e., Moonlight over Mount Wuyi, Impression Cultural Tourism Town and Chatang hotel.

A summary of our promotional strategies with justifications is set out below.

(i) Digital Marketing and Social Media Promotion

We believe in the prevalent digital landscape, platforms such as Weibo, Douyin and Xiaohongshu are essential for attracting younger audience and potential tourists. By creating official accounts and sharing high-quality contents such as performance previews, behind-the-scenes footage, performer interviews and highlights, our brand’s visibility can steadily improve. Collaborating with influencers and hosting online interactive events can quickly expand reach and engage more followers.

(ii) Content Marketing and Cultural Dissemination

Leveraging Mount Wuyi’s rich cultural heritage, a series of culturally engaging marketing contents can be created, including documentaries, short videos and illustrated stories that explore Dahongpao tea culture and local traditions of UNESCO-recognised Mount Wuyi. This approach not only cultivates the public in line with the roll-out of concepts of “music + tourism”, “performance + tourism”, “sports + tourism” and other innovative performance formats underlined by the Measures for Creating New Consumption Scenarios and Fostering New Growth Points in Consumption (《關於打造消費新場景培育消費新增長點的措施》), but also enhances our brand’s appeal. Such marketing contents can be shared on the official website, video platforms and social media, generating positive word-of-mouth referrals.

(iii) Offline Events and Experiential Marketing

We also consider organising a variety of offline activities such as cultural festivals, art exhibitions and outdoor concerts, inviting local residents and travellers to participate and fostering a vibrant cultural atmosphere. Specially designed family-friendly activities such as tea leaf crafting and traditional skill workshops, allow travellers to experience the charm of Mount Wuyi firsthand. Thoughtful event setups and interactive elements can seamlessly integrate brand messaging, enhancing travellers’ recognition of our brand. This promotional strategy also aligns with our strategic importance of expanding our Impression Cultural Tourism Town Business.

FUTURE PLANS AND [REDACTED]

(iv) *Media Public Relations and News Releases*

We will also hold press conferences or media briefings to update the public on our project developments, important events, and future plans, maintaining strong media interest. Additionally, we will craft and distribute impactful press releases to highlight innovative initiatives and social responsibility efforts, helping to establish a positive corporate image. Moreover, we will participate in industry forums and seminars to showcase our expertise and leadership in the broader cultural tourism industry.

We expect that the [REDACTED] allocated to our promotional activities will be fully utilised by 2027.

- (5) approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the [REDACTED] from the [REDACTED], will be used for upgrade of our ticket management system and software, with objectives to (i) achieve seamless integration of service offerings and operating data across our business segments; (ii) implement real-time monitoring across our business segments, ensuring unified data presentation; (iii) substantiate data-drive management and marketing; and (iv) utilise operating data and utilise the same to provide insights for management decisions. In particular, we will upgrade our ticket management system and our ticket selling distributor management system. Specifically, our updated ticket management system will cover a marketing mini-program for media liaison such that we will become able to communicate with external parties for marketing purpose. Our upgraded ticket selling distributor management system will cover the management of the ticket selling distributors of both Impression — Dahongpao Scenery Show and Moonlight over Mount Wuyi, covering the records of credit scores and performance of each of our ticket selling distributors. Additionally, the updated ticket selling distributor management system will be able to record all the details of authorised agents of our ticket selling distributors such that we can communicate with these authorised agents to better grasp the onward ticket sales activities. Also, we will develop an integrated mobile application that integrates all of our cultural tourism service offerings, featuring multiple functions including one-stop ticket purchasing, real-time information access, personalised itinerary recommendations for travellers, online customer support and tourist reviews. Our Directors are of the view that our targeted upgrade of our ticket management system and software can streamline, standardise and enhance the transparency of operating process, thereby improving our operating efficiency and enhancing tourist experience and satisfaction.

We expect that the [REDACTED] allocated to our upgrade of ticket management system and software will be fully utilised by 2027.

- (6) approximately HK\$[REDACTED] million (equivalent to approximately RMB[REDACTED] million), representing approximately [REDACTED]% of the [REDACTED] from the [REDACTED], will be used as working capital and other general corporate purposes.

FUTURE PLANS AND [REDACTED]

We expect the [REDACTED] allocated to the foregoing purposes will be fully utilised by 2027, presuming that there is no significant change of conditions. In case of any shortfall for any of the foregoing expenditure, we plan to supplement such shortfall with internal resources or bank borrowings, as appropriate.

The above allocation of the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher level compared to the mid-point of the estimated [REDACTED] range. In the event that the [REDACTED] is fixed at a lower level compared to the mid-point of the estimated [REDACTED], we will apply our cash inflow from operating activities to the intended [REDACTED].

If the [REDACTED] is fixed at HK\$[REDACTED] per H Share, being the high-end of the [REDACTED] range stated in this document and assuming no exercise of the [REDACTED], the [REDACTED] will be increased by approximately HK\$[REDACTED] million. If the [REDACTED] is fixed at HK\$[REDACTED] per H Share, being the low-end of the [REDACTED] range stated in this document and assuming no exercise of the [REDACTED], the [REDACTED] will be reduced by approximately HK\$[REDACTED] million. If the [REDACTED] is set either above or below the mid-point of the indicative [REDACTED] range, we intend to adjust our allocation of [REDACTED] for the above purposes on a pro rata basis.

If the [REDACTED] is exercised in full, the additional [REDACTED] that we would receive would be HK\$[REDACTED] million, after deducting the [REDACTED] and other estimated expenses payable by us in connection with the [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the [REDACTED] range stated in this document). Additional [REDACTED] received due to the exercise of the [REDACTED] will be utilised according to the allocation of [REDACTED] for the above purposes on a pro rata basis.

To the extent that the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only deposit those [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or the applicable laws and regulations in other jurisdictions).

We will make an appropriate announcement if there is any change to the above proposed [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report set out on pages I-1 to I-3, received from the Company’s reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagement 200 (the “HKSIR 200”), “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF IMPRESSION DAHONGPAO CO., LTD., CHINA INDUSTRIAL SECURITIES INTERNATIONAL CAPITAL LIMITED AND HALCYON CAPITAL LIMITED

Introduction

We report on the historical financial information of Impression Dahongpao Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-123, which comprises the consolidated statements of financial position of the Group as at 31 December 2022, 2023, 2024 and 30 June 2025, the statements of financial position of the Company as at 31 December 2022, 2023, 2024 and 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 (the “Track Record Period”), and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-123 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the “Document”) in connection with the initial [REDACTED] of the H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” as issued by the Hong Kong Institute of Certified Public Accountants

APPENDIX I

ACCOUNTANTS’ REPORT

(“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement. Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s consolidated financial positions as at 31 December 2022, 2023, 2024 and 30 June 2025, of the Company’s financial positions as at 31 December 2022, 2023, 2024 and 30 June 2025 and of the Group’s consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the “Stub Period Comparative Financial Information”). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 11 to the Historical Financial Information which contains information about dividends paid by the Company in respect of the Track Record Period.

Grant Thornton Hong Kong Limited

Certified Public Accountants

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong SAR

[REDACTED]

Lau Kwong Kei

Practising Certificate No.: P07578

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX I

ACCOUNTANTS’ REPORT

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the historical financial information as at 31 December 2022, 2023, 2024 and 30 June 2025 and for the years/periods then ended (the “Track Record Period”) (the “Historical Financial Information”) which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by Grant Thornton Hong Kong Limited in accordance with Hong Kong Standards on Auditing as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	4	63,039	143,887	137,200	51,517	55,884
Cost of sales		(45,861)	(60,765)	(62,307)	(25,976)	(32,131)
Gross profit		17,178	83,122	74,893	25,541	23,753
Other revenue and other income, net	5	1,115	1,943	4,440	970	549
Provision for expected credit loss on financial assets, net	7	(215)	(1,829)	(51)	(59)	(16)
Selling and distribution expenses		(7,056)	(8,228)	(7,715)	(3,501)	(4,157)
Administrative and other operating expenses		(6,644)	(10,438)	(10,651)	(3,760)	(8,571)
Share of profit/(loss) of associates, net	7	(25)	(288)	(23)	(39)	
Finance costs	6	(1,950)	(1,858)	(1,712)	(857)	(1,419)
Profit before income tax	7	2,435	62,687	58,916	18,311	10,100
Income tax expense	8	(5,034)	(15,183)	(16,107)	(5,632)	(3,325)
(Loss)/Profit and total comprehensive income for the year/period		<u>(2,599)</u>	<u>47,504</u>	<u>42,809</u>	<u>12,679</u>	<u>6,775</u>
(Loss)/Profit for the year/period attributable to:						
Equity holders of the Company		(2,599)	47,504	42,859	12,679	10,226
Non-controlling interests		—	—	(50)	—	(3,451)
		<u>(2,599)</u>	<u>47,504</u>	<u>42,809</u>	<u>12,679</u>	<u>6,775</u>
(Losses)/Earnings per share attributable to equity holders of the Company						
Basic and diluted (RMB cents)	10	<u>(2.4)</u>	<u>44.0</u>	<u>39.7</u>	<u>11.7</u>	<u>9.5</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES					
Non-current assets					
Property and equipment	12	153,475	144,534	135,202	186,157
Right-of-use assets	13	45,560	40,122	37,426	102,549
Intangible assets	18	—	—	—	29,002
Investment properties	14	348	335	323	318
Interests in associates	16	2,141	2,571	2,190	2,151
Deposit	17	579	610	607	620
Prepayments	20	—	—	20,331	—
Deferred tax assets	26	5,441	7,164	6,485	8,101
		207,544	195,336	202,564	328,898
Current assets					
Inventories	19	133	57	47	11
Trade and other receivables	20	5,525	6,055	13,271	20,332
Financial assets at fair value through profit or loss	21	3,000	7,586	—	15,291
Restricted cash	22	—	—	2	2
Cash and cash equivalents	22	27,692	85,241	101,081	64,133
		36,350	98,939	114,401	99,769
Current liabilities					
Contract liabilities	23	512	468	663	2,718
Trade and other payables	24	10,052	15,830	14,995	54,238
Lease liabilities	25	3,575	4,963	6,682	11,234
Income tax payable		1,094	1,999	3,399	4,138
		15,233	23,260	25,739	72,328
Net current assets		21,117	75,679	88,662	27,441
Total assets less current liabilities		228,661	271,015	291,226	356,339
Non-current liabilities					
Other payables	24	32	8	—	—
Lease liabilities	25	37,622	33,531	31,637	95,126
Deferred tax liabilities	26	4,980	3,945	3,670	3,586
		42,634	37,484	35,307	98,712
Net assets		186,027	233,531	255,919	257,627
CAPITAL AND RESERVES					
Share capital	27	108,070	108,070	108,070	108,070
Reserves	28	77,957	125,461	135,899	105,058
Equity attributable to equity holders of the Company		186,027	233,531	243,969	213,128
Non-controlling interests		—	—	11,950	44,499
Total equity		186,027	233,531	255,919	257,627

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to equity holders of the Company						Non-controlling interests	Total
		Share capital	Share premium	Statutory surplus reserve	(Accumulated losses)/ Retained profits	Sub-total			
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
		(Note 28)	(Note 28)						
As at 1 January 2022		108,070	73,225	10,465	(3,134)	188,626	—	188,626	
Loss and total comprehensive income for the year		—	—	—	(2,599)	(2,599)	—	(2,599)	
Transfer of statutory surplus reserve	28	—	—	993	(993)	—	—	—	
As at 31 December 2022 and 1 January 2023		108,070	73,225	11,458	(6,726)	186,027	—	186,027	
Profit and total comprehensive income for the year		—	—	—	47,504	47,504	—	47,504	
Transfer of statutory surplus reserve	28	—	—	5,307	(5,307)	—	—	—	
As at 31 December 2023 and 1 January 2024		108,070	73,225	16,765	35,471	233,531	—	233,531	
Profit and total comprehensive income for the year		—	—	—	42,859	42,859	(50)	42,809	
Transfer of statutory surplus reserve	28	—	—	4,687	(4,687)	—	—	—	
Capital contribution from non-controlling interests	15	—	—	—	—	—	12,000	12,000	
Dividends paid	11	—	—	—	(32,421)	(32,421)	—	(32,421)	
As at 31 December 2024 and 1 January 2025		108,070	73,225	21,452	41,222	243,969	11,950	255,919	
Profit and total comprehensive income for the period		—	—	—	10,226	10,226	(3,451)	6,775	
Capital contribution from non-controlling interests	15	—	—	—	—	—	36,000	36,000	
Dividends paid	11	—	—	—	(41,067)	(41,067)	—	(41,067)	
As at 30 June 2025		108,070	73,225	21,452	10,381	213,128	44,499	257,627	
As at 1 January 2024		108,070	73,225	16,765	35,471	233,531	—	233,531	
Profit and total comprehensive income for the period		—	—	—	12,679	12,679	—	12,679	
Dividends paid	11	—	—	—	(32,421)	(32,421)	—	(32,421)	
As at 30 June 2024 (Unaudited)		108,070	73,225	16,765	15,729	213,789	—	213,789	

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

Notes	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities					
Profit before income tax	2,435	62,687	58,916	18,311	10,100
Adjustments for:					
Depreciation of property and equipment and right-of-use assets	18,038	17,875	18,323	9,125	10,538
Depreciation of investment properties	8	13	12	5	5
Amortisation of intangible assets	—	—	—	—	244
Loss on disposal of property and equipment	5	23	30	10	13
Gain on disposal of financial assets at FVTPL	(216)	(583)	(1,639)	(268)	(132)
Fair value gain on financial assets at FVTPL	—	(86)	—	—	(104)
Provision for ECL on financial assets, net	215	1,829	51	59	16
Gain on early termination of leases	(26)	(236)	—	—	—
Gain on disposal of an associate	—	—	(26)	—	—
Share of (profit)/loss of associates, net	(7)	25	288	23	39
Interest income, net	(172)	(424)	(106)	(66)	(98)
Finance costs	1,908	1,751	1,607	814	1,381
Operating cash flows before working capital changes	22,188	82,874	77,456	28,013	22,002
Decrease in inventories	31	76	10	34	36
Decrease/(Increase) in trade and other receivables	2,635	(2,359)	(1,719)	(1,300)	(3,321)
Increase in restricted cash	—	—	(2)	(2)	—
(Decrease)/Increase in trade and other payables	(5,494)	5,778	(835)	175	(47)
(Decrease)/Increase in contract liabilities	(428)	(44)	195	1,996	2,054
Decrease in long-term other payables	(24)	(24)	(8)	(8)	—
Cash generated from operations	18,908	86,301	75,097	28,908	20,724
Income tax paid	(2,491)	(17,036)	(14,303)	(3,810)	(4,286)
Net cash generated from operating activities	16,417	69,265	60,794	25,098	16,438

APPENDIX I

ACCOUNTANTS’ REPORT

		Year ended 31 December			Six months ended 30 June	
	Notes	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Investing activities						
Acquisition of property and equipment		(21,279)	(5,618)	(5,795)	(3,437)	(17,586)
Prepayment for acquisition of non-financial assets		—	—	(20,331)	—	—
Acquisition of intangible assets	18, 30(b)	—	—	—	—	(11,313)
Acquisition of investment properties		(356)	—	—	—	—
Capital injection to associates	16	(105)	(455)	(35)	(35)	—
Interest received		123	393	109	83	85
Proceeds from disposal of an associate	16	—	—	154	—	—
Proceeds from financial assets at FVTPL		99,260	116,799	272,855	56,268	38,635
Payment of financial assets at FVTPL		(83,840)	(120,716)	(263,630)	(106,320)	(53,690)
Net cash used in investing activities		(6,197)	(9,597)	(16,673)	(53,441)	(43,869)
Financing activities						
Payment of lease liabilities		(303)	(368)	(705)	(586)	(428)
Capital contribution from non-controlling interests	15	—	—	12,000	—	36,000
Interest paid		(1,908)	(1,751)	(1,607)	(381)	(267)
[REDACTED] paid		—	—	(5,548)	—	(3,755)
Dividends paid		—	—	(32,421)	(32,421)	(41,067)
Net cash used in financing activities		(2,211)	(2,119)	(28,281)	(33,388)	(9,517)
Net increase/(decrease) in cash and cash equivalents		8,009	57,549	15,840	(61,731)	(36,948)
Cash and cash equivalents at beginning of year/period		19,683	27,692	85,241	85,241	101,081
Cash and cash equivalents at end of year/period	22	27,692	85,241	101,081	23,510	64,133

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS AND LIABILITIES					
Non-current assets					
Property and equipment	12	55,675	52,378	49,306	47,494
Right-of-use assets	13	11,870	9,181	8,749	8,534
Investment properties	14	348	335	323	318
Interest in subsidiaries	15	55,000	55,000	145,000	145,000
Interests in associates	16	2,038	2,308	1,976	1,973
Deposit	17	579	610	607	620
Deferred tax assets	26	949	314	298	296
		126,459	120,126	206,259	204,235
Current assets					
Inventories	19	113	35	47	11
Trade and other receivables	20	69,439	70,599	14,147	15,987
Financial assets at fair value through profit or loss	21	3,000	7,586	—	15,291
Restricted cash	22	—	—	2	2
Cash and cash equivalents	22	24,648	83,266	75,955	37,921
		97,200	161,486	90,151	69,212
Current liabilities					
Contract liabilities	23	471	436	623	2,343
Trade and other payables	24	6,699	13,819	12,679	13,044
Lease liabilities	25	297	70	79	200
Income tax payable		1,094	1,999	3,399	4,138
		8,561	16,324	16,780	19,725
Net current assets		88,639	145,162	73,371	49,487
Total assets less current liabilities		215,098	265,288	279,630	253,722
Non-current liabilities					
Other payables	24	32	8	—	—
Lease liabilities	25	3,033	765	686	582
Deferred tax liabilities	26	773	185	161	171
		3,838	958	847	753
Net assets		211,260	264,330	278,783	252,969
CAPITAL AND RESERVES					
Share capital	27	108,070	108,070	108,070	108,070
Reserves	28	103,190	156,260	170,713	144,899
Total equity		211,260	264,330	278,783	252,969

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Impression Dahongpao Co., Ltd. (the “Company”) was incorporated as a limited liability company in the People’s Republic of China (the “PRC”) on 21 January 2009 and subsequently converted into a joint stock company with limited liability on 28 January 2016. Since 20 January 2017, the Company’s shares were quoted on National Equities Exchange and Quotations (“全國中小企業股份轉讓系統”) of the PRC.

The address of its registered office is Inside the Digital Tea Expo Hall, Tea Expo Park, Resort Area, Mount Wuyi City, Fujian Province, PRC and its principal place of business is Yinxiang Bieyuan, No. 62, Sangu Street, Resort Area, Mount Wuyi City, Fujian Province, PRC.

The Company and its subsidiaries (together, the “Group”) are principally engaged in culture, tourism and performance services in the PRC.

The largest shareholder of the Company is Mount Wuyi Cultural Tourism Co., Ltd., which holds 68.8% equity interests of the Company. In the opinion of the directors, the ultimate holding company of the Company is Fujian Mount Wuyi Cultural Tourism Group Co., Ltd., who is ultimately controlled by the Mount Wuyi State-owned Assets Operation Service Centre (武夷山市國有資產運營服務中心).

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the HKICPA which collective term includes all applicable individual HKFRS Accounting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (“HKFRS Accounting Standards”). All effective standards, amendments to standards and interpretations are consistently applied to the Group for the Track Record Period. The Stub Period Comparative Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information. The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets at fair value through profit or loss (“FVTPL”), which are carried at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management’s best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 3.

APPENDIX I

ACCOUNTANTS’ REPORT

The material accounting policies applied in the preparation of the Historical Financial Information have been consistently applied to all the years presented, unless otherwise stated.

2.2 Issued but not yet effective HKFRS Accounting Standards

The Group has not early applied the following new, amended and improved standards, amendments and interpretations (“new and amended HKFRS Accounting Standards”) which have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures and related amendment ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ²

¹ No mandatory effective date yet determined but available for adoption

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

The Group has already commenced an assessment of the impact of these amendments, certain of which are relevant to the Group’s operations. According to the preliminary assessment made by the directors, information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group’s accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have significant impact on the financial performance and positions of the Group when they become effective.

HKFRS 18 “Presentation and Disclosure in Financial Statements” and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 “Presentation of Financial Statements”. It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”.

APPENDIX I

ACCOUNTANTS’ REPORT

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely “operating profits” and “profits before financing and income tax”), and classifying items into five newly defined categories (namely “operating”, “investing”, “financing”, “income tax” and “discontinued operation”), depending on the reporting entity’s main business activities, in the statement of profit or loss;
- disclosure of management-defined performance measures (“MPMs”) in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which includes:

- using “operating profit or loss” as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18 and the amendments to the other HKFRS Accounting Standards are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Company are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements.

2.3 Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries for the Track Record Period.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Subsidiaries are entities controlled by the Group.

The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group includes the income and expenses of a subsidiary in the Historical Financial Information from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the Historical Financial Information. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group’s perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Changes in the Group’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

In the Company’s statements of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee’s pre or post-acquisition profits are recognised in the Company’s profit or loss.

2.4 Associates

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In Historical Financial Information, an investment in an associate is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group’s share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group’s share of the associate’s profit or loss in the period in which the investment is acquired.

Under the equity method, the Group’s interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group’s share of the associate’s net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is

APPENDIX I

ACCOUNTANTS’ REPORT

classified as held for sale). The profit or loss for the year includes the Group’s share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year. The Group’s other comprehensive income for the year includes its share of the associate’s other comprehensive income for the year.

Unrealised gains on transactions between the Group and its associate is eliminated to the extent of the Group’s interest in the associates. Where unrealised losses on assets sales between the Group and its associate is reversed on equity accounting, the underlying asset is also tested for impairment from the Group’s perspective. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate’s accounting policies to those of the Group when the associate’s financial statements are used by the Group in applying the equity method.

When the Group’s share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group’s interest in the associate is the carrying amount of the investment under the equity method together with the Group’s other long-term interests that in substance form part of the Group’s net investment in the associate.

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group’s investment in its associate. At the end of each reporting period, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e., higher of value in use and fair value less costs of disposal) of the associate and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows arising from the operations of the associate and the proceeds on ultimate disposal of the investment.

The Group discontinues the use of equity method from the date when it ceases to have significant influence over an associate. If the retained interest in that former associate is a financial asset, the retained interest is measured at fair value, which is regarded as its fair value on initial recognition as a financial asset in accordance with HKFRS 9. The difference between (i) the fair value of any retained interest and any proceeds from disposing of partial interest in the associate; and (ii) the carrying amount of the investment at the date the equity method was discontinued, is recognised in the profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

In the Company’s statements of financial position, investments in associates have been accounted for by using equity method based on the financial information of the associates prepared.

2.5 Foreign currency translation

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation of monetary assets and liabilities at the end of the reporting period are recognised in the profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e., only translated using the exchange rate at the transaction date). When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income.

In the Historical Financial Information, all individual financial statements of foreign operations, originally presented in a currency different from the Group’s presentation currency, have been converted into RMB. Assets and liabilities have been translated into RMB at the closing rates at the end of the reporting period. Income and expenses have been converted into the RMB at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

2.6 Property and equipment

Property and equipment (other than construction-in-progress as described below and cost of right-of-use assets as described in Note 2.14), are initially recognised at acquisition cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group’s management. They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Land and building held for administrative purpose are stated at fair value less accumulated depreciation and accumulated impairment losses, if any.

APPENDIX I

ACCOUNTANTS’ REPORT

Construction in progress includes property and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Construction in progress is classified to the appropriate category of property and equipment when completed and ready for intended use.

Bearer plants are living plants used in the production or supply of agricultural produce. They are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The Group’s bearer plants represent Sakura. The Group elects to account for its bearer plants using the cost model under HKAS 16 “Property, Plant and Equipment”. Immature bearer plants are accounted for at accumulated cost, which consist mainly of the accumulated cost of land clearing, planting, fertilising, upkeeping and maintaining the plantations. Immature bearer plants are not depreciated. Immature bearer plants are reclassified to mature bearer plants when they are commercially productive and available for harvest.

Depreciation on property and equipment is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at follows:

Buildings	20 to 35 years
Leasehold improvements	Shorter of 2 to 15 years, or the lease terms
Machinery	3 to 10 years
Office equipment	3 to 8 years
Motor vehicles	8 years
Mature bearer plants	10 years

Accounting policy for depreciation of right-of-use assets is set out in Note 2.14.

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to the profit or loss during the financial period in which they are incurred.

2.7 Investment properties

Investment properties are buildings which are owned or held under a leasehold interest (see Note 2.14) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

On initial recognition, investment property is measured at cost, and subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on investment properties is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at follows:

Buildings	28 years

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Cost of investment property held by a lessee as a right-of-use asset are set out in Note 2.14.

2.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15 “Revenue from Contracts with Customers”, all financial assets are initially measured at fair value, in case of a financial asset not at FVTPL, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

Financial assets are classified into the following categories:

- amortised cost;
- FVTPL; or
- fair value through other comprehensive income (“FVOCI”).

The classification is determined by both the entity’s business model for managing the financial asset; and the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, or other income, except for expected credit losses (“ECL”) of trade receivables which is presented as a separate item in profit or loss.

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group’s trade and other receivables, deposit, restricted cash and cash and cash equivalents fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets that are held within a different business model other than “hold to collect” or “hold to collect and sell” are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Financial liabilities

Classification and measurement of financial liabilities

The Group’s financial liabilities include trade and other payables and lease liabilities.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs or other income.

Accounting policies of lease liabilities are set out in Note 2.14.

Other financial liabilities

Other financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2.9 Impairment of financial assets

HKFRS 9’s impairment requirements use forward-looking information to recognise ECL — the “ECL model”. Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables recognised and measured under HKFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”) and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the end of the reporting period.

“12-month ECL” are recognised for the Stage 1 category while “lifetime ECL” are recognised for the Stage 2 category.

APPENDIX I

ACCOUNTANTS’ REPORT

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at the end of each reporting period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established individual assessment in significant customers and a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial assets at the end of the reporting period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in regulatory, business, financial or economic conditions, or technological environment that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group); or (ii) the financial asset is 90 days past due.

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in Note 32.4.

2.10 Intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Performance right	20 years

The assets’ amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets, with finite and indefinite useful lives, are tested for impairment as described below in Note 2.19.

2.11 Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses, and is determined by using the first in first out method.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand.

2.13 Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (Note 2.16). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (Note 2.8).

2.14 Leases

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration’. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statements of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

Except for those right-of-use assets meeting the definition of investment properties and those relating to a class of property and equipment to which revaluation model was applied, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset (except for those meeting the definition of investment properties) for impairment when such indicator exists.

APPENDIX I

ACCOUNTANTS’ REPORT

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

On the consolidated statements of financial position, right-of-use assets are presented as a separate line item.

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

The Group also earns rental income from operating leases of its investment properties. Rental income is recognised on a straight-line basis over the term of the lease.

2.15 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.16 Revenue recognition

Revenue arises mainly from the sales of shows tickets and provision of performance services, accommodation services, catering and other services and boutique cultural tourism services.

To determine whether to recognise revenue, the Group follows a 5-step process:

- Step 1: Identifying the contract with a customer
- Step 2: Identifying the performance obligations
- Step 3: Determining the transaction price
- Step 4: Allocating the transaction price to the performance obligations
- Step 5: Recognise revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

Further details of the Group’s revenue and other income recognition policies are as follows:

Sales of shows tickets and provision of performance services

Revenue from the sales of shows tickets and provision of performance services are recognised at a point in time when the performance is completed and the Group has present right to payment and the collection of the consideration is probable. This is usually taken at the time when the services are rendered.

Provision of accommodation services

Revenue from the hotel income is recognised at over time when the services are rendered.

Provision of catering and other services

Revenue from the catering and other services, which includes services provided by a hot baths and ancillary services. Those are recognised at a point in time when the meal and other services have been served and the Group has present right to payment and the collection of the consideration is probable. The is usually taken as the time when the services are rendered.

Provision of cultural tourism town business

Revenue from cultural tourism town business includes services provided for the Wuyi Rock Tea Research Society, rental income and other services. Those services, except rental income, are recognised at a point in time when the service is served and the Group has present rights to payment and the collection of the consideration is probable. This is usually taken at the time when the services are rendered.

Rental income

Accounting policies are set out in Note 2.14.

Interest income

Interest income is recognised on a time proportion basis using the effective interest rate method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

2.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under “Other income” in the consolidated statements of profit or loss and other comprehensive income.

2.18 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.19 Impairment of non-financial assets

Intangible assets, property and equipment (including right-of-use assets), prepayment for acquisition of non-financial assets, investment properties, interests in associates and the Company’s interests in subsidiaries are tested for impairment whenever there are indications that the asset’s carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Impairment loss is charged pro rata to the assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset’s recoverable amount and only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.20 Employee benefits

Pension obligations — defined contribution plans

Employees of the subsidiaries in the PRC participate in employee social insurance plans established in the PRC, which cover pension and other welfare benefits. The plans are organised and administered by the government authorities. Except for the contributions made to these social insurance plans, the Group has no other commitments owing to the employees. According to the relevant regulations, the contributions that should be borne by the companies within the Group as required by the above social insurance plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are expensed as incurred.

APPENDIX I

ACCOUNTANTS’ REPORT

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulated sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit payables in the consolidated statements of financial position.

Employee leave entitlement

Employee entitlement to annual leave are recognised when they have accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to each reporting date. Employees entitlement to sick leave and maternity leave are not recognised until the time of leave.

Bonus plan

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

2.21 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the Historical Financial Information and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary

APPENDIX I

ACCOUNTANTS’ REPORT

differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

For investment property measured using the fair value model in accordance with the accounting policy above, the measurement of the related deferred tax liability or asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale, unless the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in HKAS 12 to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of the reporting period.

Changes in deferred tax assets or liabilities are recognised in the profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are presented in net if, and only if,

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

APPENDIX I

ACCOUNTANTS’ REPORT

- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.22 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2.23 Related parties

For the purposes of this Historical Financial Information, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and if that person:
 - (i) has control or joint control over of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a company of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2.24 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the chief operating decision maker (“CODM”) for their decisions about resources allocation to the Group’s business components and for their review of the performance of those components. The business components in the internal financial information reported to the board of directors are determined following the Group’s major service lines.

The Group has identified the following reportable segments:

• Performance services and cultural tourism town business	Live performance show and culture and tourism services
• Chatang hotel business:	Hotel and its catering and other services connected with a live performance show

Each of these operating segments is managed separately as each of the service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm’s length prices.

The measurement policies the Group used for reporting segment results under HKFRS 8 “Operating Segments” are the same as those used in the Historical Financial Information prepared under HKFRSs. Reportable segment profit is profit before income tax, except that the following items are not included in arriving at the operating results of the reportable segment:

- rental income from investment properties;
- share of profit or loss of associates accounted for using the equity method;
- gain on disposal of an associate;
- finance costs; and
- corporate income and expenses which are not directly attributable to the business activities of any reportable segment.

Segment assets include all assets but deferred tax assets, financial assets at FVTPL, investment properties and interests in associates. In addition, corporate assets which are not directly attributable to the business activities of any reportable segment are not allocated to a segment, which primarily applies to the Group’s headquarter.

Segment liabilities include all liabilities other than deferred tax liabilities and corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of impairment of trade and other receivables within the scope of ECL under HKFRS 9

The Group makes allowances on items subjects to ECL (including trade and other receivables and other financial assets) based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward-looking estimates at the end of each reporting period as set out in Note 2.9.

The carrying amounts of the Group’s trade and other receivables as at 31 December 2022, 2023, 2024 and 30 June 2025 amounted to approximately RMB4,107,000, RMB5,256,000, RMB4,851,000 and RMB 6,630,000 respectively and allowance of ECL as at 31 December 2022, 2023, 2024 and 30 June 2025 amounted to approximately RMB243,000, RMB712,000, RMB763,000 and RMB779,000 respectively. Details of the trade and other receivables are disclosed in Note 20 to the Historical Financial Information.

Useful lives of property and equipment and intangible assets

The Group’s management determines the estimated useful lives and related depreciation for its property and equipment and related amortisation for its intangible assets. The estimates are based on the historical experience of the actual economic lives of property and equipment and intangible assets of similar nature and functions. Actual economic lives may differ from estimated useful lives. Management will adjust the depreciation and amortisation where the

APPENDIX I

ACCOUNTANTS’ REPORT

useful lives are estimated to be different from the previous estimates. Periodic reviews could result in a change in useful lives and therefore depreciation and amortisation expense in future periods. The carrying amounts of property and equipment and intangible assets at each reporting date is set out in Notes 12 and 18 respectively to the Historical Financial Information.

Impairment of property and equipment (including right-of-use assets), intangible assets, prepayment for acquisition of non-financial assets and the Company’s interests in subsidiaries (“Non-Financial Assets”)

If circumstances indicate that the net book value of property and equipment (Note 12), right-of-use assets (Note 13), intangible assets (Note 18), prepayment for acquisition of non-financial assets (Note 20) and the Company’s interests in subsidiaries (Note 15) may not be recoverable, the asset may be considered “impaired” and an impairment loss may be recognised in accordance with HKAS 36 “Impairment of Assets”. The Group determines whether Non-Financial Assets is impaired at least on an annual basis or where an indication of impairment exists. In respect of the impairment testing for property and equipment (including right-of-use assets), intangible assets and prepayment for acquisition of non-financial assets, the Group identified two operating segments, being (i) Performance services and cultural tourism town business segment and (ii) Chatang hotel business segment.

The Group’s recorded net loss in 2022 was attributable to the loss incurred by Chatang hotel business segment; whilst performance services and cultural tourism town business segment remained profitable in the same year. No indicator of impairment was noted in respect of Performance services and cultural tourism town business.

For impairment review, the Group identified two cash-generating units (“CGUs”) being the same as the two operating segments.

For CGU in respect of Chatang hotel business, the recoverable amounts of CGU are determined using valuation method of income approach of discounted cash flows for value-in-use calculation. The management of the Company, with the assistance of an independent third-party valuer, prepared a cash flow forecast covering a five-year period. Cash flows beyond the five-year period are extrapolated using the long-term growth rate. The discount rate was derived from the weighted average cost of capital (“WACC”).

Key parameters used in the discounted cash flows were as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Pre-tax discount rate	11.39%	10.97%	11.34%	10.48%
Long-term growth rate	<u>1.76%</u>	<u>1.76%</u>	<u>1.76%</u>	<u>1.58%</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The carrying amounts of the Non-Financial Assets and the recoverable amounts were as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Recoverable amount	<u>108,500</u>	<u>109,000</u>	<u>208,400</u>	<u>255,000</u>
Carrying amount	<u>87,447</u>	<u>81,346</u>	<u>94,751</u>	<u>223,084</u>

Based on the impairment review, as the recovering amount is higher than the carrying amount, no impairment loss was recognised.

Based on assessment of directors of the Company, no impairment for Non-Financial Assets are required for the Track Record Period.

3.2 Critical accounting judgements

In the process of applying the Group’s accounting policies, management has made the following accounting judgements:

Current income tax

The Group is subject to Enterprise Income Tax (“EIT”) in the PRC. Significant judgement is required in determining the provision for EIT. There are transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such differences will impact the current income tax and deferred tax provision in the period in which such determination is made.

Revenue recognition in relation hotel business

The Group provides hotel services. Revenue from the hotel income is recognised at over time when the services are rendered. The Group concluded that the Group controls the specified services before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the services. The price of the specified services has been established by the Group. When the Group satisfies the performance obligation, the Group recognises services revenue in the gross amount of consideration to which the Group expects to be entitled.

APPENDIX I

ACCOUNTANTS’ REPORT

4 REVENUE AND SEGMENT REPORTING

4.1 Revenue

During the Track Record Period, the Group was engaged in the services are rendered of live performance shows, accommodation and its catering and other services, cultural tourism town business and rental income. An analysis of the Group’s revenue by services during the Track Record Period is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Revenue from contract with customers within the scope of HKFRS 15					
Shows and performance services	57,933	136,363	129,990	47,950	51,996
Cultural tourism town business					
- Wuyi Rock Tea Research Society	107	232	131	28	27
- Others	236	398	330	122	115
	343	630	461	150	142
Accommodation					
- Hotel income	1,404	3,502	3,304	1,532	1,799
- Catering and other services	674	412	501	366	174
	2,078	3,914	3,805	1,898	1,973
	60,354	140,907	134,256	49,998	54,111
Lease income under HKFRS 16					
Rental income					
- Fixed lease income	232	527	420	293	452
- Impression Jianzhou Food-themed Street	2,453	2,453	2,524	1,226	1,321
	2,685	2,980	2,944	1,519	1,773
	63,039	143,887	137,200	51,517	55,884

APPENDIX I

ACCOUNTANTS’ REPORT

The Group derives revenue from contract with customers within the scope of HKFRS 15 from the transfer of services over time and at a point in time in the following major services lines, and the Group derives total revenue from the following geographical market:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Recognised at a point in time:					
Shows and performance services	57,933	136,363	129,990	47,950	51,996
Cultural tourism town business					
- Wuyi Rock Tea Research Society	107	232	131	28	27
- Others	236	398	330	122	115
Accommodation					
- Catering and other services	674	412	501	366	174
	<u>58,950</u>	<u>137,405</u>	<u>130,952</u>	<u>48,466</u>	<u>52,312</u>
Recognised at over time:					
Accommodation					
- Hotel income	<u>1,404</u>	<u>3,502</u>	<u>3,304</u>	<u>1,532</u>	<u>1,799</u>
	<u>60,354</u>	<u>140,907</u>	<u>134,256</u>	<u>49,998</u>	<u>54,111</u>
Geographical markets					
The PRC	<u>63,039</u>	<u>143,887</u>	<u>137,200</u>	<u>51,517</u>	<u>55,884</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Remaining performance obligations

The following table includes revenue expected to be recognised in the future period related to the performance obligations that are unsatisfied (or partially unsatisfied) as at end of each reporting period.

	As at 31 December 2022 RMB'000
Remaining performance obligations expected to be satisfied during the year ending 31 December 2023	—
	As at 31 December 2023 RMB'000
Remaining performance obligations expected to be satisfied during the year ending 31 December 2024	1
	As at 31 December 2024 RMB'000
Remaining performance obligations expected to be satisfied during the year ending 31 December 2025	1
	As at 30 June 2025 RMB'000
Remaining performance obligations expected to be satisfied during the period ending 30 June 2026	1
	As at 30 June 2024 RMB'000 (unaudited)
Remaining performance obligations expected to be satisfied during the period ending 30 June 2025	3

APPENDIX I

ACCOUNTANTS’ REPORT

4.2 Segment information

The board of directors of the Company, being the CODM, have identified the Group’s two service lines as operating segments as further described in Note 2.24.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

Segment results

	Performance services and cultural tourism town business	Chatang hotel business	Total
	RMB’000	RMB’000	RMB’000
Year ended 31 December 2022			
Segment revenue	60,961	2,078	63,039
Segment results	10,303	(6,800)	3,503
Unallocated costs net of unallocated income			875
Share of profit of associates, net			7
Finance costs			(1,950)
Profit before income tax			2,435
	Performance services and cultural tourism town business	Chatang hotel business	Total
	RMB’000	RMB’000	RMB’000
Year ended 31 December 2023			
Segment revenue	139,973	3,914	143,887
Segment results	69,055	(6,076)	62,979
Unallocated costs net of unallocated income			1,401
Rental income from investment properties			190
Share of loss of associates, net			(25)
Finance costs			(1,858)
Profit before income tax			62,687

APPENDIX I

ACCOUNTANTS’ REPORT

	Performance services and cultural tourism town business	Chatang hotel business	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Year ended 31 December 2024			
Segment revenue	<u>133,395</u>	<u>3,805</u>	<u>137,200</u>
Segment results	63,833	(6,106)	57,727
Unallocated costs net of unallocated income			2,974
Rental income from investment properties			189
Share of loss of associates, net			(288)
Gain on disposal of an associate			26
Finance costs			<u>(1,712)</u>
Profit before income tax			<u><u>58,916</u></u>
Six months ended 30 June 2024 (unaudited)			
Segment revenue	<u>49,619</u>	<u>1,898</u>	<u>51,517</u>
Segment results	21,502	(3,267)	18,235
Unallocated costs net of unallocated income			875
Rental income from investment properties			81
Share of loss of associates, net			(23)
Finance costs			<u>(857)</u>
Profit before income tax			<u><u>18,311</u></u>
Six months ended 30 June 2025			
Segment revenue	<u>51,544</u>	<u>4,340</u>	<u>55,884</u>
Segment results	20,812	(9,695)	11,117
Unallocated costs net of unallocated income			346
Rental income from investment properties			95
Share of loss of associates, net			(39)
Finance costs			<u>(1,419)</u>
Profit before income tax			<u><u>10,100</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

Segment assets

	Performance services and cultural tourism town business	Chatang hotel business	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2022			
Segment assets	211,198	88,419	299,617
Unallocated assets			1,418
Deferred tax assets			5,441
Investment properties			348
Interests in associates			2,141
Financial assets at FVTPL			3,000
Elimination upon consolidation			(68,071)
Group assets			<u>243,894</u>

Reportable segment assets

Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year

<u>20,168</u>	<u>1,467</u>	<u>21,635</u>

As at 31 December 2023

Segment assets	263,469	82,310	345,779
Unallocated assets			799
Deferred tax assets			7,164
Investment properties			335
Interests in associates			2,571
Financial assets at FVTPL			7,586
Elimination upon consolidation			(69,959)
Group assets			<u>294,275</u>

Reportable segment assets

Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year

<u>4,775</u>	<u>843</u>	<u>5,618</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Performance services and cultural tourism town business	Chatang hotel business	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 31 December 2024			
Segment assets	188,193	118,414	306,607
Unallocated assets			8,420
Deferred tax assets			6,485
Investment properties			323
Interests in associates			2,190
Elimination upon consolidation			(7,060)
Group assets			<u>316,965</u>
Reportable segment assets			
Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the year	<u>6,304</u>	<u>20,352</u>	<u>26,656</u>
As at 30 June 2025			
Segment assets	146,251	248,819	395,070
Unallocated assets			13,703
Deferred tax assets			8,101
Investment properties			318
Interests in associates			2,151
Financial assets at FVTPL			15,291
Elimination upon consolidation			(5,967)
Group assets			<u>428,667</u>
Reportable segment assets			
Additions to non-current segment assets (other than financial instruments and deferred tax assets) during the period	<u>2,127</u>	<u>153,748</u>	<u>155,875</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Segment liabilities

	Performance services and cultural tourism town business	Chatang hotel business	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2022			
Segment liabilities	45,796	20,117	65,913
Unallocated corporate liabilities			1,607
Deferred tax liabilities			4,980
Elimination upon consolidation			(14,633)
Group liabilities			<u>57,867</u>
As at 31 December 2023			
Segment liabilities	49,547	18,078	67,625
Unallocated corporate liabilities			2,792
Deferred tax liabilities			3,945
Elimination upon consolidation			(13,618)
Group liabilities			<u>60,744</u>
As at 31 December 2024			
Segment liabilities	43,549	16,600	60,149
Unallocated corporate liabilities			4,287
Deferred tax liabilities			3,670
Elimination upon consolidation			(7,060)
Group liabilities			<u>61,046</u>
As at 30 June 2025			
Segment liabilities	44,576	123,922	168,498
Unallocated corporate liabilities			4,923
Deferred tax liabilities			3,586
Elimination upon consolidation			(5,967)
Group liabilities			<u>171,040</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Group’s revenue from external customers and its non-current assets (other than financial instruments and deferred tax assets) were located in the PRC.

The geographical location of customers is based on the location at which the services were provided. The geographical location of the non-current assets is based on the physical location of the asset, the location of the operations to which they are allocated in the case of intangible assets and the location of operations in the case of interests in associates.

Information about major customers

Since none of the Group’s sales to a single customer amounted to 10% or more of the Group’s total revenue for the Track Record Period, no information about major customers in accordance with HKFRS 8 “Operating Segments” is presented.

APPENDIX I

ACCOUNTANTS’ REPORT

5 OTHER REVENUE AND OTHER INCOME, NET

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Other revenue					
Other services revenue	217	216	217	—	94
Rental income — fixed lease income	—	190	189	81	95
Compensation income	—	—	1,074	—	—
	217	406	1,480	81	189
Other income					
Bank interest income	123	393	109	83	85
Fair value gain on financial assets at FVTPL	—	86	—	—	104
Gain on disposal of financial assets at FVTPL	216	583	1,639	268	132
Government subsidies (Note)	426	182	765	531	26
Effective interest income/(expenses) of deposits	49	31	(3)	(17)	13
Gain on early termination of leases	26	236	—	—	—
Gain on disposal of an associate	—	—	26	—	—
Penalty income	54	1	150	—	—
Sundry income	4	25	274	24	—
	898	1,537	2,960	889	360
	1,115	1,943	4,440	970	549

Note: The amount represents unconditional government subsidies received from the local government authorities for the purpose of supporting the Group.

APPENDIX I

ACCOUNTANTS’ REPORT

6 FINANCE COSTS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Finance charges on lease liabilities	1,908	1,751	1,607	814	1,381
Bank charges	42	107	105	43	38
	<u>1,950</u>	<u>1,858</u>	<u>1,712</u>	<u>857</u>	<u>1,419</u>

7 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Auditor’s remuneration	160	170	170	110	110
Cost of services provided	45,252	59,779	61,319	25,568	31,689
Loss on disposal of property and equipment	5	23	30	10	13
Fair value gain on financial assets at FVTPL	—	(86)	—	—	(104)
Gain on disposal of financial assets at FVTPL	(216)	(583)	(1,639)	(268)	(132)
[REDACTED]	—	—	323	—	63
Provision for / (Reversal of) ECL on financial assets, net:					
- Trade receivables	204	1,816	18	49	17
- Other receivables	11	13	33	10	(1)
	<u>215</u>	<u>1,829</u>	<u>51</u>	<u>59</u>	<u>16</u>
Amortisation on intangible assets	—	—	—	—	244
Depreciation:					
- Investment properties	8	13	12	5	5
- Owned assets	14,462	14,536	15,097	7,534	8,306
- Right-of-use assets	3,576	3,339	3,226	1,591	2,232
	<u>18,046</u>	<u>17,888</u>	<u>18,335</u>	<u>9,130</u>	<u>10,543</u>
Lease charges:					
- Short-term leases	44	136	142	44	43
- Lease of low value items	—	—	45	23	30
- Gain on early termination of leases	(26)	(236)	—	—	—
Total leases charges	<u>18</u>	<u>(100)</u>	<u>187</u>	<u>67</u>	<u>73</u>

APPENDIX I

ACCOUNTANTS’ REPORT

8 INCOME TAX EXPENSE

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Current tax					
PRC EIT	3,465	17,941	15,703	5,582	5,025
Under provision in prior years	27	—	—	—	—
	3,492	17,941	15,703	5,582	5,025
Deferred tax					
Current year/period (Note 26)	1,542	(2,758)	404	50	(1,700)
Income tax expense	5,034	15,183	16,107	5,632	3,325

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, PRC EIT is calculated at 25% of the assessable profits for the Group established in the PRC for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 (unaudited) and 2025.

Reconciliation between income tax expense and accounting profit at applicable tax rate:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Profit before income tax	2,435	62,687	58,916	18,311	10,100
Tax at the applicable income tax rate of 25%	609	15,672	14,729	4,578	2,525
Tax effects of non-deductible expenses	288	641	142	263	486
Tax effects of non-taxable income	(89)	(11)	(18)	(40)	(29)
Tax effect of recognised temporary differences	1,542	(2,758)	404	50	(1,700)
Tax effect of tax loss recognised	—	—	(703)	(99)	(192)
Tax effect of tax loss not recognised	2,657	1,639	1,553	880	2,235
Under provision in prior years	27	—	—	—	—
Income tax expense	5,034	15,183	16,107	5,632	3,325

APPENDIX I

ACCOUNTANTS’ REPORT

9 EMPLOYEE BENEFITS EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Salaries, wages and other benefits	20,237	27,873	28,063	9,449	12,961
Contributions to defined contribution plans	4,095	4,247	4,834	2,276	2,818
	<u>24,332</u>	<u>32,120</u>	<u>32,897</u>	<u>11,725</u>	<u>15,779</u>

(a) Defined contribution plans

No forfeited contributions were utilised by the Group to reduce its contributions to the social insurance plan during the Track Record Period.

As at 31 December 2022, 2023, 2024 and 30 June 2025, the contributions payable in respect of the abovementioned social insurance amounted to RMB Nil, RMB24,000, RMB3,000 and RMB6,000 respectively.

(b) Directors’ and supervisors’ emoluments

	Fees	Salaries, allowances and benefits	Discretionary bonus	Contributions to retirement benefit schemes	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Year ended 31 December 2022					
Executive director:					
Mr. Zheng Bin (鄭彬)	<u>—</u>	<u>219</u>	<u>79</u>	<u>50</u>	<u>348</u>
Non-executive directors:					
Mr. Zhong Baiyi (衷柏夷)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Ms. Xu Zhoumei (許周妹)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Mr. Zheng Feng (鄭豐)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Fees	Salaries, allowances and benefits	Discretionary bonus	Contributions to retirement benefit schemes	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Independent non-executive directors:					
Mr. He Shuqi (何書奇)	36	—	—	—	36
Mr. Liu Yongquan (劉用銓)	36	—	—	—	36
	<u>72</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>72</u>
Supervisors:					
Mr. Chen Yinghua (陳應華)	—	—	—	—	—
Ms. Ye Jingjuan (葉景娟)	—	96	24	32	152
Mr. Zhou Xingwen (周興文)	—	—	—	—	—
	<u>—</u>	<u>96</u>	<u>24</u>	<u>32</u>	<u>152</u>
Year ended 31 December 2023					
Executive director:					
Mr. Zheng Bin (鄭彬)	<u>—</u>	<u>282</u>	<u>172</u>	<u>52</u>	<u>506</u>
Non-executive directors:					
Mr. Zhong Baiyi (衷柏夷)	—	209	105	44	358
Ms. Xu Zhoumei (許周妹)	—	—	—	—	—
Ms. Xiao Jianhong (肖建紅)	—	—	—	—	—
Mr. Zheng Feng (鄭豐)	—	—	—	—	—
	<u>—</u>	<u>209</u>	<u>105</u>	<u>44</u>	<u>358</u>
Independent non-executive directors:					
Mr. He Shuqi (何書奇)	39	—	—	—	39
Mr. Liu Yongquan (劉用銓)	39	—	—	—	39
	<u>78</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>78</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		Salaries, allowances and benefits	Discretionary bonus	Contributions to retirement benefit schemes	Total
	Fees				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Supervisors:					
Ms. Zhao Qinghong (趙青虹)	—	—	—	—	—
Mr. Chen Yinghua (陳應華)	—	—	—	—	—
Mr. Qiu Zhixiang (邱志翔)	—	—	—	—	—
Ms. Huang Jinjing (黃金晶)	—	66	51	17	134
Ms. Ye Jingjuan (葉景娟)	—	116	59	32	207
Mr. Zhou Xingwen (周興文)	—	—	—	—	—
	—	182	110	49	341
Year ended 31 December 2024					
Executive director:					
Mr. Zheng Bin (鄭彬)	—	274	135	44	453
Non-executive directors:					
Mr. Zhong Baiyi (衷柏夷)	—	171	91	54	316
Ms. Xu Zhoumei (許周妹)	—	—	—	—	—
Ms. Xiao Jianhong (肖建紅)	—	—	—	—	—
Mr. Zheng Feng (鄭豐)	—	—	—	—	—
	—	171	91	54	316
Independent non-executive directors:					
Mr. He Shuqi (何書奇)	36	—	—	—	36
Mr. Liu Yongquan (劉用銓)	36	—	—	—	36
	72	—	—	—	72

APPENDIX I

ACCOUNTANTS’ REPORT

		Salaries, allowances and benefits	Discretionary bonus	Contributions to retirement benefit schemes	Total
	Fees				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Supervisors:					
Ms. Zhao Qinghong (趙青虹)	—	—	—	—	—
Mr. Chen Yinghua (陳應華)	—	—	—	—	—
Mr. Qiu Zhixiang (邱志翔)	—	—	—	—	—
Ms. Huang Jinjing (黃金晶)	—	106	49	35	190
Ms. Ye Jingjuan (葉景娟)	—	118	50	39	207
Mr. Zhou Xingwen (周興文)	—	—	—	—	—
	—	224	99	74	397
Six months ended					
30 June 2025					
Executive director:					
Mr. Zheng Bin (鄭彬)	—	142	—	19	161
Non-executive directors:					
Mr. Zhong Baiyi (衷柏夷)	—	95	—	18	113
Ms. Xu Zhoumei (許周妹)	—	—	—	—	—
Ms. Xiao Jianhong (肖建紅)	—	—	—	—	—
Mr. Zheng Feng (鄭豐)	—	—	—	—	—
	—	95	—	18	113
Independent non-executive directors:					
Mr. He Shuqi (何書奇)	18	—	—	—	18
Mr. Liu Yongquan (劉用銓)	18	—	—	—	18
	36	—	—	—	36

APPENDIX I

ACCOUNTANTS’ REPORT

		Salaries, allowances and benefits	Discretionary bonus	Contributions to retirement benefit schemes	Total
	Fees				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Supervisors:					
Ms. Zhao Qinghong (趙青虹)	—	—	—	—	—
Mr. Chen Yinghua (陳應華)	—	—	—	—	—
Mr. Qiu Zhixiang (邱志翔)	—	—	—	—	—
Ms. Huang Jinjing (黃金晶)	—	66	—	19	85
Ms. Ye Jingjuan (葉景娟)	—	69	—	21	90
Mr. Zhou Xingwen (周興文)	—	—	—	—	—
	—	135	—	40	175
Six months ended 30 June 2024 (unaudited)					
Executive director:					
Mr. Zheng Bin (鄭彬)	—	137	—	14	151
Non-executive directors:					
Mr. Zhong Baiyi (衷柏夷)	—	85	—	19	104
Ms. Xu Zhoumei (許周妹)	—	—	—	—	—
Ms. Xiao Jianhong (肖建紅)	—	—	—	—	—
Mr. Zheng Feng (鄭豐)	—	—	—	—	—
	—	85	—	19	104
Independent non-executive directors:					
Mr. He Shuqi (何書奇)	18	—	—	—	18
Mr. Liu Yongquan (劉用銓)	18	—	—	—	18
	36	—	—	—	36

APPENDIX I

ACCOUNTANTS’ REPORT

		Salaries, allowances and benefits	Discretionary bonus	Contributions to retirement benefit schemes	Total
	Fees				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Supervisors:					
Ms. Zhao Qinghong (趙青虹)	—	—	—	—	—
Mr. Chen Yinghua (陳應華)	—	—	—	—	—
Mr. Qiu Zhixiang (邱志翔)	—	—	—	—	—
Ms. Huang Jinjing (黃金晶)	—	53	—	13	66
Ms. Ye Jingjuan (葉景娟)	—	59	—	15	74
Mr. Zhou Xingwen (周興文)	—	—	—	—	—
	—	112	—	28	140

In addition to the directors’ remuneration disclosed above, certain directors are not paid directly by the Company but receive remuneration from the Company’s holding company, in respect of their services to the larger group which includes the Company and its subsidiaries. No apportionment has been made as the qualifying services provided by these directors to the Company and its subsidiaries are incidental to their responsibilities to the larger group.

Notes:

- (i) Mr. Zheng Bin was appointed as an executive director of the Company on 25 January 2022. Mr. Zhong Baiyi, Ms. Xu Zhoumei, Ms. Xiao Jianhong and Mr. Zheng Feng were appointed as non-executive director of the Company on 21 November 2022, 19 July 2022, 8 May 2023 and 10 January 2015 respectively.
- (ii) Mr. He Shuqi and Mr. Liu Yongquan were appointed as an independent non-executive director of the Company on 24 June 2020 and 24 June 2020 respectively.
- (iii) Ms. Zhao Qinghong, Mr. Chen Yinghua, Mr. Qiu Zhixiang, Ms. Huang Jinjing, Ms. Ye Jingjuan and Mr. Zhou Xingwen were appointed as a supervisor of the Company on 8 May 2023, 19 July 2022, 8 May 2023, 8 May 2023, 12 August 2010 and 15 January 2021 respectively.

Directors’ retirement benefits

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 (unaudited) and 2025, there were no additional retirement benefits received by the directors except for the contribution to defined contribution retirement scheme administrated and operated by the local municipal government in accordance with the rules and regulations in the PRC.

APPENDIX I

ACCOUNTANTS’ REPORT

Directors’ termination benefits

There were no termination benefits paid to or receivable by any director during the Track Record Period.

Consideration provided to third parties for making available directors’ services

During the Track Record Period, no consideration was provided to or receivable by third parties for making available director’s services.

Information about loans, quasi-loans and other dealings in favour of directors

There were no loans, quasi-loans and other dealings entered into between the Group and the directors and in favour of the directors during the Track Record Period.

Directors’ material interests in transactions, arrangements or contracts

There were no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 (unaudited) and 2025 include one, two, two, two and two directors respectively whose emoluments are disclosed in Note 9(b). The aggregate of the emoluments of the remaining four, three, three, three and three individuals respectively for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 (unaudited) and 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Salaries, allowances and benefits	546	656	609	208	232
Contributions to retirement benefit schemes	133	102	126	51	61
	<u>679</u>	<u>758</u>	<u>735</u>	<u>259</u>	<u>293</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The above remaining individuals’ emoluments fell within the following band:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				<i>(unaudited)</i>	
Nil to HK\$1,000,000	4	3	3	3	3

No director or the five highest paid individual received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the Track Record Period. No director or the five highest paid individual has waived or agreed to waive any emoluments during the Track Record Period.

10 (LOSSES)/EARNINGS PER SHARE

The calculation of basic (losses)/earnings per share attributable to equity holders of the Company is based on the following:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				<i>(unaudited)</i>	
(Losses)/Earnings					
(Loss)/Profit for the year/period attributable to equity holders of the Company <i>(in RMB’000)</i>	(2,599)	47,504	42,859	12,679	10,226
Number of shares					
Weighted average number of ordinary shares	108,070,000	108,070,000	108,070,000	108,070,000	108,070,000
(Losses)/Earnings per share <i>(in RMB cents)</i>	(2.4)	44.0	39.7	11.7	9.5

The weighted average number of ordinary shares used to calculate the basic (losses)/earnings per share for the Track Record Period represents 108,070,000 ordinary shares in issue throughout the years/periods.

Diluted (losses)/earnings per share is the same as basic (losses)/earnings per share for the Track Record Period as there were no dilutive potential ordinary shares in issue during the Track Record Period.

APPENDIX I

ACCOUNTANTS’ REPORT

11 DIVIDENDS

(a) Dividends attributable to the years/periods

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Proposed final dividends of RMB0.30 per ordinary share (note (i))	—	32,421	—	—	—
Proposed final dividends of RMB0.38 per ordinary share (note (ii))	—	—	41,067	—	—
	—	32,421	41,067	—	—

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends attributable to the previous financial year, approved and paid during the years/periods

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Final dividends in respect of the previous financial year (note (i), (ii))	—	—	32,421	32,421	41,067

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 (unaudited) and 2025, dividends of RMB Nil, RMB Nil, RMB32,421,000, RMB32,421,000 and RMB41,067,000 respectively were declared and paid by the Company.

Notes:

- (i) Pursuant to the resolution of the board of directors on 12 April 2024, the board of directors resolved to distribute dividends of RMB0.30 per ordinary share, totally RMB32,421,000 in respect for the year ended 31 December 2023, which was approved by the shareholders in the annual general meeting (“AGM”) held on 6 May 2024.
- (ii) Pursuant to the resolution of the board of directors on 19 March 2025, the board of directors resolved to distribute dividends of RMB0.38 per ordinary share, approximately RMB41,067,000 in respect for the year ended 31 December 2024, which was approved by the shareholders in the AGM held on 9 April 2025, and was settled on 22 April 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

12 PROPERTY AND EQUIPMENT

The Group

	Buildings	Leasehold improvements	Machinery	Office equipment	Motor vehicles	Construction in progress	Mature bearer plants	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022								
Cost	51,306	161,827	42,364	16,952	1,553	394	140	274,536
Accumulated depreciation	(7,855)	(95,872)	(21,688)	(1,280)	(1,150)	—	(28)	(127,873)
Net book amount	43,451	65,955	20,676	15,672	403	394	112	146,663
Year ended 31 December 2022								
Opening net book amount	43,451	65,955	20,676	15,672	403	394	112	146,663
Additions	15,964	3,824	352	15	—	1,124	—	21,279
Transfers	1,124	394	—	—	—	(1,518)	—	—
Written off	—	—	(5)	—	—	—	—	(5)
Depreciation	(2,174)	(7,246)	(2,896)	(2,068)	(64)	—	(14)	(14,462)
Closing net book amount	58,365	62,927	18,127	13,619	339	—	98	153,475
As at 31 December 2022 and 1 January 2023								
Cost	68,394	166,045	42,683	16,960	1,553	—	140	295,775
Accumulated depreciation	(10,029)	(103,118)	(24,556)	(3,341)	(1,214)	—	(42)	(142,300)
Net book amount	58,365	62,927	18,127	13,619	339	—	98	153,475
Year ended 31 December 2023								
Opening net book amount	58,365	62,927	18,127	13,619	339	—	98	153,475
Additions	—	2,504	1,440	982	492	200	—	5,618
Written off	—	—	(8)	—	—	—	(15)	(23)
Depreciation	(2,410)	(7,346)	(2,548)	(2,152)	(66)	—	(14)	(14,536)
Closing net book amount	55,955	58,085	17,011	12,449	765	200	69	144,534
As at 31 December 2023 and 1 January 2024								
Cost	68,394	168,549	43,954	17,939	2,045	200	116	301,197
Accumulated depreciation	(12,439)	(110,464)	(26,943)	(5,490)	(1,280)	—	(47)	(156,663)
Net book amount	55,955	58,085	17,011	12,449	765	200	69	144,534
Year ended 31 December 2024								
Opening net book amount	55,955	58,085	17,011	12,449	765	200	69	144,534
Additions	—	2,384	1,447	269	—	1,695	—	5,795
Transfers	—	493	—	1,244	—	(1,737)	—	—
Written off	—	—	(18)	(10)	—	—	(2)	(30)
Depreciation	(2,412)	(7,942)	(2,409)	(2,200)	(123)	—	(11)	(15,097)
Closing net book amount	53,543	53,020	16,031	11,752	642	158	56	135,202
As at 31 December 2024 and 1 January 2025								
Cost	68,394	171,426	45,348	19,430	2,045	158	112	306,913
Accumulated depreciation	(14,851)	(118,406)	(29,317)	(7,678)	(1,403)	—	(56)	(171,711)
Net book amount	53,543	53,020	16,031	11,752	642	158	56	135,202
Six months ended 30 June 2025								
Opening net book amount	53,543	53,020	16,031	11,752	642	158	56	135,202
Additions	—	12,391	46,684	36	—	163	—	59,274
Transfers	—	158	—	—	—	(158)	—	—
Written off	—	—	(13)	—	—	—	—	(13)
Depreciation	(1,206)	(4,159)	(1,663)	(1,217)	(55)	—	(6)	(8,306)
Closing net book amount	52,337	61,410	61,039	10,571	587	163	50	186,157
As at 30 June 2025								
Cost	68,394	183,975	91,781	19,459	2,045	163	112	365,929
Accumulated depreciation	(16,057)	(122,565)	(30,742)	(8,888)	(1,458)	—	(62)	(179,772)
Net book amount	52,337	61,410	61,039	10,571	587	163	50	186,157

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Buildings	Leasehold improvements	Machinery	Office equipment	Motor vehicle	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022							
Cost	19,020	59,525	41,507	253	1,480	—	121,785
Accumulated depreciation	(5,370)	(50,880)	(21,254)	(174)	(1,136)	—	(78,814)
Net book amount	13,650	8,645	20,253	79	344	—	42,971
Year ended 31 December 2022							
Opening net book amount	13,650	8,645	20,253	79	344	—	42,971
Additions	15,964	3,401	352	13	—	—	19,730
Written off	—	—	(5)	—	—	—	(5)
Depreciation	(1,256)	(2,974)	(2,702)	(42)	(47)	—	(7,021)
Closing net book amount	28,358	9,072	17,898	50	297	—	55,675
As at 31 December 2022 and 1 January 2023							
Cost	34,984	62,926	41,826	259	1,480	—	141,475
Accumulated depreciation	(6,626)	(53,854)	(23,928)	(209)	(1,183)	—	(85,800)
Net book amount	28,358	9,072	17,898	50	297	—	55,675
Year ended 31 December 2023							
Opening net book amount	28,358	9,072	17,898	50	297	—	55,675
Additions	—	974	1,441	43	492	200	3,150
Written off	—	—	(8)	—	—	—	(8)
Depreciation	(1,433)	(2,545)	(2,382)	(30)	(49)	—	(6,439)
Closing net book amount	26,925	7,501	16,949	63	740	200	52,378
As at 31 December 2023 and 1 January 2024							
Cost	34,984	63,900	43,098	300	1,972	200	144,454
Accumulated depreciation	(8,059)	(56,399)	(26,149)	(237)	(1,232)	—	(92,076)
Net book amount	26,925	7,501	16,949	63	740	200	52,378
Year ended 31 December 2024							
Opening net book amount	26,925	7,501	16,949	63	740	200	52,378
Additions	—	2,226	1,426	81	—	138	3,871
Transfers	—	338	—	—	—	(338)	-
Written off	—	—	(18)	—	—	—	(18)
Depreciation	(1,434)	(2,953)	(2,393)	(40)	(105)	—	(6,925)
Closing net book amount	25,491	7,112	15,964	104	635	—	49,306
As at 31 December 2024 and 1 January 2025							
Cost	34,984	66,464	44,474	376	1,972	—	148,270
Accumulated depreciation	(9,493)	(59,352)	(28,510)	(272)	(1,337)	—	(98,964)
Net book amount	25,491	7,112	15,964	104	635	—	49,306
Six months ended 30 June 2025							
Opening net book amount	25,491	7,112	15,964	104	635	—	49,306
Additions	—	1,357	70	19	—	—	1,446
Written off	—	—	(13)	—	—	—	(13)
Depreciation	(717)	(1,381)	(1,069)	(27)	(51)	—	(3,245)
Closing net book amount	24,774	7,088	14,952	96	584	—	47,494
As at 30 June 2025							
Cost	34,984	67,821	44,293	395	1,972	—	149,465
Accumulated depreciation	(10,210)	(60,733)	(29,341)	(299)	(1,388)	—	(101,971)
Net book amount	24,774	7,088	14,952	96	584	—	47,494

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Group and the Company had not obtained property ownership certificate for certain buildings with an aggregate net book amount of RMB2,440,000, RMB2,268,000, RMB2,096,000 and RMB2,010,000 respectively. The directors of the Company are of the opinion that the Group and the Company are entitled to lawfully and validly occupy and use the buildings in current status. The risk of being ordered to cease use or face administrative penalties is low.

13 RIGHT-OF-USE ASSETS

The Group

	Buildings	Car park	Offices	Theatre	Leasehold land	Land use rights	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022							
Cost	24,290	—	286	—	11,044	18,896	54,516
Accumulated depreciation	(2,032)	—	(39)	—	(1,931)	(474)	(4,476)
Net book amount	22,258	—	247	—	9,113	18,422	50,040
Year ended 31 December 2022							
Opening net book amount	22,258	—	247	—	9,113	18,422	50,040
Termination	(904)	—	—	—	—	—	(904)
Depreciation	(1,922)	—	(58)	—	(336)	(1,260)	(3,576)
Closing net book amount	19,432	—	189	—	8,777	17,162	45,560
As at 31 December 2022 and 1 January 2023							
Cost	22,976	—	286	—	11,044	18,896	53,202
Accumulated depreciation	(3,544)	—	(97)	—	(2,267)	(1,734)	(7,642)
Net book amount	19,432	—	189	—	8,777	17,162	45,560
Year ended 31 December 2023							
Opening net book amount	19,432	—	189	—	8,777	17,162	45,560
Termination	(2,099)	—	—	—	—	—	(2,099)
Depreciation	(1,685)	—	(58)	—	(336)	(1,260)	(3,339)
Closing net book amount	15,648	—	131	—	8,441	15,902	40,122
As at 31 December 2023 and 1 January 2024							
Cost	20,192	—	286	—	11,044	18,896	50,418
Accumulated depreciation	(4,544)	—	(155)	—	(2,603)	(2,994)	(10,296)
Net book amount	15,648	—	131	—	8,441	15,902	40,122
Year ended 31 December 2024							
Opening net book amount	15,648	—	131	—	8,441	15,902	40,122
Additions	—	530	—	—	—	—	530
Depreciation	(1,526)	(45)	(58)	—	(337)	(1,260)	(3,226)
Closing net book amount	14,122	485	73	—	8,104	14,642	37,426
As at 31 December 2024 and 1 January 2025							
Cost	20,192	530	286	—	11,044	18,896	50,948
Accumulated depreciation	(6,070)	(45)	(213)	—	(2,940)	(4,254)	(13,522)
Net book amount	14,122	485	73	—	8,104	14,642	37,426
Six months ended 30 June 2025							
Opening net book amount	14,122	485	73	—	8,104	14,642	37,426
Additions	243	—	—	67,112	—	—	67,355
Depreciation	(783)	(54)	(29)	(568)	(168)	(630)	(2,232)
Closing net book amount	13,582	431	44	66,544	7,936	14,012	102,549
As at 30 June 2025							
Cost	20,435	530	286	67,112	11,044	18,896	118,303
Accumulated depreciation	(6,853)	(99)	(242)	(568)	(3,108)	(4,884)	(15,754)
Net book amount	13,582	431	44	66,544	7,936	14,012	102,549

APPENDIX I

ACCOUNTANTS’ REPORT

During the years ended 31 December 2022, 2023, 2024 and 30 June 2025, the Group has entered Nil, Nil, one lease for car park and one lease for theatre and a building amounting in RMB Nil, RMB Nil, RMB530,000 and RMB67,355,000 respectively.

The land use rights were regarded as having definite useful lives according to the lease period for operation and leased from Mount Wuyi Tourism Resort Development Co., Ltd. (“Mount Wuyi Tourism Resort Development”), a minority shareholder of the Company.

The Company

	Buildings	Leasehold land	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 1 January 2022			
Cost	5,089	11,044	16,133
Accumulated depreciation	(601)	(1,931)	(2,532)
Net book amount	<u>4,488</u>	<u>9,113</u>	<u>13,601</u>
Year ended 31 December 2022			
Opening net book amount	4,488	9,113	13,601
Termination	(904)	—	(904)
Depreciation	(491)	(336)	(827)
Closing net book amount	<u>3,093</u>	<u>8,777</u>	<u>11,870</u>
As at 31 December 2022 and 1 January 2023			
Cost	3,775	11,044	14,819
Accumulated depreciation	(682)	(2,267)	(2,949)
Net book amount	<u>3,093</u>	<u>8,777</u>	<u>11,870</u>
Year ended 31 December 2023			
Opening net book amount	3,093	8,777	11,870
Termination	(2,100)	—	(2,100)
Depreciation	(253)	(336)	(589)
Closing net book amount	<u>740</u>	<u>8,441</u>	<u>9,181</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Buildings	Leasehold land	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 31 December 2023 and 1 January 2024			
Cost	991	11,044	12,035
Accumulated depreciation	<u>(251)</u>	<u>(2,603)</u>	<u>(2,854)</u>
Net book amount	<u>740</u>	<u>8,441</u>	<u>9,181</u>
Year ended 31 December 2024			
Opening net book amount	740	8,441	9,181
Depreciation	<u>(95)</u>	<u>(337)</u>	<u>(432)</u>
Closing net book amount	<u>645</u>	<u>8,104</u>	<u>8,749</u>
As at 31 December 2024 and 1 January 2025			
Cost	991	11,044	12,035
Accumulated depreciation	<u>(346)</u>	<u>(2,940)</u>	<u>(3,286)</u>
Net book amount	<u>645</u>	<u>8,104</u>	<u>8,749</u>
Six months ended 30 June 2025			
Opening net book amount	645	8,104	8,749
Depreciation	<u>(47)</u>	<u>(168)</u>	<u>(215)</u>
Closing net book amount	<u>598</u>	<u>7,936</u>	<u>8,534</u>
As at 30 June 2025			
Cost	991	11,044	12,035
Accumulated depreciation	<u>(393)</u>	<u>(3,108)</u>	<u>(3,501)</u>
Net book amount	<u>598</u>	<u>7,936</u>	<u>8,534</u>

During the Track Record Period, no new lease agreements have been entered into.

APPENDIX I

ACCOUNTANTS’ REPORT

14 INVESTMENT PROPERTIES

The Group and the Company

	Buildings
	<i>RMB’000</i>
Year ended 31 December 2022	
Opening net book amount	—
Additions	356
Depreciation	<u>(8)</u>
Closing net book amount	<u><u>348</u></u>
As at 31 December 2022 and 1 January 2023	
Cost	356
Accumulated depreciation	<u>(8)</u>
Net book amount	<u><u>348</u></u>
Year ended 31 December 2023	
Opening net book amount	348
Depreciation	<u>(13)</u>
Closing net book amount	<u><u>335</u></u>
As at 31 December 2023 and 1 January 2024	
Cost	356
Accumulated depreciation	<u>(21)</u>
Net book amount	<u><u>335</u></u>
Year ended 31 December 2024	
Opening net book amount	335
Depreciation	<u>(12)</u>
Closing net book amount	<u><u>323</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

	<u>Buildings</u>
	<i>RMB’000</i>
As at 31 December 2024 and 1 January 2025	
Cost	356
Accumulated depreciation	<u>(33)</u>
Net book amount	<u><u>323</u></u>
Six months ended 30 June 2025	
Opening net book amount	323
Depreciation	<u>(5)</u>
Closing net book amount	<u><u>318</u></u>
As at 30 June 2025	
Cost	356
Accumulated depreciation	<u>(38)</u>
Net book amount	<u><u>318</u></u>

During the year ended 31 December 2022, management determined that the fair value of the buildings was not reliably measurable on a continuing basis and using the cost model for the buildings held by leasing. The buildings were acquired for generated rental income. If possible, the fair value estimates by the management were ranged from RMB500,000 to RMB758,000, RMB425,000 to RMB644,000, RMB468,000 to RMB709,000 and RMB448,000 to RMB679,000 during the years ended 31 December 2022, 2023, 2024 and the six months period ended 30 June 2025 respectively. The fair value measurement hierarchy of the Group and the Company’s investment properties is under Level 2 and with reference to recent market transactions for similar properties in the same location and similar condition. No valuation has been performed by independent professional qualified valuers.

There has been no significant change from the valuation technique used during the Track Record Period. In estimating the fair value of the property, the highest and best use of the property is their current use.

During the years ended 31 December 2022, 2023, 2024 and the six months period ended 30 June 2024 (unaudited) and 2025, the rental income generated from the buildings are RMB Nil, RMB190,000, RMB189,000, RMB81,000 and RMB95,000 respectively and included in “Other revenue” in the consolidated statements of profit of loss and other comprehensive income.

The depreciation charge for the Track Record Period is included in “Administrative and other operating expenses” in the consolidated statements of profit or loss and other comprehensive income.

APPENDIX I

ACCOUNTANTS’ REPORT

15 INTERESTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted shares, at cost	55,000	55,000	145,000	145,000

As at the date of this report and during the Track Record Period, the Company’s subsidiaries are as follows:

Name	Date and place of incorporation/operation, and kind of legal entity	Registered/Issued and paid up capital	Percentage of equity interest attributable to the Group					Principal activities
			As at 31 December			As at 30 June 2025	As at the date of this report	
			2022	2023	2024			
Directly held:								
Mount Wuyi City Chatang Hot Spring Resort Co., Ltd.* (“Mount Wuyi Chatang Resort”) (武夷山茶湯溫泉度假村有限公司) (Notes 1 and 4)	16 November 2017 The PRC Limited liability company	RMB88,000,000	100%	100%	100%	100%	100%	Accommodation services, catering and other services.
Mount Wuyi Impression Dahongpao Cultural Tourism Co., Ltd.* (“Impression Dahongpao Cultural”) (武夷山印象大紅袍文化旅遊有限公司) (Note 4)	13 August 2019 The PRC Limited liability company	RMB25,000,000	100%	100%	100%	100%	100%	Culture and tourism services
Fujian Province Moonlight Wuyi Cultural Tourism Co., Ltd.* (“Moonlight Wuyi”) (福建省月映武夷文化旅遊有限公司) (Notes 2, 3 and 4)	30 September 2024 The PRC Limited liability company	RMB80,000,000	N/A	N/A	53.3%	40%	40%	Culture, tourism and performance services

* The translation of name in English is for identification purposes only.

APPENDIX I

ACCOUNTANTS’ REPORT

Notes:

- 1) During the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, the Group completed the capital injection of RMB Nil, RMB Nil and RMB58,000,000 and RMB Nil respectively in Mount Wuyi Chatang Resort. The issued and paid up capital increased from RMB30,000,000 as at 31 December 2022 and 2023 to RMB88,000,000 as at 31 December 2024 and 30 June 2025.
- 2) Moonlight Wuyi was setup on 30 September 2024 with registered share capital of RMB60,000,000 and was directly held by the Company with 53.3% equity interests. Fujian Wuyi Tourism Group held the remaining 46.7% equity interests. As at 31 December 2024, the paid up capital of Moonlight Wuyi was RMB44,000,000, of which RMB32,000,000 was contributed by the Group and RMB12,000,000 was contributed by Fujian Wuyi Tourism Group during the year ended 31 December 2024.

The registered share capital increased from RMB60,000,000 as at 31 December 2024 to RMB80,000,000 as at 30 June 2025. It is directly held by the Company with 40% equity interests. Fujian Wuyi Tourism Group and Moonlight Wuyi (Beijing) Cultural Media Co., Ltd. (“Moonlight Wuyi (Beijing) Cultural Media”) holds the remaining 35% and 25% equity interest respectively.

The paid up capital increased from RMB44,000,000 as at 31 December 2024 to RMB80,000,000 as at 30 June 2025. During the six months period ended 30 June 2025, the paid up capital of Moonlight Wuyi was increased by RMB36,000,000, of which RMB16,000,000 was contributed by Fujian Wuyi Tourism Group and RMB20,000,000 was contributed by Moonlight Wuyi (Beijing) Cultural Media.

- 3) As at 30 September 2024 (being the date of establishment) and up to 30 June 2025, Moonlight Wuyi was accounted for as a subsidiary of the Group even though the Group only held 40% equity interests as at 30 June 2025. The Group has in all times substantive rights and sufficiently dominated the voting interests in Moonlight Wuyi’s board of directors and therefore has control over Moonlight Wuyi:
 - As at 30 September 2024, Moonlight Wuyi’s board of directors consisted of five directors. Among that, three were nominated by the Group and two were nominated by Fujian Wuyi Tourism Group.
 - Upon the capital contribution by Moonlight Wuyi (Beijing) Cultural Media on 23 June 2025, Moonlight Wuyi’s board of directors increased by two, and consisted of seven directors as at 2 July 2025 (being the date of amendment of Moonlight Wuyi’s article of association). Among that, four were nominated by the Group, two were nominated by Fujian Wuyi Tourism Group and one was nominated by Moonlight Wuyi (Beijing) Cultural Media.
- 4) No statutory financial statements have been prepared for these entities as these entities were not subject to any statutory audit requirements under relevant rules and regulations in their jurisdiction of incorporation.

No statutory financial statements for each of the years ended 31 December 2022, 2023 and 2024 as there was no requirement to issue audited accounts by local government authorities.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group includes one subsidiary, Moonlight Wuyi, with material non-controlling interests (“NCI”), the details and the summarised financial information, before intragroup eliminations, are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Proportion of ownership interests and voting rights held by the NCI	—	—	46.7%	60%
Current assets	N/A	N/A	23,415	28,146
Non-current assets	N/A	N/A	20,402	170,621
Current liabilities	N/A	N/A	—	(42,704)
Non-current liabilities	N/A	N/A	—	(81,999)
Net assets	N/A	N/A	43,817	74,064
			From 30 September 2024 (date of incorporation) to 31 December 2024	Six months ended 30 June 2025
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	N/A	N/A	—	2,367
Total expenses	N/A	N/A	(245)	(9,902)
Loss before income tax	N/A	N/A	(245)	(7,535)
Income tax credit	N/A	N/A	61	1,783
Loss and total comprehensive income for the year/period	N/A	N/A	(184)	(5,752)
Loss for the year/period attributable to NCI	N/A	N/A	(50)	(3,451)
Net cash used in operating activities	N/A	N/A	(1,723)	(6,802)
Net cash used in investing activities	N/A	N/A	(20,340)	(27,015)
Net cash generated from financing activities	N/A	N/A	44,000	36,000
Net cash inflows	N/A	N/A	21,937	2,183

APPENDIX I

ACCOUNTANTS’ REPORT

16 INTERESTS IN ASSOCIATES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of investments in associates	1,855	2,310	1,945	1,945
Share of post-acquisition profits and other comprehensive income, net of dividends received	286	261	245	206
	<u>2,141</u>	<u>2,571</u>	<u>2,190</u>	<u>2,151</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of investments in associates	1,750	1,750	1,350	1,350
Share of post-acquisition profits and other comprehensive income, net of dividends received	288	558	626	623
	<u>2,038</u>	<u>2,308</u>	<u>1,976</u>	<u>1,973</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the directors of the Company principally affected the results or net assets of the Group as at 31 December 2022, 2023, 2024 and 30 June 2025:

Name	Form of business structure	Country/place of incorporation and business	Particulars of issued and paid up capital	% of interest held	Principal activity
The Group					
Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd.* (武夷山印象大紅袍文化產業有限公司) (“Culture Industry”)	Incorporated	The PRC	Registered capital of RMB3,000,000	2022: 45% 2023: 45% 2024: 45% 2025.6.30: 45%	Provision of culture and tourism exchange services but excluded performance
Mount Wuyi Shancha Impression Commercial Management Co., Ltd.* (武夷山茶印象商業管理有限公司) (“Tea Impression”)	Co-operative	The PRC	Registered capital of RMB1,000,000	2022: 40% 2023: 40% 2024: nil 2025.6.30: nil	Provision of culture and tourism exchange services
Mount Wuyi Mountain Alliance Cultural Tourism Co., Ltd.* (武夷山山盟海誓文化旅遊有限公司) (“Shanmenghaishi”)	Incorporated	The PRC	Registered capital of RMB3,000,000	2022: 35% 2023: 35% 2024: 32% 2025.6.30: 32%	Provision of culture and tourism exchange services
The Company					
Mount Wuyi Impression Dahongpao Cultural Industry Co., Ltd.* (武夷山印象大紅袍文化產業有限公司) (“Culture Industry”)	Incorporated	The PRC	Registered capital of RMB3,000,000	2022: 45% 2023: 45% 2024: 45% 2025.6.30: 45%	Provision of culture and tourism exchange services but excluded performance
Mount Wuyi Shancha Impression Commercial Management Co., Ltd.* (武夷山茶印象商業管理有限公司) (“Tea Impression”)	Co-operative	The PRC	Registered capital of RMB1,000,000	2022: 40% 2023: 40% 2024: nil 2025.6.30: nil	Provision of culture and tourism exchange services

* The translation of name in English is for identification purposes only.

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the Group completed the incorporation and capital injection of RMB105,000, RMB455,000, RMB35,000 and RMB Nil respectively with 35%, 35%, 32% and 32% interests in Shanmenghaishi as at 31 December 2022, 2023, 2024 and 30 June 2025 respectively.

During the year ended 31 December 2024, the Group and the Company disposed of its entire 40% equity interests in Tea Impression to another shareholder of Tea Impression at a consideration of RMB154,000 and recognised a gain on disposal of RMB26,000 (Note 5).

APPENDIX I

ACCOUNTANTS’ REPORT

Set out below are the summarised financial information of each of the associate which are accounted for using the equity method:

As at 31 December 2022

	Culture Industry	Tea Impression	Shanmenghaishi
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The Group			
Current assets	4,461	701	293
Non-current assets	301	78	—
Current liabilities	(494)	(485)	—
Net assets	<u>4,268</u>	<u>294</u>	<u>293</u>
Profit/(Loss) for the year	<u>182</u>	<u>(180)</u>	<u>(8)</u>
The Company			
Current assets	4,461	701	—
Non-current assets	301	78	—
Current liabilities	(494)	(485)	—
Net assets	<u>4,268</u>	<u>294</u>	<u>—</u>
Profit/(Loss) for the year	<u>182</u>	<u>(180)</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

A reconciliation of the above summarised financial information to the carrying amount is set out below:

	<u>Culture Industry</u>	<u>Tea Impression</u>	<u>Shanmenghaishi</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The Group				
Net assets	4,268	294	293	—
Proportion of ownership interests held by the Group	<u>45%</u>	<u>40%</u>	<u>35%</u>	<u>—</u>
Carrying amount of the interest in associate in the consolidated financial statements	<u>1,921</u>	<u>117</u>	<u>103</u>	<u>2,141</u>
The Company				
Net assets	4,268	294	—	—
Proportion of ownership interests held by the Company	<u>45%</u>	<u>40%</u>	<u>—</u>	<u>—</u>
Carrying amount of the interest in associate in the financial statements of the Company	<u>1,921</u>	<u>117</u>	<u>—</u>	<u>2,038</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2023

	Culture Industry	Tea Impression	Shanmenghaishi
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
The Group			
Current assets	4,882	1,184	171
Non-current assets	304	54	602
Current liabilities	<u>(709)</u>	<u>(506)</u>	<u>(22)</u>
Net assets	<u>4,477</u>	<u>732</u>	<u>751</u>
Profit/(Loss) for the year	<u>209</u>	<u>438</u>	<u>(842)</u>
The Company			
Current assets	4,882	1,184	—
Non-current assets	304	54	—
Current liabilities	<u>(709)</u>	<u>(506)</u>	<u>—</u>
Net assets	<u>4,477</u>	<u>732</u>	<u>—</u>
Profit for the year	<u>209</u>	<u>438</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

A reconciliation of the above summarised financial information to the carrying amount is set out below:

	<u>Culture Industry</u>	<u>Tea Impression</u>	<u>Shanmenghaishi</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The Group				
Net assets	4,477	732	751	—
Proportion of ownership interests held by the Group	<u>45%</u>	<u>40%</u>	<u>35%</u>	<u>—</u>
Carrying amount of the interest in associate in the consolidated financial statements	<u>2,015</u>	<u>293</u>	<u>263</u>	<u>2,571</u>
The Company				
Net assets	4,477	732	—	—
Proportion of ownership interests held by the Company	<u>45%</u>	<u>40%</u>	<u>—</u>	<u>—</u>
Carrying amount of the interest in associate in the financial statements of the Company	<u>2,015</u>	<u>293</u>	<u>—</u>	<u>2,308</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2024

	Culture Industry	Shanmenghaishi
	<i>RMB’000</i>	<i>RMB’000</i>
The Group		
Current assets	4,218	145
Non-current assets	606	824
Current liabilities	(339)	(295)
Non-current liabilities	(95)	—
Net assets	<u>4,390</u>	<u>674</u>
Loss for the year	<u>(87)</u>	<u>(263)</u>
The Company		
Current assets	4,218	—
Non-current assets	606	—
Current liabilities	(339)	—
Non-current liabilities	(95)	—
Net assets	<u>4,390</u>	<u>—</u>
Loss for the year	<u>(87)</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

A reconciliation of the above summarised financial information to the carrying amount is set out below:

	<u>Culture Industry</u>	<u>Shanmenghaishi</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
The Group			
Net assets	4,390	674	—
Proportion of ownership interests held by the Group	<u>45%</u>	<u>32%</u>	<u>—</u>
Carrying amount of the interest in associate in the consolidated financial statements	<u>1,976</u>	<u>214</u>	<u>2,190</u>
The Company			
Net assets	4,390	—	—
Proportion of ownership interests held by the Company	<u>45%</u>	<u>—</u>	<u>—</u>
Carrying amount of the interest in associate in the financial statements of the Company	<u>1,976</u>	<u>—</u>	<u>1,976</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 30 June 2025

	<u>Culture Industry</u>	<u>Shanmenghaishi</u>
	<i>RMB’000</i>	<i>RMB’000</i>
The Group		
Current assets	4,586	138
Non-current assets	644	788
Current liabilities	(761)	(367)
Non-current liabilities	<u>(85)</u>	<u>—</u>
Net assets	<u>4,384</u>	<u>559</u>
Loss for the period	<u>(6)</u>	<u>(113)</u>
The Company		
Current assets	4,586	—
Non-current assets	644	—
Current liabilities	(761)	—
Non-current liabilities	<u>(85)</u>	<u>—</u>
Net assets	<u>4,384</u>	<u>—</u>
Loss for the period	<u>(6)</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

A reconciliation of the above summarised financial information to the carrying amount is set out below:

	Culture Industry	Shanmenghaishi	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
The Group			
Net assets	4,384	559	—
Proportion of ownership interests held by the Group	<u>45%</u>	<u>32%</u>	<u>—</u>
Carrying amount of the interest in associate in the consolidated financial statements	<u>1,973</u>	<u>178</u>	<u>2,151</u>
The Company			
Net assets	4,384	—	—
Proportion of ownership interests held by the Company	<u>45%</u>	<u>—</u>	<u>—</u>
Carrying amount of the interest in associate in the financial statements of the Company	<u>1,973</u>	<u>—</u>	<u>1,973</u>

17 DEPOSIT

The Group and the Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Non-current assets				
Deposit	<u>579</u>	<u>610</u>	<u>607</u>	<u>620</u>

As at 31 December 2022, 2023, 2024 and 30 June 2025, the deposit is a land use rights paid for the cultural tourism town business and it will be refunded when the land use rights period is mature. According to the lease agreement of the land use rights, the lease period is 15 years from the date when the legal certificate of fire safety is obtained. The directors of the Company are of the opinion that the Group and the Company are entitled to lawfully and validly use the land. There is an indemnity from the controlling shareholders of the Company in favour of the Group in respect of the initial failure by Mount Wuyi Tourism Resort Development to comply with the fire control acceptance inspection procedure.

APPENDIX I

ACCOUNTANTS’ REPORT

The deposit is carried at amortised cost using the effective interest method. The effective interest rate applied are 4.65% per annum. The difference of the principal and the fair value of the deposit at initial recognition amounted to approximately RMB494,000. The effective interest income amounted to RMB49,000, RMB31,000 and RMB13,000 during the years ended 31 December 2022, 2023 and the six months ended 30 June 2025; and the effective interest expenses amounted to RMB3,000 during the year ended 31 December 2024 (Note 5).

18 INTANGIBLE ASSETS

The Group

	<u>Performance right</u>
	<i>RMB’000</i>
Six months ended 30 June 2025	
Opening net book amount	—
Additions	29,246
Amortisation	<u>(244)</u>
Closing net book amount	<u><u>29,002</u></u>
As at 30 June 2025	
Cost	29,246
Accumulated amortisation	<u>(244)</u>
Net book amount	<u><u>29,002</u></u>

The amortisation charge for the period is included in “cost of sales” in the consolidated statements of profit or loss and other comprehensive income.

During the year ended 31 December 2024, the Group entered into a directorial service agreement with Fuxing (Beijing) Cultural Tourism Development Co., Ltd. (復興文旅(北京)文化產業發展有限公司) and Beijing Jindong High Technology Co., Ltd. (北京金東高科科技有限公司) (collectively the “Directorial Unity”). Pursuant to the directorial service agreement, Moonlight Wuyi has also obtained an exclusive performance right to curate and perform Moonlight over Mount Wuyi at a fixed consideration of RMB31,000,000 payable to the Directorial Unity. According to the directorial service agreement, the Directorial Unity has granted the exclusive performance right of Moonlight over Mount Wuyi to Moonlight Wuyi. The useful lives of performance right is applied at 20 years.

APPENDIX I

ACCOUNTANTS’ REPORT

19 INVENTORIES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Finished goods	133	57	47	11

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Finished goods	113	35	47	11

During the Track Record Period, there are no inventory written down made by the Group or by the Company as the inventories are in the form of supplies to be consumed in the rendering of services.

APPENDIX I

ACCOUNTANTS’ REPORT

20 TRADE AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	3,831	5,191	4,187	6,008
Less: ECL allowance provision	(218)	(674)	(692)	(709)
	<u>3,613</u>	<u>4,517</u>	<u>3,495</u>	<u>5,299</u>
Prepayments	1,173	546	21,515	464
Prepaid [REDACTED]	—	—	5,548	9,303
Other receivables	519	777	1,427	1,401
Other tax recoverable	245	253	1,688	3,935
Less: ECL allowance provision	(25)	(38)	(71)	(70)
	<u>1,912</u>	<u>1,538</u>	<u>30,107</u>	<u>15,033</u>
	<u>5,525</u>	<u>6,055</u>	<u>33,602</u>	<u>20,332</u>
Classified as:				
— Current assets	5,525	6,055	13,271	20,332
— Non-current assets	—	—	20,331	—
	<u>5,525</u>	<u>6,055</u>	<u>33,602</u>	<u>20,332</u>

The directors of the Group considered that the fair values of trade and other receivables which are expected to be recovered within one year are not materially difference from their carrying amounts because these balances have short maturity periods on their inception.

As at 31 December 2022, 2023, 2024 and 30 June 2025, other receivables mainly comprised of deposits to be refunded and the compensation income receivable.

As at 31 December 2024, prepayments mainly comprised of the money prepaid for the performance right in the live show performed and acquired property and equipment amounted to RMB20,331,000, which were classified as non-current assets, in Moonlight Wuyi.

APPENDIX I

ACCOUNTANTS’ REPORT

As at each reporting date, the ageing analysis of trade receivables based on the date of revenue recognition is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	2,937	3,097	3,850	4,350
One to two years	894	1,648	323	1,632
Two to three years	—	446	14	26
	<u>3,831</u>	<u>5,191</u>	<u>4,187</u>	<u>6,008</u>

The movement in the ECL allowance of trade receivables is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	14	218	674	692
ECL allowance recognised during the year/period, net	204	1,816	18	17
Amount written off during the year/period	—	(1,360)	—	—
At the end of the year/period	<u>218</u>	<u>674</u>	<u>692</u>	<u>709</u>

Included in the balance of ECL allowance are individually impaired trade receivables with an aggregate balance of RMB208,000, RMB2,003,000, RMB643,000 and RMB643,000 as at 31 December 2022, 2023, 2024 and 30 June 2025 respectively, with reference to the historical experience of these receivables, the collection of these receivables may not be recoverable. During the six months ended 30 June 2025, there is a collateral granted from the individually impaired trade receivables.

Further details of the Group’s credit policy and credit risk arising from trade and other receivables are set out in Note 32.4.

APPENDIX I

ACCOUNTANTS’ REPORT

The movement of gross balance of other receivables is as follows:

	Stage 1	Stage 2	Stage 3	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 1 January 2022	277	—	—	277
Additions	347	—	—	347
Amounts recovered	(105)	—	—	(105)
As at 31 December 2022 and 1 January 2023	519	—	—	519
Additions	600	—	—	600
Amounts recovered	(342)	—	—	(342)
As at 31 December 2023 and 1 January 2024	777	—	—	777
Additions	773	—	—	773
Amounts recovered	(123)	—	—	(123)
As at 31 December 2024 and 1 January 2025	1,427	—	—	1,427
Additions	177	—	—	177
Amounts recovered	(203)	—	—	(203)
As at 30 June 2025	<u>1,401</u>	<u>—</u>	<u>—</u>	<u>1,401</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The movement in the ECL allowance of other receivables is as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 1 January 2022	14	—	—	14
ECL allowance	<u>11</u>	<u>—</u>	<u>—</u>	<u>11</u>
As at 31 December 2022 and 1 January 2023	25	—	—	25
ECL allowance	30	—	—	30
Reversal of ECL allowance	<u>(17)</u>	<u>—</u>	<u>—</u>	<u>(17)</u>
As at 31 December 2023 and 1 January 2024	38	—	—	38
ECL allowance	<u>33</u>	<u>—</u>	<u>—</u>	<u>33</u>
As at 31 December 2024 and 1 January 2025	71	—	—	71
ECL allowance	28	—	—	28
Reversal of ECL allowance	<u>(29)</u>	<u>—</u>	<u>—</u>	<u>(29)</u>
As at 30 June 2025	<u><u>70</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>70</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	34	319	10	96
Less: ECL allowance provision	(2)	(16)	(1)	(5)
	32	303	9	91
Prepayments	1,157	487	1,141	450
Prepaid [REDACTED]	—	—	5,548	9,303
Other receivables	68,261	69,818	7,483	6,179
Less: ECL allowance provision	(11)	(9)	(34)	(36)
	69,407	70,296	14,138	15,896
	<u>69,439</u>	<u>70,599</u>	<u>14,147</u>	<u>15,987</u>

The directors considered that the fair values of trade and other receivables which are expected to be recovered within one year are not materially difference from their carrying amounts because these balances have short maturity periods on their inception.

As at 31 December 2022, 2023, 2024 and 30 June 2025, other receivables mainly comprised of refunded deposits and amounts paid on behalf of its subsidiaries which are non-trade in nature, unsecured, interest-free and repayable on demand.

As at each reporting date, the ageing analysis of trade receivables based on the date of revenue recognition is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	<u>34</u>	<u>319</u>	<u>10</u>	<u>96</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The movement in the ECL allowance of trade receivables is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	3	2	16	1
ECL allowance recognised during the year/period	—	14	1	5
Reversal of ECL allowance during the year/period	(1)	—	(16)	(1)
At the end of the year/period	<u>2</u>	<u>16</u>	<u>1</u>	<u>5</u>

Further details of the Company’s credit policy and credit risk arising from trade and other receivables are set out in Note 32.4.

The movement of gross balance of other receivables is as follows:

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	59,478	—	—	59,478
Additions	12,873	—	—	12,873
Transfers	(68,042)	68,042	—	—
Amounts recovered	<u>(4,090)</u>	<u>—</u>	<u>—</u>	<u>(4,090)</u>
As at 31 December 2022 and 1 January 2023	219	68,042	—	68,261
Additions	—	4,805	—	4,805
Amounts recovered	<u>(48)</u>	<u>(3,200)</u>	<u>—</u>	<u>(3,248)</u>
As at 31 December 2023 and 1 January 2024	171	69,647	—	69,818
Additions	508	—	—	508
Amounts recovered	<u>(1)</u>	<u>(62,842)</u>	<u>—</u>	<u>(62,843)</u>
As at 31 December 2024 and 1 January 2025	678	6,805	—	7,483
Additions	60	153	—	213
Amounts recovered	<u>(17)</u>	<u>(1,500)</u>	<u>—</u>	<u>(1,517)</u>
As at 30 June 2025	<u>721</u>	<u>5,458</u>	<u>—</u>	<u>6,179</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The movement in the ECL allowance of other receivables is as follows:

	Stage 1	Stage 2	Stage 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2022	14	—	—	14
Reversal of ECL allowance	(3)	—	—	(3)
As at 31 December 2022 and 1 January 2023	11	—	—	11
Reversal of ECL allowance	(2)	—	—	(2)
As at 31 December 2023 and 1 January 2024	9	—	—	9
ECL allowance	25	—	—	25
As at 31 December 2024 and 1 January 2025	34	—	—	34
ECL allowance	2	—	—	2
As at 30 June 2025	36	—	—	36

21 FINANCIAL ASSETS AT FVTPL

The Group and the Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at FVTPL				
Financial products	3,000	7,586	—	15,291

The Group invested some financial products with financial institution for a short-term investment. The fair value is determined by reference to the cash value provided by the financial institution (Note 32.6).

APPENDIX I

ACCOUNTANTS’ REPORT

22 CASH AND CASH EQUIVALENTS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	27,692	85,241	101,083	64,135
Less: restricted cash	—	—	(2)	(2)
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows	<u>27,692</u>	<u>85,241</u>	<u>101,081</u>	<u>64,133</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	24,648	83,266	75,957	37,923
Less: restricted cash	—	—	(2)	(2)
Cash and cash equivalents as stated in the statements of financial position of the Company	<u>24,648</u>	<u>83,266</u>	<u>75,955</u>	<u>37,921</u>

Cash at banks earns interests at floating rates based on daily bank deposit rates.

As at 31 December 2022, 2023, 2024 and 30 June 2025, included in cash and cash equivalents of the Group of RMB27,692,000, RMB85,241,000, RMB101,078,000 and RMB64,130,000 and the Company of RMB24,648,000, RMB83,266,000, RMB75,952,000 and RMB37,918,000 are the balances denominated in RMB placed with banks and financial institutions in the PRC. RMB is not a freely convertible currency. Under the PRC’s Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchanges Regulations, the Group and the Company are permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

APPENDIX I

ACCOUNTANTS’ REPORT

23 CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amount received in advance for sales expected to be recognised within one year:				
- Shows tickets	471	436	623	2,679
- Hotel membership cards	41	32	40	39
	<u>512</u>	<u>468</u>	<u>663</u>	<u>2,718</u>

As at 1 January 2022, the carrying amounts of contract liabilities were RMB940,000.

Contract liabilities represent the deposits received from the customers in advance of booking of the shows tickets and utilising the facilities/ services to be provided in hotel.

Contract liabilities outstanding at the beginning of the years ended 31 December 2022, 2023, 2024 and 30 June 2025 amounted to RMB928,000, RMB484,000, RMB438,000 and RMB624,000 respectively are recognised as revenue within one year after the end of each reporting period. As at 31 December 2022, 2023, 2024 and 30 June 2025, the balance of contract liabilities that is expected to be settled after more than one year is RMB12,000, RMB28,000, RMB30,000 and RMB39,000 respectively.

The decrease in contract liabilities as at 31 December 2022 is mainly due to the coronavirus “COVID-19” was over and pandemic related restrictions in 2022. There is no significant change of contract liabilities as at 31 December 2023. The increase in contract liabilities as at 31 December 2024 and 30 June 2025 are mainly due to an increase in deposits received for reserving shows tickets.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amount received in advance for sales expected to be recognise within one year				
- Show tickets	<u>471</u>	<u>436</u>	<u>623</u>	<u>2,343</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 1 January 2022, the carrying amounts of contract liabilities were RMB832,000.

Contract liabilities represent the deposits received from the customers in advance of booking of the show tickets.

Contract liabilities outstanding at the beginning of the years ended 31 December 2022, 2023, 2024 and 30 June 2025 amounted to RMB832,000, RMB471,000, RMB436,000 and RMB623,000 respectively are recognised as revenue within one year after the end of each reporting period. As at 31 December 2022, 2023, 2024 and 30 June 2025, the balance of contract liabilities that is expected to be settled after more than one year is RMB Nil, RMB Nil, RMB Nil and RMB Nil respectively.

The decrease of contract liabilities as at 31 December 2022 is mainly due to the coronavirus “COVID-19” was over and pandemic related restrictions in 2022. There is no significant change of contract liabilities as at 31 December 2023. The increase in contract liabilities as at 31 December 2024 and 30 June 2025 are mainly due to an increase in deposits received for reserving show tickets.

24 TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
- Third parties	1,173	752	1,065	1,573
- Related parties	95	350	155	3,245
	<u>1,268</u>	<u>1,102</u>	<u>1,220</u>	<u>4,818</u>
Other payables	6,015	8,487	6,572	46,503
Accrued salaries	2,320	5,464	6,317	2,132
Other tax payables	<u>481</u>	<u>785</u>	<u>886</u>	<u>785</u>
	<u>8,816</u>	<u>14,736</u>	<u>13,775</u>	<u>49,420</u>
	<u>10,084</u>	<u>15,838</u>	<u>14,995</u>	<u>54,238</u>
Classified as:				
- Current liabilities	10,052	15,830	14,995	54,238
- Non-current liabilities	<u>32</u>	<u>8</u>	<u>—</u>	<u>—</u>
	<u>10,084</u>	<u>15,838</u>	<u>14,995</u>	<u>54,238</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2022, 2023 and 2024, other payables mainly represent performance deposit and quality deposit received.

As at 30 June 2025, other payables mainly represent performance deposit, quality deposit received and acquisition of property and equipment and intangible assets for the performance of Moonlight over Mount Wuyi.

Generally, there is a credit period of 30 to 60 days have been granted by the suppliers to the Group. Based on the invoice dates, the ageing analysis of the trade payables is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	943	857	980	4,557
One to two years	259	145	18	26
Two to three years	26	52	144	156
Over three years	40	48	78	79
	<u>1,268</u>	<u>1,102</u>	<u>1,220</u>	<u>4,818</u>

All amounts are short-term and hence the carrying amounts of the Group’s trade and other payables are considered to be reasonable approximation of their fair values.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
- Third parties	480	396	519	502
- Related parties	123	663	410	3,754
	603	1,059	929	4,256
Other payables	3,808	7,219	5,394	6,423
Accrued salaries	2,153	5,220	6,050	1,831
Other tax payables	167	329	306	534
	6,128	12,768	11,750	8,788
	6,731	13,827	12,679	13,044
Classified as:				
- Current liabilities	6,699	13,819	12,679	13,044
- Non-current liabilities	32	8	—	—
	6,731	13,827	12,679	13,044

As at 31 December 2022, 2023, 2024 and 30 June 2025, other payables mainly represent performance deposit and quality deposit received.

Generally, there is a credit period of 30 to 60 days have been granted by the suppliers to the Company. Based on the invoice dates, the ageing analysis of the trade payables is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	552	911	779	4,085
One to two years	43	141	2	23
Two to three years	—	—	141	141
Over three years	8	7	7	7
	603	1,059	929	4,256

APPENDIX I

ACCOUNTANTS’ REPORT

All amounts are short-term and hence the carrying amounts of the Company’s trade and other payables are considered to be reasonable approximation of their fair values.

25 LEASE LIABILITIES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Total minimum lease payment due:				
- Due within one year	5,375	6,562	8,200	15,021
- Due in the second to fifth years	15,837	14,890	15,664	40,026
- Due after the fifth years	33,067	27,907	23,755	87,262
	54,279	49,359	47,619	142,309
Future finance charges on lease liabilities	(13,082)	(10,865)	(9,300)	(35,949)
Present value of lease liabilities	41,197	38,494	38,319	106,360
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Present value of minimum lease payments:				
- Due within one year	3,575	4,963	6,682	11,234
- Due in the second to fifth years	9,736	9,545	10,784	24,567
- Due after the fifth years	27,886	23,986	20,853	70,559
	41,197	38,494	38,319	106,360
Less: Portion due within one year included under current liabilities	(3,575)	(4,963)	(6,682)	(11,234)
Portion due after one year included under non-current liabilities	37,622	33,531	31,637	95,126

APPENDIX I

ACCOUNTANTS’ REPORT

The Group leases properties, land use rights, leasehold land, car park and theatre for operation and office and these lease liabilities were measured at the present value of the lease payments that are not yet paid. All leases are entered at fixed prices and typically made for fixed periods of 5 to 32 years, 5 to 32 years, 5 to 32 years and 2 to 32 years during the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025 respectively. The lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, there are one, two, Nil and Nil leases have been early terminated and amounted to RMB930,000, RMB2,335,000, RMB Nil and RMB Nil respectively.

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the Group has entered Nil, Nil, one lease for car park and one lease for a theatre and a property amounting in RMB Nil, RMB Nil, RMB530,000 and RMB67,355,000 respectively.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group’s treasury function.

The total cash outflows for leases including the payments of lease liabilities for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025 were RMB2,255,000, RMB2,255,000, RMB2,499,000 and RMB768,000 respectively.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total minimum lease payment due:				
- Due within one year	448	108	113	232
- Due in the second to fifth years	1,771	487	512	537
- Due after the fifth years	1,859	420	282	138
	4,078	1,015	907	907
Future finance charges on lease liabilities	(748)	(180)	(142)	(125)
Present value of lease liabilities	<u>3,330</u>	<u>835</u>	<u>765</u>	<u>782</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Present value of minimum lease payments:				
- Due within one year	297	70	79	200
- Due in the second to fifth years	1,333	380	425	461
- Due after the fifth years	1,700	385	261	121
	3,330	835	765	782
Less: Portion due within one year included under current liabilities	(297)	(70)	(79)	(200)
Portion due after one year included under non-current liabilities	3,033	765	686	582

The Company leases properties and leasehold land for operation and these lease liabilities were measured at the present value of the lease payments that are not yet paid. All leases are entered at fixed prices and typically made for fixed periods of 5 to 32 years, 10 to 32 years, 10 to 32 years and 10 to 32 years during the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025 respectively. The lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, there are one, two, Nil and Nil leases have been early terminated and amounted to RMB930,000, RMB2,335,000, RMB Nil and RMB Nil respectively.

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company’s treasury function.

The total cash outflows for leases including the payments of lease liabilities for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025 were RMB556,000, RMB302,000, RMB147,000 and RMB20,000 respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

26 DEFERRED TAX

The movements in deferred tax assets/(liabilities) before offsetting during the Track Record Period are as follows:

The Group

Deferred Tax Assets

	Accelerated tax depreciation	Provision of tax loss	Lease liabilities	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2022	124	1,532	5,987	—	7,643
Recognised in profit or loss (Note 8)	43	(1,532)	(721)	8	(2,202)
As at 31 December 2022 and 1 January 2023	167	—	5,266	8	5,441
Recognised in profit or loss (Note 8)	109	2,505	(885)	(6)	1,723
As at 31 December 2023 and 1 January 2024	276	2,505	4,381	2	7,164
Recognised in profit or loss (Note 8)	14	(446)	(245)	(2)	(679)
As at 31 December 2024 and 1 January 2025	290	2,059	4,136	—	6,485
Recognised in profit or loss (Note 8)	—	1,294	16,912	—	18,206
As at 30 June 2025	290	3,353	21,048	—	24,691

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred Tax Liabilities

	Right-of-use assets	Others	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2022	5,626	14	5,640
Recognised in profit or loss (<i>Note 8</i>)	(721)	61	(660)
As at 31 December 2022 and 1 January 2023	4,905	75	4,980
Recognised in profit or loss (<i>Note 8</i>)	(960)	(75)	(1,035)
As at 31 December 2023 and 1 January 2024	3,945	—	3,945
Recognised in profit or loss (<i>Note 8</i>)	(275)	—	(275)
As at 31 December 2024 and 1 January 2025	3,670	—	3,670
Recognised in profit or loss (<i>Note 8</i>)	16,480	26	16,506
As at 30 June 2025	<u>20,150</u>	<u>26</u>	<u>20,176</u>

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes related to the same authority. The net amounts of deferred tax assets and liabilities recognised in the consolidated statements of financial position after offsetting are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets recognised in the consolidated statements of financial position	(5,441)	(7,164)	(6,485)	(8,101)
Deferred tax liabilities recognised in the consolidated statements of financial position	<u>4,980</u>	<u>3,945</u>	<u>3,670</u>	<u>3,586</u>
Net deferred tax assets	<u>(461)</u>	<u>(3,219)</u>	<u>(2,815)</u>	<u>(4,515)</u>

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Group has unrecognised tax losses of RMB24,671,000, RMB31,227,000, RMB33,570,000 and RMB41,742,000 respectively to carrying forward against future taxable income for the Track Record Period. These tax losses are expiring in five years from the year of incurring.

APPENDIX I

ACCOUNTANTS’ REPORT

The movements in deferred tax assets/(liabilities) before offsetting during the Track Record Period are as follows:

The Company

Deferred Tax Assets

	Accelerated tax depreciation	Lease liabilities	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2022	122	1,181	—	1,303
Recognised in profit or loss	(14)	(348)	8	(354)
As at 31 December 2022 and 1 January 2023	108	833	8	949
Recognised in profit or loss	(5)	(624)	(6)	(635)
As at 31 December 2023 and 1 January 2024	103	209	2	314
Recognised in profit or loss	4	(18)	(2)	(16)
As at 31 December 2024 and 1 January 2025	107	191	—	298
Recognised in profit or loss	(2)	5	—	3
As at 30 June 2025	<u>105</u>	<u>196</u>	<u>—</u>	<u>301</u>

Deferred Tax Liabilities

	Right-of-use assets	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2022	1,122	14	1,136
Recognised in profit or loss	(349)	(14)	(363)
As at 31 December 2022 and 1 January 2023	773	—	773
Recognised in profit or loss	(588)	—	(588)
As at 31 December 2023 and 1 January 2024	185	—	185
Recognised in profit or loss	(24)	—	(24)
As at 31 December 2024 and 1 January 2025	161	—	161
Recognised in profit or loss	(11)	26	15
As at 30 June 2025	<u>150</u>	<u>26</u>	<u>176</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes related to the same authority. The net amounts of deferred tax assets and liabilities recognised in the statements of financial position after offsetting are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax assets recognised in the statements of financial position of the Company	(949)	(314)	(298)	(296)
Deferred tax liabilities recognised in the statements of financial position of the Company	773	185	161	171
Net deferred tax assets	<u>(176)</u>	<u>(129)</u>	<u>(137)</u>	<u>(125)</u>

27 SHARE CAPITAL

	No. of shares	RMB'000
Registered, issued and fully paid:		
Ordinary shares of nominal value of RMB1.00 each		
As at 1 January 2022, 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025	108,070,000	108,070

APPENDIX I

ACCOUNTANTS’ REPORT

28 RESERVES

The Company

	Note	Share capital	Share premium	Statutory surplus reserve	Retained profits	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022		108,070	73,225	10,465	9,565	201,325
Profit and total comprehensive income for the year		—	—	—	9,935	9,935
Transfer of statutory surplus reserve		—	—	993	(993)	—
As at 31 December 2022 and 1 January 2023		108,070	73,225	11,458	18,507	211,260
Profit and total comprehensive income for the year		—	—	—	53,070	53,070
Transfer of statutory surplus reserve		—	—	5,307	(5,307)	—
As at 31 December 2023 and 1 January 2024		108,070	73,225	16,765	66,270	264,330
Profit and total comprehensive income for the year		—	—	—	46,874	46,874
Transfer of statutory surplus reserve		—	—	4,687	(4,687)	—
Dividends paid	11	—	—	—	(32,421)	(32,421)
As at 31 December 2024 and 1 January 2025		108,070	73,225	21,452	76,036	278,783
Profit and total comprehensive income for the period		—	—	—	15,253	15,253
Dividends paid	11	—	—	—	(41,067)	(41,067)
As at 30 June 2025		<u>108,070</u>	<u>73,225</u>	<u>21,452</u>	<u>50,222</u>	<u>252,969</u>
As at 1 January 2024		108,070	73,225	16,765	66,270	264,330
Profit and total comprehensive income for the period		—	—	—	15,941	15,941
Dividends paid	11	—	—	—	(32,421)	(32,421)
As at 30 June 2024 (unaudited)		<u>108,070</u>	<u>73,225</u>	<u>16,765</u>	<u>49,790</u>	<u>247,850</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Group

The reconciliation between the opening and closing balances of each component of the Group’s equity is set out in the consolidated statements of changes in equity.

Share premium

The share premium represents the difference between the par value of the shares of the Company and [REDACTED] received from the issuance of the shares of the Company.

Statutory surplus reserve

In accordance with the Company Law of the PRC, each of the company that was registered in the PRC is required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years’ losses), determined in accordance with the PRC accounting standards to the statutory surplus reserve until the balance of the reserve funds reaches 50% of the entity’s registered capital. The statutory surplus reserve can be utilised to offset prior years’ losses or to increase capital, provided the remaining balance of the statutory surplus reserve is not less than 25% of the registered capital.

29 COMMITMENTS

(a) Lease commitments

As the end of the reporting date, the lease commitments for short-term leases are as follows:

The Group — as lessee

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Within one year	37	92	89	16

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Group leases properties with a lease period of 12 months, which are qualified to be accounted for short-term lease exemption under HKFRS 16.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company — as lessee

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	37	37	36	16

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Company leases properties with a lease period of 12 months, which are qualified to be accounted for short-term lease exemption under HKFRS 16.

The Group — as lessor

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	115	683	1,296	1,374
After one year but within two years	93	661	1,223	1,293
After two years but within five years	222	1,499	1,490	971
Over five years	—	465	137	55
	430	3,308	4,146	3,693

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the Group leases its underlying assets under operating lease arrangements which run for an initial period of 1 to 5 years, 1 to 7 years, 1 to 7 years and 1 to 7 years respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company — as lessor

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	66	508	566	596
After one year but within two years	53	503	493	529
After two years but within five years	165	1,098	891	657
Over five years	—	465	137	55
	<u>284</u>	<u>2,574</u>	<u>2,087</u>	<u>1,837</u>

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the Company leases its underlying assets under operating lease arrangements which run for an initial period of 1 to 4 years, 1 to 7 years, 1 to 7 years and 1 to 7 years respectively.

(b) Capital commitments

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted but not provided for				
Property and equipment	—	—	52,876	—
Intangible assets	—	—	18,600	—
	<u>—</u>	<u>—</u>	<u>71,476</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

30 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities:

The Group

	<u>Lease liabilities</u>
	<i>RMB'000</i>
As at 1 January 2022	42,430
Cash flows:	
Payment for lease liabilities	
- Capital element	(303)
- Interest element	(1,908)
Non-cash transactions:	
Effect of interest charges	1,908
Early termination of leases	<u>(930)</u>
As at 31 December 2022 and 1 January 2023	41,197
Cash flows:	
Payment for lease liabilities	
- Capital element	(368)
- Interest element	(1,751)
Non-cash transactions:	
Effect of interest charges	1,751
Early termination of leases	<u>(2,335)</u>
As at 31 December 2023 and 1 January 2024	38,494
Cash flows:	
Payment for lease liabilities	
- Capital element	(705)
- Interest element	(1,607)
Non-cash transactions:	
Entering into new lease	530
Effect of interest charges	<u>1,607</u>
As at 31 December 2024 and 1 January 2025	38,319

APPENDIX I

ACCOUNTANTS’ REPORT

	<u>Lease liabilities</u>
	<i>RMB’000</i>
Cash flows:	
Payment for lease liabilities	
- Capital element	(428)
- Interest element	(267)
Non-cash transactions:	
Entering into new lease	67,355
Effect of interest charges	<u>1,381</u>
As at 30 June 2025	<u>106,360</u>
As at 1 January 2024	38,494
Cash flows:	
Payment for lease liabilities	
- Capital element	(586)
- Interest element	(381)
Non-cash transactions:	
Effect of interest charges	<u>814</u>
As at 30 June 2024 (unaudited)	<u>38,341</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	<u>Lease liabilities</u>
	<i>RMB’000</i>
As at 1 January 2022	4,600
Cash flows:	
Payment for lease liabilities	
- Capital element	(340)
- Interest element	(176)
Non-cash transactions:	
Effect of interest charges	176
Early termination of leases	<u>(930)</u>
As at 31 December 2022 and 1 January 2023	3,330
Cash flows:	
Payment for lease liabilities	
- Capital element	(160)
- Interest element	(102)
Non-cash transactions:	
Effect of interest charges	102
Early termination of leases	<u>(2,335)</u>
As at 31 December 2023 and 1 January 2024	835
Cash flows:	
Payment for lease liabilities	
- Capital element	(70)
- Interest element	(37)
Non-cash transactions:	
Effect of interest charges	<u>37</u>
As at 31 December 2024 and 1 January 2025	765
Non-cash transactions:	
Effect of interest charges	<u>17</u>
As at 30 June 2025	<u><u>782</u></u>
As at 1 January 2024	835
Non-cash transactions:	
Effect of interest charges	<u>19</u>
As at 30 June 2024 (unaudited)	<u><u>854</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Non-cash transactions

The Group entered into the following non-cash investing activities which are not reflected in the consolidated statement of cash flows:

- (i) During the year ended 31 December 2024, the Group entered into a directorial service agreement in respect of the performance of Moonlight over Mount Wuyi. Pursuant to the terms and conditions of the directorial service agreement, the acquisition of property and equipment amounted to RMB11,698,000 and intangible assets amounted to RMB8,633,000 are partially settled by prepayment during the six months ended 30 June 2025.
- (ii) During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 (unaudited) and 2025, the Group acquired property and equipment amounted to RMB Nil, RMB Nil, RMB Nil, RMB Nil and RMB29,990,000 and intangible assets amounted to RMB Nil, RMB Nil, RMB Nil, RMB Nil and RMB9,300,000 have not been paid and are recognised as “other payables” in Note 24 as at 30 June 2025.

31 RELATED PARTY TRANSACTIONS

(a) Names and relationships with related parties

The directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group during the Track Record Period:

Name of related party	Relationship with the Group
Mount Wuyi Tourism Resort Development (武夷山旅遊度假產業開發有限責任公司)	A minority shareholder of the Company
Fujian Wuyi Tourism Group Co., Ltd.* (福建武夷旅遊集團有限公司) (“Fujian Wuyi Tourism Group”)	Indirectly held the Company by the majority shareholder
Impression Art Development Co., Ltd.* (觀印象藝術發展有限公司) (“Impression Art Development”)	Indirectly held the Company by the minority shareholder
Fujian Wuyi Mountain Tea Expo Park Tourism and Cultural Development Co., Ltd.* (“Tea Expo Park”) (福建省武夷山茶 博園旅遊文化發展有限公司)	Common shareholder of the Company

APPENDIX I

ACCOUNTANTS’ REPORT

<u>Name of related party</u>	<u>Relationship with the Group</u>
Fujian Mount Wuyi Travel Development Co., Ltd.* (福建武夷山旅遊發展股份有限公司) (“Mount Wuyi Travel Development”)	Common directors and supervisor of a related party
Mount Wuyi National Forest Park Tourism Co., Ltd.* (武夷山國家森林公園旅遊有限公司)	Common director of a related party
Mount Wuyi Impression Dahongpao International Travel Agency Co., Ltd.*(武夷山印象大紅袍國際旅行社有限公司) (“Impression Dahongpao International Travel Agency”)	A direct wholly-owned subsidiary of an associate
Wuyishan Digital Wuyi E-Commerce Development Co., Ltd.* (武夷山市數字武夷電子商務發展有限公司) (“Digital Wuyi E-Commerce”)	Common shareholder of the Company
Fujian Mount Wuyi Yifeng Travel Agency Co., Ltd.* (福建武夷山夷峰旅行社有限公司) (“Yifeng Travel Agency”)	Common shareholder of the Company
Mount Wuyi National Tourist Resort Water Supply Co., Ltd.* (武夷山國家旅遊度假區自來水有限公司) (“National Tourist Resort Water Supply”)	Indirectly held by the common shareholder of the Company
Shanmenghaishi	A directly investing in an associate
Culture Industry	A directly investing in an associate
Mount Wuyi Scenic Area Garden Construction Engineering Co., Ltd.* (武夷山風景名勝區園建工程有限公司) (“Scenic Area Garden”)	Common executive director of a related party during the year ended 31 December 2022
Mount Wuyi HongtuDi Cultural Service Co., Ltd.* (武夷山紅土地文化服務有限公司) (“HongtuDi Cultural”)	Common shareholder of the subsidiary, Impression Dahongpao Cultural
Mount Wuyi City Chong’an Water Supply Co., Ltd.* (武夷山市崇安自來水有限公司) (“Chong’an Water Supply”)	Indirectly held by the common shareholder of the Company

APPENDIX I

ACCOUNTANTS’ REPORT

<u>Name of related party</u>	<u>Relationship with the Group</u>
Mount Wuyi Urban Construction Investment Co., Ltd. Non-Transfer Business Centre* (武夷山市城市建設投資有限公司非轉經營中心) (“Urban Construction Business Centre”)	Indirectly held by the common shareholder of the Company
Fujian Mount Wuyi Hailiang Education Technology Co., Ltd.* (福建武夷山海亮教育科技有限公司) (“Hailiang Education”)	Indirectly held by the common shareholder of the Company
Fujian Province Mount Wuyi Travel Agency Co., Ltd* (福建省武夷山旅行社有限公司) (“Mount Wuyi Travel Agency”)	Indirectly held by the common minority shareholder of the Company
Fujian Province Mount Wuyi Tourism Cultural Investment Group Co., Ltd.* (福建省武夷山旅遊文化投資集團有限公司) (“Mount Wuyi Tourism Cultural Investment”)	Indirectly held by the common shareholder of not-wholly owned subsidiary, Moonlight Wuyi
Fuxing (Beijing) Cultural Tourism Development Co., Ltd* (復興文旅(北京)文化產業發展有限公司) (“Fuxing (Beijing) Cultural Tourism”)	Indirectly held by the common shareholder of not-wholly owned subsidiary, Moonlight Wuyi
Zheng Xianghong	A minority shareholder of the Company
Zheng Xiangqin	A minority shareholder of the Company

* The translation of name in English is for identification purposes only.

APPENDIX I

ACCOUNTANTS’ REPORT

(b) Transactions with related parties

The following transactions were carried out between the Group and its related parties during the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

Name of related party	Nature	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Impression Dahongpao International Travel Agency	Sales	2,665	4,929	5,051	1,808	1,578
Yifeng Travel Agency	Sales	—	244	1,500	333	278
Impression Art Development	Sales	1	—	—	—	—
HongtuDi Cultural	Sales	3	—	—	—	—
Mount Wuyi Travel Development	Sales	—	77	—	—	—
Hailiang Education	Sales	—	—	44	—	13
Mount Wuyi Travel Agency	Sales	—	—	1,507	—	766
Culture Industry	Rental income	41	—	—	—	—
Shanmenghaishi	Rental income	—	12	4	4	—
Impression Art Development	Directorial royalty service fee	5,932	13,467	12,635	4,660	5,054
National Tourist Resort	Water and sewage	61	37	—	17	—
Water Supply	Treatment expenses					
Chong'an Water Supply	Water and sewage	—	82	146	36	43
	Treatment expenses					
Culture Industry	Selling and distribution expenses	—	—	4	2	—
Urban Construction Business Centre	Advertising expenses	176	186	52	—	—
Digital Wuyi E-Commerce	Advertising expenses	100	168	168	84	84
Mount Wuyi Travel Development	Advertising expenses	49	—	116	—	139
Mount Wuyi Tourism Resort Development	Rental expenses	477	342	175	—	—
Fujian Wuyi Tourism Group	Rental expenses	90	—	—	—	—
Zheng Xianghong	Rental expenses	305	319	320	152	152
Zheng Xiangqin	Rental expenses	260	272	273	130	130
Zheng Xianghong	Finance charges on lease liabilities	140	132	124	63	59
Zheng Xiangqin	Finance charges on lease liabilities	120	113	106	54	50
Mount Wuyi Tourism Resort Development	Finance charges on lease liabilities	868	837	805	410	393
Mount Wuyi Tourism Cultural Investment	Finance charges on lease liabilities	—	—	—	—	606
Fuxing (Beijing) Cultural Tourism	Acquisition of intangible assets	—	—	—	—	29,246

APPENDIX I

ACCOUNTANTS’ REPORT

(c) Balances with related parties

The Group

	Notes	As at 31 December			As at
		2022	2023	2024	30 June
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
Deposit	17				
Mount Wuyi Tourism Resort Development		579	610	607	620
		<u>579</u>	<u>610</u>	<u>607</u>	<u>620</u>
Trade receivables	20				
HongtuDi Cultural		4	4	4	4
Hailiang Education		—	—	25	—
		<u>4</u>	<u>4</u>	<u>29</u>	<u>4</u>
Other receivables	20				
Mount Wuyi Travel Development		—	—	30	30
		<u>—</u>	<u>—</u>	<u>30</u>	<u>30</u>
Prepayments	20				
Digital Wuyi E-Commerce		98	98	98	14
Urban Construction Business Centre		83	—	—	—
Mount Wuyi Travel Development		—	—	162	23
		<u>181</u>	<u>98</u>	<u>260</u>	<u>37</u>
Intangible assets					
Fuxing (Beijing) Cultural Tourism	18	—	—	—	29,002
		<u>—</u>	<u>—</u>	<u>—</u>	<u>29,002</u>
Right-of-use assets	13				
Mount Wuyi Tourism Resort Development		17,162	15,902	14,642	14,012
Mount Wuyi Tourism Cultural Investment		—	—	—	66,544
Zheng Xianghong		2,689	2,454	2,218	2,100
Zheng Xiangqin		2,294	2,093	1,892	1,791
		<u>22,145</u>	<u>20,449</u>	<u>18,752</u>	<u>84,447</u>
Contract liabilities	23				
Impression Dahongpao International Travel Agency		61	35	15	146
Mount Wuyi Travel Agency		—	—	8	129
Yifeng Travel Agency		—	35	30	84
		<u>61</u>	<u>70</u>	<u>53</u>	<u>359</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Notes	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	24				
Impression Art Development		75	350	155	3,245
Tea Expo Park		20	—	—	—
		<u>95</u>	<u>350</u>	<u>155</u>	<u>3,245</u>
Other payables	24				
Impression Dahongpao International Travel Agency		131	332	165	59
Scenic Area Garden		301	—	—	—
Yifeng Travel Agency		—	10	57	20
Shanmenghaishi		—	2	—	—
Mount Wuyi Travel Agency		—	—	58	61
Urban Construction Business Centre		—	104	155	155
Fuxing (Beijing) Cultural Tourism		—	—	—	8,774
		<u>432</u>	<u>448</u>	<u>435</u>	<u>9,069</u>
Lease liabilities	25				
Mount Wuyi Tourism Resort Development		20,132	20,969	21,774	22,167
Mount Wuyi Tourism Cultural Investment		—	—	—	67,718
Zheng Xianghong		2,868	2,697	2,516	2,422
Zheng Xiangqin		2,446	2,300	2,146	2,066
		<u>25,446</u>	<u>25,966</u>	<u>26,436</u>	<u>94,373</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Included above the non-trade balances with related parties:

	Notes	As at 31 December			As at
		2022	2023	2024	30 June
		RMB’000	RMB’000	RMB’000	2025
					RMB’000
Prepayments					
Digital Wuyi E-Commerce		98	98	98	14
Urban Construction Business Centre		83	—	—	—
Mount Wuyi Travel Development		—	—	162	23
	(i)	<u>181</u>	<u>98</u>	<u>260</u>	<u>37</u>
Other receivables					
Mount Wuyi Travel Development	(ii)	<u>—</u>	<u>—</u>	<u>30</u>	<u>30</u>
Deposit					
Mount Wuyi Tourism Resort Development	(iii)	<u>579</u>	<u>610</u>	<u>607</u>	<u>620</u>
Right-of-use assets					
Mount Wuyi Tourism Resort Development	(iii)	<u>17,162</u>	<u>15,902</u>	<u>14,642</u>	<u>14,012</u>
Lease liabilities					
Mount Wuyi Tourism Resort Development	(iii)	<u>20,132</u>	<u>20,969</u>	<u>21,774</u>	<u>22,167</u>

Notes

- (i) These balances represent advance payments for advertising services to be rendered, which are non-trade balances and will be realised prior to the [REDACTED].
- (ii) These balances represent deposits paid for advertising services contractually refundable only upon contract expiry in July 2027, which are non-trade balances and will not be settled prior to the [REDACTED].
- (iii) These balances arise from a lease agreement for land use rights with Mount Wuyi Tourism Resort Development (the “Lease Agreement”). These balances are non-trade balances. The deposit and right-of-use assets could not be settled before the [REDACTED]. However, the lease liabilities will be settled prior to the [REDACTED], as confirmed by the Directors.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Notes	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Deposit	17				
Mount Wuyi Tourism Resort Development		579	610	607	620
		<u>579</u>	<u>610</u>	<u>607</u>	<u>620</u>
Prepayments	20				
Digital Wuyi E-Commerce		98	98	98	14
Urban Construction Business Centre		83	—	—	—
Mount Wuyi Travel Development		—	—	162	23
		<u>181</u>	<u>98</u>	<u>260</u>	<u>37</u>
Other receivables	20				
Mount Wuyi Chatang Resort		53,437	56,342	—	—
Impression Dahongpao Cultural		14,605	13,305	6,805	5,458
Mount Wuyi Travel Development		—	—	30	30
		<u>68,042</u>	<u>69,647</u>	<u>6,835</u>	<u>5,488</u>
Trade payables	24				
Mount Wuyi Chatang Resort		28	—	—	—
Impression Dahongpao Cultural		—	313	255	508
Impression Art Development		75	350	155	3,245
Tea Expo Park		20	—	—	—
		<u>123</u>	<u>663</u>	<u>410</u>	<u>3,753</u>
Other payables	24				
Impression Dahongpao International Travel Agency		131	332	165	59
Yifeng Travel Agency		—	10	57	20
Scenic Area Garden		301	—	—	—
Shanmenghaishi		—	2	—	—
Mount Wuyi Travel Agency		—	—	58	61
Urban Construction Business Centre		—	104	155	155
		<u>432</u>	<u>448</u>	<u>435</u>	<u>295</u>
Contract liabilities	23				
Impression Dahongpao International Travel Agency		61	35	15	145
Yifeng Travel Agency		—	35	30	84
Mount Wuyi Travel Agency		—	—	8	129
		<u>61</u>	<u>70</u>	<u>53</u>	<u>358</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Included above the non-trade balances with related parties:

		As at 31 December			As at 30 June
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Prepayments					
Digital Wuyi E-Commerce		98	98	98	14
Urban Construction Business Centre		83	—	—	—
Mount Wuyi Travel Development		—	—	162	23
	(i)	<u>181</u>	<u>98</u>	<u>260</u>	<u>37</u>
Other receivables					
Mount Wuyi Chatang Resort	(ii)	53,437	56,342	—	—
Impression Dahongpao Cultural	(ii)	14,605	13,305	6,805	5,458
Mount Wuyi Travel Development	(iii)	—	—	30	30
		<u>68,042</u>	<u>69,647</u>	<u>6,835</u>	<u>5,488</u>
Deposit					
Mount Wuyi Tourism Resort Development	(iv)	<u>579</u>	<u>610</u>	<u>607</u>	<u>620</u>

Notes

- (i) These balances represent advance payments for advertising services to be rendered, which are non-trade balances and will be realised prior to the [REDACTED].
- (ii) These balances represent payment on behalf by the Company for its subsidiaries. These balances are non-trade balances and will be settled prior to the [REDACTED].
- (iii) These balances represent deposits paid for advertising services contractually refundable only upon contract expiry in July 2027. These balances are non-trade balances and will not be settled prior to the [REDACTED].
- (iv) These balances arise from the Lease Agreement. These balances are non-trade balances and could not be settled before the [REDACTED].

APPENDIX I

ACCOUNTANTS’ REPORT

(d) Key management compensation

Compensation of key management personnel of the Group, including directors (executive and independent non-executive), supervisors and the senior management of the Company as disclosed in Note 9(b) was as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Fees, salaries, allowances and benefits	490	1,218	1,673	637	709
Contribution to defined contribution retirement plans	82	155	295	122	154
	<u>572</u>	<u>1,373</u>	<u>1,968</u>	<u>759</u>	<u>863</u>

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group’s overall financial risk management policies focuses on the unpredictability and volatility at financial markets and seeks to minimise potential adverse effects on the financial position, financial performance and cash flows of the Group. No derivative financial instruments are used to hedge any risk exposures.

APPENDIX I

ACCOUNTANTS’ REPORT

32.1 Categories of financial assets and liabilities

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
<i>Financial assets measured at FVTPL:</i>				
Investment in financial products	3,000	7,586	—	15,291
<i>Financial assets measured at amortised cost:</i>				
Deposit	579	610	607	620
Trade and other receivables	4,107	5,256	4,851	6,630
Restricted cash	—	—	2	2
Cash and cash equivalents	27,692	85,241	101,081	64,133
	<u>35,378</u>	<u>98,693</u>	<u>106,541</u>	<u>86,676</u>
Financial liabilities				
<i>Financial liabilities measured at amortised cost:</i>				
Trade and other payables	9,571	15,045	14,109	53,453
Lease liabilities	41,197	38,494	38,319	106,360
	<u>50,768</u>	<u>53,539</u>	<u>52,428</u>	<u>159,813</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
<i>Financial assets measured at FVTPL:</i>				
Investment in financial products	3,000	7,586	—	15,291
<i>Financial assets measured at amortised cost:</i>				
Deposit	579	610	607	620
Trade and other receivables	68,282	70,112	7,458	6,234
Restricted cash	—	—	2	2
Cash and cash equivalents	24,648	83,266	75,955	37,921
	<u>96,509</u>	<u>161,574</u>	<u>84,022</u>	<u>60,068</u>
Financial liabilities				
<i>Financial liabilities measured at amortised cost:</i>				
Trade and other payables	6,532	13,490	12,373	12,510
Lease liabilities	3,330	835	765	782
	<u>9,862</u>	<u>14,325</u>	<u>13,138</u>	<u>13,292</u>

32.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company’s business mainly operates in the PRC with most of its transactions denominated and settled in RMB and therefore exposure to foreign currency translation risk is considered not significant. The Group and the Company had not used any financial instrument to hedge against foreign exchange risk.

32.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. Lease liabilities bearing fixed rates expose the Group and the Company to fair value interest rate risk. The Group’s and the Company’s bank balances are mainly pay variable interest rates.

There are no significant effect in the sensitivity of the Group’s and the Company’s (loss)/profit after income tax for the Track Record Period and equity to a possible change in interest rate with effect from the beginning of the years/period.

32.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group’s exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations. The Group’s maximum exposure to credit risk is limited to the carrying amounts of the financial assets at the end of each reporting period as detailed in Note 32.1.

Trade receivables

The Group and the Company usually grants a credit period of 30 to 90 days to its customers. Before accepting any new customer, the Group assesses the potential customer’s credit quality and defines credit limits by customer. Credit limits granted to customers are reviewed periodically.

The Group applies the simplified approach to provide the ECL prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical rate is adjusted to reflect current and forward-looking macroeconomic factors affecting the customer’s ability to settle the amount outstanding.

In respect of higher credit risk customers and counterparties, the individual credit evaluations are performed on them. These evaluations focus on the counterparty’s financial position, past history of making payments, collateral and take into account information specific to the counterparty as well as pertaining to the economic environment in which the counterparty operates.

During the six months period ended 30 June 2025, there is a collateral granted from the higher credit risk customer. The fair value of collateral assessed by the independent professional qualified valuers at approximately RMB12,724,000 during the six months period ended 30 June 2025 and using replacement cost under Level 2 fair value measurement hierarchy.

Monitoring procedures have been implemented to ensure that follow up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivables at the end of each reporting period to ensure adequate ECL allowance are made for irrecoverable amounts.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group applies the HKFRS 9 simplified approach to measuring ECL, which uses a lifetime expected loss allowance for all trade receivables using a provision matrix and individual assessment. The ECL rate of collectively assessed trade receivables according to the follow table:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Within one year	5.00% to 5.16%	5.00%	5.00%	5.00%
One to two years	5.16%	20.00%	20.00%	20.00%
Two to three years	—	—	50.00% to 100.00%	50.00% to 100.00%
Individually impaired (in RMB’000)	208	2,003	643	643

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
Within one year		5.00%	5.00%	5.00%

Other receivables and deposit

In order to minimise the credit risk of other receivables, the management of the Group has designated a team responsible for determination of credit limits and credit approvals. The management would make periodic collective assessment on the recoverability of other receivables based on historical settlement records and past experience as well as current external information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the credit risk of other receivables is considered to be low.

Besides, the management is of opinion that there is no significant increase in credit risk on these other receivables in the Group and the Company, except other receivables from Mount Wuyi Chatang Resort and Impression Dahongpao Cultural in the Company, since initial recognition as the risk of default is low after considering the factors as set out in Note 2.9 and, thus, the ECL recognised is based on 12-month ECL. The credit risk with other receivables from Mount Wuyi Chatang Resort and Impression Dahongpao Cultural in the Company has increased significantly since initial recognition when contractual payments are more than 30 days past due. Therefore, the ECL recognised is based on lifetime ECL. As at 31 December 2022, 2023, 2024 and 30 June 2025, the ECL rates applied for other receivables are 5.00% to 5.05%, 5.00% to 5.04%, 5.00% and 5.00% respectively.

Cash and cash equivalents and restricted cash

The credit risks are considered to be insignificant because the counterparties are financial institutions that have sound credit rating.

APPENDIX I

ACCOUNTANTS’ REPORT

32.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of its payables, and also in respect of its cash flow management. The Group’s objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

Analysed below is the Group’s remaining contractual maturities for its financial liabilities as at 31 December 2022, 2023, 2024 and 30 June 2025. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay. The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

The Group

	With 1 year or on demand	Over 1 year but within 5 years	Over 5 years	Total undiscounted amount	Carrying amount
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 31 December 2022					
Trade and other payables	9,571	—	—	9,571	9,571
Lease liabilities	5,375	15,837	33,067	54,279	41,197
	<u>14,946</u>	<u>15,837</u>	<u>33,067</u>	<u>63,850</u>	<u>50,768</u>
As at 31 December 2023					
Trade and other payables	15,045	—	—	15,045	15,045
Lease liabilities	6,562	14,890	27,907	49,359	38,494
	<u>21,607</u>	<u>14,890</u>	<u>27,907</u>	<u>64,404</u>	<u>53,539</u>
As at 31 December 2024					
Trade and other payables	14,109	—	—	14,109	14,109
Lease liabilities	8,200	15,664	23,755	47,619	38,319
	<u>22,309</u>	<u>15,664</u>	<u>23,755</u>	<u>61,728</u>	<u>52,428</u>
As at 30 June 2025					
Trade and other payables	53,453	—	—	53,453	53,453
Lease liabilities	15,021	40,026	87,262	142,309	106,360
	<u>68,474</u>	<u>40,026</u>	<u>87,262</u>	<u>195,762</u>	<u>159,813</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	With 1 year or on demand	Over 1 year but within 5 years	Over 5 years	Total undiscounted amount	Carrying amount
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 31 December 2022					
Trade and other payables	6,532	—	—	6,532	6,532
Lease liabilities	448	1,771	1,859	4,078	3,330
	<u>6,980</u>	<u>1,771</u>	<u>1,859</u>	<u>10,610</u>	<u>9,862</u>
As at 31 December 2023					
Trade and other payables	13,490	—	—	13,490	13,490
Lease liabilities	108	487	420	1,015	835
	<u>13,598</u>	<u>487</u>	<u>420</u>	<u>14,505</u>	<u>14,325</u>
As at 31 December 2024					
Trade and other payables	12,373	—	—	12,373	12,373
Lease liabilities	113	512	282	907	765
	<u>12,486</u>	<u>512</u>	<u>282</u>	<u>13,280</u>	<u>13,138</u>
As at 30 June 2025					
Trade and other payables	12,510	—	—	12,510	12,510
Lease liabilities	232	537	138	907	782
	<u>12,742</u>	<u>537</u>	<u>138</u>	<u>13,417</u>	<u>13,292</u>

APPENDIX I

ACCOUNTANTS’ REPORT

32.6 Fair value measurements of financial instruments

Financial assets measured at fair values in the consolidated statements of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and not using significant unobservable inputs.

Level 3: significant unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

The fair value measurement hierarchy of the Group and the Company’s financial asset at FVTPL is as follows:

	Level 1	Level 2	Level 3	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 31 December 2022				
Financial assets:				
Financial assets at FVPTL				
- Investment in financial products	<u>—</u>	<u>3,000</u>	<u>—</u>	<u>3,000</u>
As at 31 December 2023				
Financial assets:				
Financial assets at FVPTL				
- Investment in financial products	<u>—</u>	<u>7,586</u>	<u>—</u>	<u>7,586</u>
As at 31 December 2024				
Financial assets:				
Financial assets at FVPTL				
- Investment in financial products	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
As at 30 June 2025				
Financial assets:				
Financial assets at FVPTL				
- Investment in financial products	<u>—</u>	<u>15,291</u>	<u>—</u>	<u>15,291</u>

APPENDIX I

ACCOUNTANTS’ REPORT

During the Track Record Period, there were no transfers between Level 1, Level 2 and Level 3.

The fair value of financial asset at FVTPL is determined by reference to the cash value as provided by the financial institution.

Management considered the carrying amounts of other financial assets and liabilities of the Group and the Company are not materially different from their fair values as at 31 December 2022, 2023, 2024 and 30 June 2025 due to immediate or short-term of maturity.

33 CAPITAL MANAGEMENT

The Group’s capital management objectives are to ensure the Group’s ability to continue as a going concern and to provide an adequate return to the equity holders by pricing goods and services commensurately with the level of risk.

The Group and the Company actively and regularly reviews its capital structure and makes adjustments in light of changes in economic conditions. The Group and the Company monitors its capital structure on the basis of the net debt to equity ratio. For this purpose, net debt is defined as lease liabilities less restricted cash and cash and cash equivalents. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to the equity holders, issue new shares and raise new debt financing. The net debt to equity ratio as at the end of each reporting period is as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Lease liabilities	41,197	38,494	38,319	106,360
Less: Restricted cash	—	—	(2)	(2)
Less: Cash and cash equivalents	(27,692)	(85,241)	(101,081)	(64,133)
Net debt/(assets)	<u>13,505</u>	<u>(46,747)</u>	<u>(62,764)</u>	<u>42,225</u>
Total equity	<u>186,027</u>	<u>233,531</u>	<u>255,919</u>	<u>257,627</u>
Net debt to equity ratio	<u>7.3%</u>	Not <u>applicable</u>	Not <u>applicable</u>	<u>16.4%</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

For this purpose, net debt is defined as lease liabilities less restricted cash and cash and cash equivalents. In order to maintain or adjust the ratio, the Company may adjust the amount of dividends paid to the equity holders, issue new shares and raise new debt financing.

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	3,330	835	765	782
Less: Restricted cash	—	—	(2)	(2)
Less: Cash and cash equivalents	(24,648)	(83,266)	(75,955)	(37,921)
Net assets	<u>(21,318)</u>	<u>(82,431)</u>	<u>(75,192)</u>	<u>(37,141)</u>
Total equity	<u>211,260</u>	<u>264,330</u>	<u>278,783</u>	<u>252,969</u>
Net debt to equity ratio	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>

34 CONTINGENCIES

The Group and the Company did not have any material contingent liabilities and assets as at 31 December 2022, 2023, 2024 and 30 June 2025.

35 SUBSEQUENT EVENTS

There are no significant events after 30 June 2025 and up to date of this report.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX I

ACCOUNTANTS’ REPORT

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2025 and up to the date of this report.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

1. TAXATION ON HOLDERS OF SECURITIES

The following is a summary of certain PRC taxation consequences of the ownership of H Shares by an investor who purchases such H Shares in connection with the [REDACTED] and holds the H Shares as capital assets. This summary does not purport to address all potential taxation consequences of [REDACTED] in the H Shares, and does not take into account the specific circumstances of any particular investor, some of which may be subject to special rules. This summary is based on the tax laws of the PRC in effect as at the date of this document, all of which are subject to change (or changes in interpretation) and may have retroactive effect.

This section does not address any aspect of PRC or Hong Kong taxation other than income tax, capital gains tax, business tax/appreciation tax, stamp duty and estate duty. Prospective [REDACTED] are urged to consult their respective tax advisers regarding the PRC, Hong Kong and other taxation consequences arising from the ownership and disposal of H Shares.

A. The PRC Taxation

Dividend tax

Individual investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “IIT Law”), which was latest amended on 31 August 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was latest amended on 18 December 2018, dividends distributed by PRC enterprises are subject to a PRC withholding tax levied at a flat rate of 20%.

For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to a withholding tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

According to the Notice on Issues Concerning the Administration of Individual Income Tax Collection Following the Annulment of Document Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) issued on 28 June 2011 by the STA, as for the income from dividends and bonuses obtained by foreign resident individual shareholders from the shares issued in Hong Kong by domestic non-foreign invested enterprises, the individual income tax shall be withheld by withholding agents according to the item of “income from interest, dividends and bonuses”. Where a domestic non-foreign invested enterprise issues shares in Hong Kong, its foreign resident individual shareholders can enjoy relevant tax incentives in accordance with tax treaties signed between their countries of residence and China as well as the provisions of tax arrangements between Mainland China and Hong Kong (Macau). A domestic non-foreign invested enterprise that issues shares in Hong Kong may, for the purpose of distributing dividends and bonuses, withhold individual income tax at the rate of 10% in general, and the application procedure is not required. For situations where the tax rate for dividend is not 10%, the following regulations shall apply: where an individual who has earned the dividends is the resident of a country with which the conventional tax rate is lower than 10%, such individual can apply for refund according to the Announcement of the STA on Issuing the

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Measures for Non-resident Taxpayers’ Enjoyment of Treaty Benefits (Announcement No. 35, 2019 of the STA) (國家稅務總局關於發佈《非居民納稅人享受協定待遇管理辦法》的公告); where an individual who has earned the dividends is the resident of a country with which the conventional tax rate is higher than 10% and lower than 20%, the withholding agent shall withhold the individual income tax in accordance with the actual conventional tax rate when distributing dividends and bonuses, and the application procedure is not required; where an individual who has earned the dividends is the resident of a country which has not signed a tax treaty with China or is under other situations, the withholding agent shall withhold the individual income tax at the rate of 20% when distributing dividends and bonuses.

According to the Arrangement between the Mainland and the Hong Kong on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed on 21 August 2006, the Chinese government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company if the Hong Kong resident is the beneficial owner of the equity and certain other conditions are met.

Enterprise investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”) effective on 29 December 2018 and the Implementation Provisions for the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) further amended on 6 December 2024 and effective on 20 January 2025, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if such non-resident enterprise does not have an establishment or place in the PRC or has an establishment or place in the PRC but the PRC-sourced income is not connected with such establishment or place in the PRC. The withholding tax may be reduced pursuant to applicable treaties for the avoidance of double taxation. Such income tax for non-resident enterprises are deducted at source, where the payer of the income are required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

According to the Circular of the State Taxation Administration on the Withholding and Remitting of Enterprise Income Tax on the Dividend Distributed by Chinese Resident Enterprise to Overseas H-Share Non-resident Enterprise (Guo Shui Han [2008] No. 897) (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) issued by the STA and taking effect on 6 November 2008, where a Chinese resident enterprise distributes dividends for the year of 2008 or any year thereafter to its H-share holders which are overseas non-resident enterprises, it shall withhold the enterprise income tax thereon at the uniform rate of 10%. After receiving the dividends, a non-resident enterprise shareholder may, by itself or through an authorised agent or withholding agent, submit an application to the competent tax authority for enjoying any treatment under a relevant tax agreement (arrangement), and provide proof

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

that it is an actual beneficial owner satisfying the requirements of the tax agreement (arrangement). If the application is justified upon verification, the competent tax authority shall refund the difference between the tax paid and the tax payable calculated at the tax rate under the tax agreement (arrangement).

According to the Arrangement between the Mainland and the Hong Kong on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the Chinese government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company if the Hong Kong resident is the beneficial owner of the equity and certain other conditions are met.

Taxation treaty

Non-resident investors residing in jurisdictions which have entered into treaties or arrangements for the avoidance of double taxation with the PRC are entitled to a reduction of the Chinese enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States.

Taxation on share transfer

VAT and local additional tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (Cai Shui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]36號)) (hereinafter referred to as the “Notice 36”), which was implemented on 1 May 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and “engaged in the services sale in the PRC” means that the seller or buyer of the taxable services is located in the PRC. The Notice 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT.

According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT. However, in view of no clear regulations, whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares, there is still uncertainty in the interpretation and application of the above provisions.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, which shall usually equal to 12% of the VAT payable (if any).

Income tax

Individual investors

According to the IIT Law, gains from the transfer of personal property are subject to the income tax at a rate of 20%. Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (Cai Shui Zi [1998] No. 61) (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》財稅字[1998]61號) jointly issued by the MOF and the STA on 30 March 1998, from 1 January 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The STA has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the IIT Law, which latest amended and implemented on 1 January 2019 and its implementation provisions.

However, according to the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》財稅[2009]167號) jointly issued by the MOF, the STA and CSRC on 31 December 2009, and taking effect on 1 January 2010, individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》財稅[2010]70號) jointly issued and implemented by such departments on 10 November 2010.

As at the Latest Practicable Date, no provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise investors

In accordance with the EIT Law and its implementation provisions, a non-resident enterprise is generally subject to a 10% corporate income tax on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or place in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not connected with such establishment or premise. Such income tax for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due. The withholding tax may be reduced pursuant to special arrangements or relevant agreements signed between the PRC and the jurisdictions where the non-resident enterprises are located.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Stamp duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was issued by the SCNPC on 10 June 2021 and implemented on 1 July 2022, PRC stamp duty applies to taxable document executed or used within the PRC, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate duty

As at the date of this document, no estate duty has been levied in the PRC under the PRC laws.

B. Hong Kong Taxation

Tax on dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Capital gains and profit tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Trading gains from sales of the H Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Stock Exchange realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

Stamp duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Estate duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 abolished estate duty in respect of deaths occurring on or after 11 February 2006.

2. MAIN PRC TAXES OF THE COMPANY

See “Regulatory Overview” in this document for details.

3. FOREIGN EXCHANGE

The Foreign Currency Administration Rules of the PRC (《中華人民共和國外匯管理條例》) (the “**Foreign Currency Administration Rules**”), which was issued by the State Council on 29 January 1996 and implemented on 1 April 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administration agencies, while capital items are subject to such approval. Pursuant to the Foreign Currency Administration Rules amended on 14 January 1997 and 1 August 2008, the PRC will not impose restriction on international current payments and transfers.

According to the Regulations on the Administration of Foreign Exchange Settlement, Sale and Payment (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on 20 June 1996, it removes other restrictions on convertibility of foreign exchange under current items, while retaining existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on 21 July 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since 21 July 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

Starting from 4 January 2006, PBOC introduced over-the-counter transactions into the interbank spot foreign exchange market for the purpose of improving the formation mechanism of the central parity of Renminbi exchange rates, and the practice of matching was kept at the same time. In addition to the above, PBOC introduced the market-maker rule to provide liquidity to the foreign exchange market. On 1 July 2014, PBOC further improved the formation mechanism of the RMB exchange rate by authorising the China Foreign Exchange Trade System to make inquiries with the market makers before the interbank foreign exchange market opens every day for their offered quotations which are used as samples to calculate the central parity of the RMB against the USD of the current day, which shall be finally decided on the weighted average of the prices of all market makers after excluding the highest and lowest quotations, and announce it at 9:15 a.m. on each working day. On 11 August 2015, PBOC announced to improve the central parity quotations of RMB against the U.S. dollar by

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

authorising market-makers to provide central parity quotations to the China Foreign Exchange Trading Centre with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign exchange as well as changes in major international currency exchange rates.

On 5 August 2008, the State Council promulgated the revised Foreign Currency Administration Rules, which have made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international revenues and expenditure occur or may occur a material imbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and administrative measures on international revenues and expenditure; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the shareholders' general meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions on Matters including Cancelling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on 23 October 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

According to the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (國家外匯管理局關於境外上市外匯管理有關問題的通知) issued by the SAFE and implemented on 26 December 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of SAFE at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Pursuant to the Notice of the SAFE on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was promulgated by the SAFE on 13 February 2015 and partially abolished on 30 December 2019, banks shall directly approve and handle the verification of foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment. The SAFE and its branches will indirectly regulate the foreign exchange registration of direct investment through banks.

Pursuant to the Notice of the SAFE on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), which was promulgated on 30 March 2015, effective on 1 June 2015 and partially abolished on 30 December 2019, foreign-invested enterprises may settle foreign exchange capital according to their actual business needs. However, a foreign-invested enterprise is not allowed to use the foreign exchange capital settled in RMB for (a) expenses outside the business scope of the foreign-invested enterprise or prohibited by laws and regulations; (b) securities investment directly or indirectly (except as otherwise provided by laws and regulations); (c) issuing RMB entrusted loans (except those permitted by the business scope), repaying inter-enterprise loans (including third-party advances) or repaying RMB bank loans that have been re-lent to a third party; and (d) purchase of real estate not for owner-use (other than real estate enterprises).

Pursuant to the Circular of the SAFE on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), which was promulgated and came into effect on 4 December 2023 by the SAFE, the competent authority has relaxed the restrictions on the scale of the upfront expenses of overseas direct investment, and removed the restriction that the cumulative amount of upfront expenses of overseas direct investment by domestic enterprises shall not exceed the equivalent of US\$3 million, however, the cumulative amount of remittance shall not exceed 15% of the total amount of the proposed investment by the PRC party. In addition, the equity transfer consideration paid in foreign currency by domestic entities owe to domestic equity transferors (including institutions and individuals), as well as the foreign exchange funds raised by domestic enterprises listed overseas, can be remitted to the capital item settlement account directly. The funds in the capital item settlement account can be used for foreign exchange settlement independently. The RMB funds as equity transfer consideration received by a domestic equity transferor from the foreign-invested enterprise obtained from foreign exchange settlement (derived from direct foreign exchange settlement or RMB funds in the account to be paid for foreign exchange settlement) may be directly transferred to the RMB account of the domestic equity transferor.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

THE PRC LEGAL SYSTEM

The PRC legal system is composed of the constitution, laws, administrative regulations, local regulations, separate rules, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomy regulations, separate rules of autonomous regions and international treaties of which the PRC government is a signatory. Court judgements do not constitute binding precedents, although they may be used for the purpose of judicial reference and guidance.

Pursuant to the PRC Constitution (中華人民共和國憲法) (the “**Constitution**”), which was promulgated on 4 December 1982 and last amended and came into effect on 11 March 2018) and the Legislation Law of the PRC (中華人民共和國立法法, which was promulgated on 1 July 2000 and amended on 15 March 2023) (“**Legislation Law**”), the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws of criminal and civil matters, State institutions and others. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during its adjournment, provided that such supplements and amendments shall not be in conflict with the principles of such laws.

The State Council is the highest administrative organ of the State, and enacts administrative regulations under the Constitution and laws.

People’s congresses of provinces, autonomous regions and municipalities directly under the central government and their respective standing committees may formulate local regulations based on the specific circumstances and requirements of the local administrations, provided that such local regulations shall not be in conflict with the constitution, laws, and administrative regulations.

The ministries, commissions, the PBOC, National Audit Office of the PRC (中華人民共和國審計署) and the State Committee of Supervisory of the PRC (中華人民共和國國家監察委員會) with administrative functions may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council. In order to implement the laws, administrative regulations and decisions and rulings of the State Council, provisions of rules and regulations within the jurisdiction are formulated.

People’s congresses of cities with districts and their standing committees may enact local regulations based on the specific circumstances and actual needs which shall come into effect upon approval from the respective standing committees of the people’s congresses of the provinces and autonomous regions, provided that such local regulations shall not be in conflict with the constitution, laws, and administrative regulations.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

People’s congresses of autonomous regions may enact autonomy regulations and separate rules in the light of the political, economic and cultural characteristics of the local nationalities, which shall come into effect upon approval by the SCNPC. Adaptations of provisions of laws and administrative regulations may be introduced to the autonomy regulations and separate rules so long as they do not contravene the basic principles of the laws or administrative regulations, and no adaptations shall be made to the specific provisions on national autonomous areas in the constitutions, national region autonomy law and other relevant laws and administrative regulations.

People’s governments of provinces, autonomous regions and municipalities directly under the central government and larger cities may formulate rules according to laws, administrative regulations and relevant local regulations.

The Constitution, enacted by the NPC, is basis of the PRC legal system and has supreme legal authority, and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The hierarchy of laws is higher than that of administrative regulations, local regulations, and rules. The hierarchy of administrative regulations is higher than that of local regulations and rules. The hierarchy of local regulations is higher than that of the rules of the local governments at or below the corresponding level. The hierarchy of the rules enacted by the people’s governments of the provinces or autonomous regions is higher than that of the rules enacted by the people’s governments of cities and autonomous prefectures with districts within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any local regulation that contravenes the Constitution, laws or administrative regulations, and to annul any autonomous regulation or separate regulation which has been approved by the standing committees of the NPC of the relevant provinces, autonomous regions or municipalities directly under the central government but contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people’s congress of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at the lower level.

According to the Constitution, the authority of the interpretation of laws shall be vested to the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (全國人民代表大會常務委員會關於加強法律解釋工作的決議) passed on 10 June 1981, interpretation on the application of laws and decrees in court trials and the procuratorial work of the procuratorates shall be given by the Supreme People’s Court and the Supreme People’s Procuratorate of the PRC (中華人民共和國最高人民檢察院), respectively. Interpretation of the laws and decrees unrelated to trials and procuratorial work shall be given by the State Council and the competent ministries and commissions.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

In the case that clarification or additional provisions shall be made for the local regulations, the standing committees of the people’s congresses of provinces, autonomous regions and municipalities directly under the central government which enacted such regulations shall give the interpretation or formulate the additional provisions. Interpretation on the application of local regulations shall be given by the competent departments under the people’s government of the respective provinces, autonomous regions and municipalities directly under the central government.

PRC JUDICIAL SYSTEM

Under the Constitution and the Law of the PRC of Organisation of the People’s Courts (中華人民共和國人民法院組織法) which was enacted on 5 July 1979, implemented on 1 January 1980 and last amended on 26 October 2018 and took effect on 1 January 2019, the judicial system in PRC is made up of the Supreme People’s Court, the local people’s courts, military courts and other special people’s courts.

The local people’s courts are comprised of the basic people’s courts, the intermediate people’s courts and the higher people’s courts. The basic people’s courts may be organised into civil, criminal, and economic tribunals. The intermediate people’s courts may be organised into divisions similar to those of the basic people’s courts, and may be further organised into other special divisions. The people’s courts at lower levels are subject to the supervision of the people’s courts at higher levels. The Supreme People’s Court is the highest judicial organ of the PRC and it has the power to supervise the administration of justice by the local people’s courts at all levels and all special people’s courts. The people’s procuratorates also have the right to exercise legal supervision over the trial activities of people’s courts at same or lower levels.

The people’s courts adopt a “second instance as final” appellate system in the trial of the cases. A party to the case concerned may appeal against the judgement and ruling of the first instance by the local people’s courts to the people’s courts at the next higher level in accordance with the legal procedures. The people’s procuratorates may appeal to the people’s court at the next higher level in accordance with the legal procedures. In the absence of any appeal by any parties to the case concerned or any appeal by the people’s procuratorates within the stipulated period, the judgement and ruling of the first instance by the local people’s courts shall be final and legally binding. Judgements and rulings of the second instance of the intermediate people’s courts, the higher people’s courts and Supreme People’s Court and the judgements and rulings of the first instance of the Supreme People’s Court shall be the final judgements and rulings. If, however, the Supreme People’s Court finds some definite errors in a legally effective judgement, ruling or conciliation statement of the people’s court at any level, or if the people’s court at a higher level finds such errors in a legally effective judgement, ruling or conciliation statement of the people’s court at a lower level, it has the authority to review the case itself or to direct the lower-level people’s court to conduct a retrial. If the chief judge of all levels of people’s courts finds some definite errors in a legally effective judgement, ruling or conciliation statement, and considers that a retrial is preferred, such case shall be submitted to the judicial committee of the people’s court at the same level for discussion and decision. For death penalties, except those judged by the Supreme People’s Court, requests shall be submitted to the Supreme People’s Court for approval.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

The Civil Procedure Law of the PRC (中華人民共和國民事訴訟法) (hereinafter referred to as “**Civil Procedure Law**”), which was enacted on 9 April 1991 and last amended on 1 September 2023 and became effective on 1 January 2024, sets forth the criteria for instituting a civil case, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by the people’s court located in the defendant’s place of domicile. The parties to a contract may, by an express agreement, select a competent court where civil actions may be brought, provided that the competent court has jurisdiction over the plaintiff’s or the defendant’s place of residence, the place of execution of the contract or the place of performance of the contract, or the object of the action or locations which have substantial connections with the dispute. However, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a stateless person, a foreign enterprise or a foreign organisation is given the equal litigation rights and obligations as a citizen, a legal person or other organisations in the PRC when initiating actions or defending against litigations at a PRC court. Should foreign courts impose restrictions on the litigation rights of the citizens, legal persons or other organisations in the PRC, the PRC courts shall impose reciprocal restrictions on the litigation rights of citizens, enterprises and organisations in that country. A foreign individual, a stateless person, a foreign enterprise or a foreign organisation must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people’s court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. All parties to a civil action shall perform the legally effective judgements and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

A party seeking to enforce a judgement or order of a people’s court against a party who is not located within the PRC and does not own any property in the PRC, may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgement or order. In the case of an application or request for recognition and enforcement of a legally effective judgement or order of a foreign court, the people’s court shall, after having examined it in accordance with the international treaties entered into or acceded to by the PRC or with the principle of reciprocity and having arrived at the conclusion that it does not contravene the primary principles of the laws of the PRC nor violates its sovereignty, security or social and public interests, recognise the validity of the judgement or order, and, if required, issue a writ of enforcement and enforce it in accordance with the relevant regulations. If the application or request contravenes the primary principles of the laws of the PRC or violates its sovereignty, security or social and public interests, the people’s court shall not recognise and enforce it.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

THE PRC COMPANY LAW, THE OVERSEAS LISTING TRIAL MEASURES AND THE GUIDELINES ON THE ARTICLES OF ASSOCIATION

The PRC Company Law which was promulgated on 29 December 1993 by the SCNPC, last amended on 29 December 2023 and came into effect on 1 July 2024 regulates the organisation and operation of companies and protects the legitimate rights and interests of companies, shareholders and creditors. The amendment to the PRC Company Law in 2013 has cancelled the restriction on the minimum registered capital and replaced the registered paid-up share capital system by the registered subscribed capital system.

The Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the “**Overseas Listing Trial Measures**”) promulgated by the CSRC on 17 February 2023 with effect from 31 March 2023 are applicable to the overseas securities offering and listing by the PRC domestic companies.

The Guidelines on the Articles of Association for Listed Companies (the “**Articles Guidelines**”) last amended by the CSRC on 15 December 2023 with effect from the same date provide guidance for the company’s articles of association. Accordingly, the contents as provided in the Articles Guidelines have been included in the Articles of Association of our Company, a summary of which is set out in Appendix V to this document.

Set out below is a summary of the principal provisions of the Company Law, the Overseas Listing Trial Measures and the Articles Guidelines applicable to our Company.

General

A joint-stock limited liability company (hereinafter referred to as “**company**”) refers to a corporate legal person established in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company is limited to the total amount of all assets it owns and the liability of its shareholders is limited to the extent of the shares they subscribe for.

Incorporation

A company may be incorporated by promotion or subscription. A company may be incorporated by a minimum of one but no more than 200 promoters, and at least half of the promoters must have domicile in the PRC. Companies incorporated by promotion are companies with the registered capital entirely subscribed for by the promoters. Where companies are incorporated by subscription, the promoters are required to subscribe for not less than 35% of the total number of shares of a company unless otherwise stipulated by laws and regulations, and the remaining shares can be offered to the public or specific persons, unless otherwise required by law.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

For a company incorporated by promotion, the registered capital has to be the total capital subscribed for by all promoters as registered with the company registration authority. The promoters shall subscribe in writing for the shares required to be subscribed for by them and pay up their capital contributions under the articles of association. Procedures relating to the transfer of titles to non-monetary property shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing provisions shall assume default liabilities in accordance with the covenants set out in the promoters’ agreement. After the promoters have subscribed for the capital contribution under the articles of association, a board of directors and a supervisory committee shall be elected and the board of directors shall apply for registration of establishment by filing the articles of association with the company registration authority, and other documents as required by the law or administrative regulations. It shall not raise capital from others before the promoters fully pay the capital subscribed by them; for companies established by public subscription, the registered capital is the amount of total paid-up capital as registered with the company registration authority.

After the subscription monies for the share issue have been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. The promoters shall convene an inaugural meeting within 30 days after the issued shares have been fully paid up, and shall 15 days before the meeting notify all subscribers or make a public announcement of the date of the inaugural meeting.

The inaugural meeting may be convened only with the presence of shareholders holding shares representing more than 50% of the total issued shares of the company. At the inaugural meeting, matters including the adoption of draft articles of association proposed by the promoter(s) and the election of the board of directors and the supervisory committee of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall authorise representatives to apply for registration with the company registration authority. The company is formally established and has the status of a legal person after the approval for registration has been given and a business licence has been issued by the relevant registration authority. Where after the incorporation of a company, a promoter fails to pay in full the subscription moneys in accordance with the provisions of the company’s articles of association, he shall pay them in full and the other promoters shall bear joint and several liability. Where it is discovered that the actual evaluation of the non-currency property used as capital contributions for the incorporation of the company is obviously less than the evaluation prescribed by the company’s articles of association, the promoters shall make up the difference; and the other promoters shall bear joint and several liability.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

If the shares required to be issued at the time of the establishment of a company are not fully subscribed, or if, after the full payment for the issued shares, the promoters fail to convene an establishment meeting within 30 days, any subscriber may demand the promoters to refund their subscriptions, plus the interest calculated based on the bank interest rate for the corresponding period.

In cases where the company is not established, the legal consequences shall be borne by the shareholders at the time of establishment; if there are two or more shareholders at the time of establishment, they shall have joint and several claims and bear joint and several liabilities.

If a shareholder at the time of establishment causes harm to another person due to performance of their responsibilities for the establishment of the company, the company or other faultless shareholders may seek to recover any resulting compensation liability borne by them from the shareholder at fault.

Share capital

The promoters may make capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out in accordance with the laws or administrative regulations on valuation without any over-valuation or under-valuation.

Shares shall be issued in a fair and equitable manner. The same class of shares must carry equal rights. Shares of the same class issued at the same time must be issued on the same conditions and at the same price. The same price per share shall be paid by a subscriber, an entity or an individual, and shall be equal to or greater than the nominal value of the share and shall not be less than the nominal value.

A PRC domestic company shall file with the CSRC before offering its shares to the public overseas. Pursuant to the Overseas Listing Trial Measures, the target investors for overseas issuance and listing of a domestic company shall be overseas investors, except as in compliance with the Overseas Listing Trial Measures or otherwise provided by the state.

Under the PRC Company Law, a company shall prepare a shareholder register and place it within its premises which sets forth the following matters:

- (i) the name and domicile of each shareholder;
- (ii) Type and quantity of subscribed shares for each shareholder;
- (iii) For stocks issued in paper form, the stock serial numbers; and
- (iv) the date on which each shareholder purchased the shares.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Increase in share capital

According to the PRC Company Law, if a company proposes to issue new shares, resolutions shall be passed at general meeting in accordance with the articles of association to determine the class, amount and [REDACTED] of the new shares.

Save for the above-mentioned shareholder approval requirement, for a public offering of new shares, the PRC Securities Law provides that the company shall:

- (i) have a sound organisational structure with satisfactory operating record;
- (ii) the company is a going concern;
- (iii) the auditors have issued an unqualified audit report on the financial and accounting documents of the company for the past three years;
- (iv) the company and its controlling shareholders and de facto controllers have not had any criminal records in the past three years in relation to corruption, bribery, embezzlement, misappropriation of assets and breach of socialist market economic order; and
- (v) other requirements as prescribed by the securities regulatory authority of the State Council approved by the State Council.

Pursuant to the PRC Company Law, when the company launches a public issuance of new shares with the approval of the securities regulatory authorities of the State Council, it shall publish a document and financial and accounting reports, and prepare the share subscription form. After the new share issuance has been paid up, a company must change its registration with the company registration authority and issue a public notice accordingly.

Reduction of share capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- (i) the company shall prepare a balance sheet and an inventory of the assets;
- (ii) the reduction of registered capital must be approved by shareholders in general meeting;
- (iii) the company shall inform its creditors of the reduction in registered capital within ten (10) days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days after the resolution approving the reduction has been passed;

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

- (iv) the creditors of the company may within the statutory prescribed time limit require the company to pay its debts or provide guarantees covering the debts; The creditors shall, within thirty (30) days from the date they receive the written notice, or within forty five (45) days from the date the announcement is made in the case of those who have not received such written notice, have the right to claim full repayment of their debts or provision of a corresponding guarantee from the company; and
- (v) the company must apply to the company registration authority for registration of the reduction in registered capital.

Repurchase of shares

A company may not repurchase its own shares other than for one of the following purposes:

- (i) reducing the registered capital of the company; or
- (ii) merging with another company that hold shares in the company; or
- (iii) applying the shares for the staff shareholding scheme or as share incentives; or
- (iv) shareholders who disagree with the resolutions for the merger and separation of the company made in general meeting may demand the company to purchase their shares; or
- (v) utilising the Shares for conversion of corporate bonds which are convertible into shares issued by the listed companies; or
- (vi) where it is necessary for the listed companies to safeguard its value and shareholders' interests.

Where the company needs to purchase its own shares under any of the circumstances set out in clauses (i) and (ii) under the preceding article, it shall be subject to a resolution of the general meeting. Where the company needs to purchase its own shares under any of the circumstances set out in clauses (iii), (v) and (vi) under the preceding article, it shall be made as prescribed by the articles or under the authorisation by the general meeting and approved by way of a resolution at the board meeting attended by more than two thirds of the directors of the company.

After the company purchases its own shares under the circumstance set out in clauses (i), it shall cancel the purchased shares within 10 days after the purchase; while under either circumstance set out in clauses (ii) or (iv), transfer them or write them off within six months; while under any of the circumstances set out in clauses (iii), (v) or (vi), the aggregate number of shares of the company held by itself shall not exceed 10% of its total shares in issue and the company shall transfer them or write them off within three years.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

A listed company purchasing its own shares shall perform the obligation of information disclosure. A listed company purchasing its own shares under any of the circumstances set out in clauses (iii), (v) and (vi) shall carry out trading in a public and centralised manner.

A company may not accept its own shares as the subject matter of a mortgage.

Transfer of shares

Shares may be transferred in accordance with the relevant laws and regulations.

According to the PRC Company Law, a shareholder may transfer his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Stocks may be transferred after the shareholders endorse the back of the share certificates or in any other manner specified by the laws or administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its share register. No changes of registration in the share register described above shall be effected during a period of 20 days prior to convening a shareholders' general meeting or five days prior to the record date for the purpose of determining entitlements to dividend distributions, subject to any otherwise stipulated legal provisions on the registration of changes in the share register of listed companies.

According to the PRC Company Law, Shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on a stock exchange. Where any laws, administrative regulations, or the securities regulatory authority under the State Council have other provisions regarding the transfer of shares of a listed company by its shareholders or actual controllers, those provisions shall prevail. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and any changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company every year. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Under the PRC Company Law and the Articles Guidelines, the rights of holders of ordinary shares of a joint stock limited company include the rights:

- (i) to attend or appoint a proxy to attend shareholders' general meetings and to exercise the voting rights;
- (ii) to transfer the shares according to the laws and administrative regulations and the articles of association;

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

- (iii) to inspect the articles of association, shareholder register, counterfoil of company debentures, minutes of shareholders’ general meetings, board resolutions, resolutions of the supervisory board and financial and accounting reports and to make suggestions or inquiries in respect of the company’s operations;
- (iv) to petition the people’s court to revoke any resolution passed at a shareholders’ general meeting or a meeting of board of directors any contents of which is in violation of the articles of association;
- (v) to receive dividends and other types of interest distributing in respect of the number of shares held;
- (vi) to receive residual properties of the company in proportion to their shareholdings upon the terminating or liquidation of the company; and
- (vii) any other shareholders’ rights provided for in laws, administrative regulations, other regulatory documents and the articles of association.

The obligations of shareholders include the obligation to abide by the company’s articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company’s debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in laws, administrative regulations, regulatory documents and the articles of association.

Shareholders’ general meeting

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The general meeting may exercise its powers:

- (i) to elect and remove the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;
- (ii) to review and approve the reports of the board of directors;
- (iii) to review and approve the reports of the supervisory board;
- (iv) to review and approve the company’s profit distribution proposals and loss recovery proposals;
- (v) to decide on any increase or reduction of the company’s registered capital;
- (vi) to decide on the issue of corporate bonds;

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

- (vii) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (viii) to amend the company’s articles of association; and
- (ix) to exercise any other authority stipulated in the articles of association.

The shareholders’ meeting may authorise the board of directors to make resolutions regarding the issuance of corporate bonds.

A shareholders’ general meeting is required to be held once every year. An extraordinary general meeting is required to be held within two months of the occurrence of any of the following:

- (i) the number of directors is less than the number stipulated by the laws or less than two-thirds of the number specified in the articles of association;
- (ii) the outstanding losses of the company reach one-third of the company’s total paid-in share capital;
- (iii) shareholders individually or in aggregate holding 10% or more of the company’s shares request that an extraordinary general meeting shall be convened;
- (iv) the board deems necessary;
- (v) the supervisory board so requests; or
- (vi) any other circumstances as provided for in the articles of association.

A shareholders’ general meeting shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting. Where the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory board shall convene and preside over such meeting in a timely manner. If the supervisory board fails to convene and preside over such meeting, shareholders individually or in aggregate holding 10% or more of the company’s shares for 90 days or more consecutively may unilaterally convene and preside over such meeting.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

In accordance with the PRC Company Law, a notice of the general meeting stating the date and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting.

Under the PRC Company Law, a single shareholder who holds, or several shareholders who jointly hold, 1% or more of the shares of the company may submit an interim proposal in writing to the board of directors 10 days before the general meeting is held. The board of directors shall, within two days upon receipt of the proposal, notify the other shareholders, and submit the said interim proposal to the general meeting for deliberation. The contents of the interim proposal shall fall within the scope of powers of the general meeting, and the proposal shall have a clear agenda and specific matters on which resolutions are to be made.

The general meeting shall not make resolutions on matters that are not clearly listed in the notices given to the shareholders.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Shareholders present at a shareholders' general meeting have one vote for each share they hold, except for shareholders of non-ordinary shares, save that shares held by the company are not entitled to any voting rights. Resolutions of the general meeting must be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of matters relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case must be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting. Where the PRC Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company must be approved by way of resolution of the general meeting, the directors shall convene a shareholders' general meeting promptly to vote on such matters. An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Minutes shall be prepared in respect of matters considered at the general meeting and the shareholders attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Board of directors

The board of directors of a company shall consist of three or more members, and may include employee representatives among them. In the case of a company with three hundred or more employees, except when a board of supervisors has been established including a number of employee representatives among its members as required by law, the company’s board of directors shall include employee representatives among its members. An employee representative on the board of directors shall be elected by the company’s employees through the employee representative assembly, employee assembly, or other forms of democratic elections. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors may exercise the following powers:

- (i) to convene shareholders’ general meetings and report on its work to the shareholders’ general meetings;
- (ii) to implement the resolution passed by the shareholders at the shareholders’ general meeting;
- (iii) to decide on the company’s operational plans and investment proposals;
- (iv) to formulate the company’s profit distribution proposals and loss recovery proposals;
- (v) to formulate proposals for the increase or reduction of the company’s registered capital and the issue of corporate bonds;
- (vi) to formulate proposals for the merger, division or dissolution of the company or change of corporate form;
- (vii) to decide on the setup of the company’s internal management organs;
- (viii) to appoint or dismiss the company’s general manager and decide on his/her remuneration and based on the general manager’s recommendation, to appoint or dismiss any deputy general manager and financial officer of the company and to decide on their remunerations;
- (ix) to formulate the company’s basic management system; and
- (x) to exercise any other authority stipulated in the articles of association or granted by the shareholders’ meeting.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Meetings of the board of directors shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the supervisory board. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorisation that his/her representative has. The board of directors shall prepare minutes of the meetings of the board of directors and such minutes shall be signed by the directors present at the meeting.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or resolutions of the general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Under the PRC Company Law, the following persons may not serve as a director of a company:

- (i) a person who is unable or has limited ability to undertake any civil liabilities;
- (ii) a person who has been subjected to criminal punishment for corruption, bribery, embezzlement or misappropriation of property, or disruption of the economic order of the socialist market, or who has ever been deprived of political rights due to a criminal conviction, and five years have not elapsed since the term of punishment was completed, or in the case of a suspended sentence, two years have not elapsed since the probation period was completed;
- (iii) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (iv) Any former legal representative of a company or enterprise which has had its business license revoked or been ordered to shut down due to any violation of the law, and where the individual was personally responsible for the situation, and three years have not elapsed since the date of revocation of business license or shutdown order; and
- (v) a person identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

Under the PRC Company Law, the board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

A company may, as stipulated in its articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the board of supervisors by this Law, without establishing a board of supervisor or supervisor.

Supervisory board

A company shall have a supervisory board composed of three or more members. The supervisory board consists of representatives of the shareholders and an appropriate proportion of representatives of the company's staff. The actual proportion shall be determined in the articles of association, provided that the proportion of representatives of the company's staff shall not be less than one-third. Representatives of the company's staff at the supervisory board shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. Directors and senior management shall not act concurrently as supervisors. The supervisory board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory board shall be elected by more than half of the supervisors.

According to the Reply of the Overseas Listing Department of the CSRC and the Production System Department of the State Commission for Restructuring the Economic System on Opinions Concerning the Supplement and Amendment to Articles of Association by Companies to be Listed in Hong Kong (中國證監會海外上市部、國家體改委生產體制司關於到香港上市公司對公司章程作補充修改的意見的函), the chairman of the supervisory board shall be appointed by more than two-thirds of the supervisors.

The chairman of the supervisory board shall convene and preside over supervisory board meetings. Where the chairman of the supervisory board is incapable of performing or is not performing his/her duties, the vice chairman of the supervisory board shall convene and preside over supervisory board meetings. Where the vice chairman of the supervisory board is incapable of performing or is not performing his/her duties, a supervisor nominated by more than half of the supervisors shall convene and preside over supervisory board meetings. Directors and senior management shall not act concurrently as supervisors.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The supervisory board may exercise its powers:

- (i) to review the company’s financial position;
- (ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated any laws, regulations, the articles of association or shareholders’ resolutions;
- (iii) when the acts of a director or senior management personnel are detrimental to the company’s interests, to require the director and senior management to correct these acts;
- (iv) to propose the convening of extraordinary shareholders’ general meetings and to convene and preside over shareholders’ general meetings when the board fails to perform the duty of convening and presiding over shareholders’ general meetings under the PRC Company Law;
- (v) to submit proposals to the shareholders’ general meetings;
- (vi) to bring actions against directors and senior management pursuant to the relevant provisions of the PRC Company Law; and
- (vii) to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The supervisory board may investigate any irregularities identified in the operations of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

Under the Company Law, a joint stock limited company may, instead of setting up a board of supervisors, in accordance with the provisions of its articles of association, set up an audit committee consisting of directors in its board of directors to exercise the powers and functions of the board of supervisors.

Manager and senior management

A company shall have a general manager who shall be appointed or removed by the board of directors. The general manager shall report to the board of directors and exercise functions and powers as specified in the articles of association or as authorised by the board of directors.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

The general manager shall be present at meetings of the board of directors. However, the general manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

According to the PRC Company Law, senior management refers to the general manager, deputy manager, financial officer, secretary to the board of a listed company and other personnel as stipulated in the articles of association.

Duties of directors, supervisors, general managers and other senior management

Directors, supervisors, the general manager, the deputy manager and senior management are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and carry out their duties in good faith and with due diligence.

Directors, supervisors, senior management are prohibited from accepting bribes or other unlawful income and from misappropriating the company’s property.

Directors and senior management are prohibited from:

- (i) Embezzling company property or misappropriating company funds;
- (ii) depositing company funds into accounts under their own names or the names of other individuals;
- (iii) Personally accepting commissions on transactions to which the company is a party;
- (iv) unauthorised divulgence of confidential information of the company; and
- (v) other acts in violation of their duty of loyalty to the company.

Income generated by directors or senior management in violation of aforementioned provisions shall be returned to the company.

A director, supervisor or senior management who contravenes any law, regulation or the company’s articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders’ general meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. Directors and senior management shall furnish all true information and data to the supervisory board, or if a limited liability company has no supervisory board, supervisors, without impeding the discharge of duties by the supervisory board or supervisors.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Where a director or senior management contravenes law, administrative regulation or the articles of association in the performance of his/her duties resulting in any loss to the company, shareholder(s) holding individually or in aggregate more than 1% of the company’s shares consecutively for over 180 days may request in writing that the supervisory board institute litigation at a people’s court on its behalf. Where the supervisory board violates the laws or administrative regulations or the articles of association in the discharge of its duties resulting in any loss to the company, such shareholder(s) may request in writing that the board of directors institutes litigation at a people’s court on its behalf. If the supervisory board or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company’s interests, such shareholder(s) shall have the power to institute litigation directly at a people’s court in its own name for the company’s benefit. For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at a people’s court in accordance with the procedure described above. Where a director or senior management contravenes any laws, administrative regulations or the articles of association in infringement of shareholders’ interests, a shareholder may also institute litigation at a people’s court.

Finance and accounting

A company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the competent financial departments of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council.

The company’s financial reports shall be made available for shareholders’ inspection at the company 20 days before the convening of an annual general meeting. A joint stock limited company that makes public stock offerings shall publish its financial reports.

When distributing each year’s profits after taxation, the company shall set aside 10% of its profits after taxation for the company’s statutory common reserve fund until the fund has reached 50% or more of the company’s registered capital. When the company’s statutory common reserve fund is not sufficient to make up for the company’s losses for the previous years, the current year’s profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders’ general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses and made allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Profits distributed to shareholders by a resolution of a shareholders’ general meeting or the board of directors in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of shares held by it.

The premium received from the issuance of shares by the company at a price exceeding the face value of the stocks, the amount of capital obtained from the issuance of non-par value shares that is not included in the registered capital, and other items stipulated by the finance authority under the State Council to be included in the capital reserve, shall be included in the capital reserve. The common reserve fund of a company shall be applied to make good the company’s losses, expand its business operations or increase its capital. When using a company’s reserves to cover its losses, any discretionary reserve and statutory reserve balances shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with regulations. Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company’s assets shall not be deposited in any account opened under the name of any individual.

Appointment and retirement of auditors

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the company’s auditing shall be determined by shareholders at a shareholders’ general meeting or the board of directors or supervisory board in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting or the board of directors conduct a vote on the dismissal of the accounting firm on their respective meetings. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

Profit distribution

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

Amendments to the articles of association

Pursuant to the PRC Company Law, the resolution of a shareholders’ general meeting regarding any amendment to a company’s articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Dissolution and liquidation

Pursuant to the PRC Company Law, a company shall be dissolved for any of the following reasons:

- (i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;
- (ii) the shareholders have resolved at a shareholders' general meeting to dissolve the company;
- (iii) the company is dissolved by reason of its merger or division;
- (iv) the business licence of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (v) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operations and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering on-going existence of the company a cause for significant losses to the shareholders.

In cases where a company falls under the circumstances specified in subparagraph (i) or (ii) above and has not yet distributed its assets to shareholders, it may continue its existence by amending its articles of association or by resolution of the shareholders' meeting. The amendments to the articles of association in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting.

Where the company is dissolved under the circumstances set out in paragraph (i), (ii), (iv) or (v) above, it should establish a liquidation committee within 15 days of the date on which the dissolution matter occurs. The liquidation committee shall be composed of directors or any other person determined by a shareholders' general meeting. If a liquidation committee is not established within the prescribed period, the company's creditors may file an application with a people's court and request the court to appoint relevant personnel to form a liquidation committee to conduct the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee may exercise following powers during the liquidation:

- (i) to dispose of the company's assets and to prepare a balance sheet and an inventory of assets;
- (ii) to notify the company's creditors or publish announcements;
- (iii) to deal with any outstanding business related to the liquidation;

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

- (iv) to pay any overdue tax together with any tax arising during the liquidation process;
- (v) to settle the company’s financial claims and liabilities;
- (vi) to handle the company’s remaining assets after its debts have been paid off; and
- (vii) to represent the company in any civil procedures.

The liquidation committee shall notify the company’s creditors within 10 days of its establishment, and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification. A creditor shall, in making his claim, state all matters relevant to his creditor’s rights and furnish relevant evidence. The liquidation committee shall register such creditor’s rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company’s property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders’ general meeting or a people’s court for endorsement. The remaining assets of the company, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company’s debts, shall be distributed to shareholders in proportion to the shares held by them. The company shall continue to exist during the liquidation period, although it cannot engage in operating activities that are not related to the liquidation. The company’s property shall not be distributed to shareholders before settlements are made in accordance with the requirements described above.

Upon liquidation of the company’s property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people’s court for a declaration of bankruptcy in accordance with the laws. Following such declaration by the people’s court, the liquidation committee shall hand over the administration of the liquidation to the people’s court.

Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the shareholders’ general meeting or a people’s court for confirmation of its completion. Following such confirmation, the report shall be submitted to the company registration authority to cancel the company’s registration, and an announcement of its termination shall be published. Members of the liquidation committee are required to perform their duties in good faith and in compliance with relevant laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company’s properties. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their wilful or material default.

Liquidation of a company declaring bankruptcy according to laws shall be processed in accordance with the laws on corporate bankruptcy.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Overseas listing

Pursuant to the Overseas Listing Trial Measures, if a PRC domestic company submits an initial public offering application to an overseas regulatory authority or an overseas stock exchange, the issuer shall file with the CSRC within three business days after submitting the application.

Loss of share certificates

If the share certificate(s) is either lost, stolen or destroyed, a shareholder may, in accordance with the public notice procedures set out in the Civil Procedure Law, apply to a people's court for a declaration that such certificate(s) will no longer be valid. After such declaration has been obtained, the shareholder may apply to the company for the issue of a replacement certificate(s).

Suspension and termination of listing

The PRC Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law has also deleted provisions regarding suspension of listing. Where listed securities fall under the [REDACTED] circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

Pursuant to the Overseas Listing Trial Measures, in the case of voluntary or mandatory termination of listing, the issuer shall report the specific situation to the CSRC within three business days from the date of the occurrence and announcement of the relevant event.

Merger and division

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare their respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, demand the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers within 30 days. Unless an agreement in writing is reached with creditors in respect of the settlement of debts, the liabilities of the company which have accrued prior to such division shall be jointly borne by the separated companies.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The PRC Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issuance and trading of our shares and disclosure of information. In October 1992, the State Council established the Securities Committee (國務院證券委員會) and the CSRC. The Securities Committee (國務院證券委員會) is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee (國務院證券委員會) and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. On 29 March 1998, the State Council consolidated the aforementioned two departments and reformed the CSRC.

On 22 April 1993, the Provisional Regulations Concerning the Issuance and Trading of Shares (股票發行與交易管理暫行條例) were promulgated by the State Council to govern the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, settling and transfer of listed equity securities, as well as the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

On 25 December 1995, the State Council promulgated the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (國務院關於股份有限公司境內上市外資股的規定). These regulations principally govern the issuance, subscription, trading and declaration of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The PRC Securities Law took effect on 1 July 1999 and was revised as at 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively. It was the first national securities law in the PRC, and is divided into 14 chapters and 226 articles regulating, among other matters, the issuance and trading of securities, takeovers of listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council’s securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises must comply with the relevant regulations of the State Council to, directly or indirectly, issue securities or lists its securities to be traded outside the PRC. Currently, the issuance and trading of foreign issued shares (including H share) are principally governed by the rules and regulations promulgated by the State Council and the CSRC.

On 10 August 2023, the CSRC promulgated the Guidance of H-share Companies Applying for “Full Circulation” Business of Unlisted Shares in China ([2023] No. 50) (H股公司境內未上市股份申請“全流通”業務指引), which came into effect on the same day. This provision is to regulate the listing and circulation (hereinafter referred to as “**Full Circulation**”) of unlisted domestic shares of H-share companies listed on the Hong Kong Stock Exchange (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued in China after overseas listing and unlisted shares held by foreign shareholders) on the Stock Exchange. Subject to

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

compliance with relevant laws and regulations, as well as the policy requirements of state-owned assets management, foreign investment and industry regulation, the holders of unlisted domestic shares may independently determine the number and proportion of shares for which an application will be filed for circulation, and entrust H-share companies to file with the CSRC. Unlisted domestic joint-stock limited companies may file with the CSRC for “Full Circulation” simultaneously at the time of its overseas initial public offering and listing.

Arbitration and enforcement of arbitral awards

The Arbitration Law of the PRC (中華人民共和國仲裁法) (the “**Arbitration Law**”) was passed on 31 August 1994, became effective on 1 September 1995 and was amended on 27 August 2009 and 1 September 2017. It is applicable to contract disputes and other property disputes between natural persons, legal persons and other organisations where the parties have entered into a written agreement to refer the matter to arbitration before an arbitration committee constituted in accordance with the Arbitration Law. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association (中國仲裁協會) of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people’s court will refuse to handle the case, unless the arbitration agreement is null and void.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award made by the arbitration body shall be final and conclusive and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement. The people’s court shall enforce the arbitral award upon receipt of the application. A people’s court may refuse to enforce an arbitral award made by an arbitration tribunal after verification by collegial bench formed by the people’s court if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal or arbitration proceedings, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement).

A party seeking to enforce an arbitral award of PRC Arbitration Tribunal against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or participated in by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (承認及執行外國仲裁裁決公約, the “**New York Convention**”) adopted on 10 June 1958 pursuant to a resolution passed by the SCNPC on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognised and enforced by other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the State to which the arbitration for enforcement is made. At the time of the PRC’s accession to the New York Convention, the SCNPC declared that (i) the New York Convention will only be applied to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (ii) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

According to the Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排) promulgated by the Supreme People’s Court on 24 January 2000 and became effective on 1 February 2000, and the Supplementary Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排) (Articles 1 and 4 became effective on 27 November 2020, and Articles 2 and 3 became effective on 19 May 2021) promulgated on 26 November 2020, the courts of Hong Kong agree to enforce the awards made pursuant to the Arbitration Law by the arbitral authorities in the Mainland (the list to be supplied by the Legislative Affairs Office of the State Council (國務院法制辦公室) through the Hong Kong and Macao Affairs Office of the State Council (國務院港澳事務辦公室)) and the people’s courts of the Mainland agree to enforce the awards made in the Hong Kong pursuant to the Arbitration Ordinance of the Hong Kong. If the people’s courts of the Mainland find that the enforcement of awards made by the Hong Kong arbitral bodies in the Mainland will be against public interests of the Mainland, or the courts of Hong Kong decide that the enforcement of the arbitral awards in Hong Kong will be against public policies of Hong Kong, the awards may not be enforced.

Judicial judgement and enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) promulgated by the Supreme People’s Court on 3 July 2008 and implemented on 1 August 2008, in the case of final and enforceable judgement with payment requirement, made by the court of China and the court of Hong Kong in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the people’s court of China or the court of Hong Kong for recognition and enforcement of such judgement based on this arrangement. “Written jurisdiction agreement” refers to a written agreement between the parties concerned giving the exclusive jurisdiction of either the people’s court of China or the court of Hong Kong in order to resolve dispute relating to particular legal relation occurred or likely to occur. Therefore, the party concerned may apply to the court of China or the court of Hong Kong to recognise and enforce the final judgement made in China or Hong Kong that meet certain conditions of the aforementioned regulations. On 18 January 2019, the Supreme People’s Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the “**New Arrangement**”), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgements in wider range of civil and commercial matters between Hong Kong and the PRC. The New Arrangement discontinued the requirement for a written jurisdiction agreement for bilateral recognition and enforcement. The New Arrangement came into effect on 29 January 2024, after the promulgation of a judicial interpretation by the Supreme People’s Court and the completion of the relevant legislative procedures in Hong Kong. The New Arrangement supersedes the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administration Region Pursuant to Agreed Jurisdiction Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排).

Summary of material differences between Hong Kong and PRC company laws

The Hong Kong law applicable to a company incorporated in Hong Kong is based on the Companies Ordinance, and supplemented by common law and rules of equity that apply to Hong Kong. Our Company, which is a joint stock limited company established in the PRC and seek to list its shares on the Stock Exchange, is governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of the material differences between the Hong Kong company law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing under the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

Corporate existence

Under Hong Kong company law, a company with share capital is incorporated by the Registrar of Companies in Hong Kong, which issues a certificate of incorporation to the company upon its incorporation, and the company will acquire an independent corporate existence henceforth. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain certain pre-emptive provisions. A public company's articles of association do not contain such pre-emptive provisions.

Under the PRC Company Law, a joint stock limited company may be incorporated by promotion or public subscription.

Share capital

Under the Companies Ordinance, the concept of the nominal value (also known as par value) of shares of a Hong Kong company has been abolished, and the company has increased flexibility to alter its share capital by (i) increasing its share capital; (ii) capitalising its profits; (iii) allotting and issuing bonus shares with or without increasing its share capital; (iv) converting its shares into larger or smaller number of shares; and (v) cancelling its shares. The concept of authorised capital no longer applies to a Hong Kong company formed on or after 3 March 2014 as well. Hence, the directors of a Hong Kong company may, with the prior approval of the shareholders, if required, cause the company to issue new shares. The PRC Company Law does not provide for authorised share capital. And the registered capital is our share capital in issue. Any increase in our registered capital must be approved/filed by its shareholders' general meeting and the relevant PRC government and regulatory authorities (if applicable).

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Under the PRC Securities Law, the listing application shall comply with the requirements of the listing rules of the stock exchange. The Hong Kong law does not prescribe any minimum capital requirement for companies incorporated in Hong Kong.

Under the PRC Company Law, the shares may be subscribed for in the form of money or non-monetary assets (other than assets not entitled to be used as capital contributions under relevant laws or administrative regulations). For non-monetary assets to be used as capital contributions, appraisals must be carried out to ensure there is no over-valuation or under-valuation of the assets. There is no such restriction on a company incorporated in Hong Kong.

Restrictions on shareholding and transfer of shares

Generally, domestic shares, which are denominated and subscribed for in Renminbi, may only be subscribed for or traded by PRC investors, qualified overseas institutional investors or qualified overseas strategic investors as permitted by laws and regulations.

Overseas listed shares, which are denominated in Renminbi and subscribed for in a currency other than Renminbi, may only be subscribed for, and traded by, investors from Hong Kong, Macau and Taiwan or any country and territory outside the PRC, or qualified domestic institutional investors. If the H shares are eligible securities under the Southbound Trading Link, they may also be subscribed for and traded by PRC investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Under the PRC Company Law, a promoter of a joint stock limited company is not allowed to transfer the shares it holds for a period of one year after the date of establishment of the company. Shares in issue prior to a public offering of the company cannot be transferred within one year from the listing of the shares on a stock exchange. Shares in a joint stock limited liability company held by its directors, supervisors and senior management and transferred each year during their term of office shall not exceed 25% of the total shares held by them in that company, and the shares they held in that company cannot be transferred within one year from the listing of the shares, and also cannot be transferred within half a year after the said personnel has left office. The articles of association may set out other restrictive requirements on the transfer of a company's shares held by its directors, supervisors and senior management.

There are no restrictions on shareholdings and transfers of shares under Hong Kong law apart from (i) the restriction on the company to issue additional Shares within six months; and (ii) 12-month lockup on controlling shareholders' disposal of Shares, after [REDACTED].

Notice of shareholders' meetings

Under the PRC Company Law, notice of a shareholder's general meeting must be given not less than twenty (20) days before the meeting, whereas notice of an extraordinary general meeting must be given not less than fifteen (15) days before the meeting. If a company issues bearer shares, notice of a shareholder's general meeting must be given at least thirty (30) days prior to the meeting.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

For a company incorporated in Hong Kong with limited liability, the minimum period of notice of a general meeting is fourteen (14) days. Further, where a meeting involves consideration of a resolution requiring special notice, the company must also give its shareholders notice of the resolution fourteen (14) days before the meeting. The notice period for the annual shareholders' general meeting is twenty one (21) days.

Quorum for shareholders' meetings

The PRC Company Law does not specify any quorum requirement for a shareholders' general meeting.

Under Hong Kong law, the quorum for a shareholders' meeting is two members, unless the articles of association of a company specifies otherwise or the company has only one member, in which case the quorum is one.

Voting at shareholders' meetings

Under the PRC Company Law, the passing of any resolution requires more than one-half of the affirmative votes held by shareholders present in person or by proxy at a shareholders' meeting except in cases such as proposed amendments to the articles of association, increase or decrease of registered capital, merger, division, dissolution or transformation, which require two-thirds of the affirmative votes cast by shareholders present in person or by proxy at a shareholders' general meeting.

Under Hong Kong law, (i) an ordinary resolution is passed by a simple majority of affirmative votes cast by shareholders present in person, or by proxy, at a general meeting, and (ii) a special resolution is passed by not less than three-fourths of affirmative votes cast by shareholders present in person, or by proxy, at a general meeting.

Modification of class rights

The PRC Company Law makes no specific provision relating to modification of class rights. However, the PRC Company Law states that the State Council can promulgate requirements relating to other kinds of shares.

Under the Companies Ordinance, no rights attached to any class of shares can be varied except (i) with the passing of a special resolution by the shareholders of the relevant class at a separate meeting; (ii) with the written consent of shareholders representing at least three-fourths of the total voting rights of shareholders of the relevant class; or (iii) if there are provisions in the articles of association relating to the variation of those rights, then in accordance with those provisions.

Directors, senior management and supervisors

The PRC Company Law, unlike Hong Kong company law, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits to directors and indemnification in respect of directors' liability and prohibitions against compensation for loss of office without shareholders' approval.

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Under the PRC Company Law, a joint stock limited company’s directors and senior management are subject to the supervision of a supervisory committee. There is no mandatory requirement for the establishment of a supervisory committee for a company incorporated in Hong Kong.

Derivative action by minority shareholders

Under Hong Kong company law, a shareholder may, with the leave of the court, start a derivative action on behalf of a company for any misconduct committed by its directors against the company. For example, leave may be granted where the directors control a majority of votes at a general meeting, and could thereby prevent the company from suing the directors in its own name.

Pursuant to the PRC Company Law, in the event where the directors and senior management of a joint stock limited company violate fiduciary duties, the shareholders individually or jointly holding over 1% of the shares in the company for more than 180 consecutive days may request in writing the supervisory committee to initiate proceedings in the people’s court. In the event that the supervisory committee violates their fiduciary duties, the above said shareholders may send written request to the board of directors to initiate proceedings in the people’s court. Upon receipt of such written request from the shareholders, if the supervisory committee or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceedings may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company’s interests, have the right to initiate proceedings directly to the court in their own name.

Minority shareholder protection

Under the Hong Kong law, a shareholder who alleges that the affairs of a company incorporated in Hong Kong are conducted in a manner unfairly prejudicial to his interests may petition to the court to make an appropriate order to wind up the company or supervise the affairs of the company. In addition, on the application of a specified number of members, the Financial Secretary of Hong Kong may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated in Hong Kong.

The PRC Company Law provides that any shareholders holding 10% or above of voting rights of all issued shares of a company may request a people’s court to dissolve the company to the extent that the operations or management of the company experience(s) any serious difficulties and its continuous existence would cause serious losses to them, and no other alternatives can resolve such difficulties.

Financial disclosure

Under the PRC Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial report 20 days before its annual general meeting. In addition, a joint stock limited company of which the shares are publicly offered must publish its

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

financial report. The Companies Ordinance requires a company incorporated in Hong Kong to send to every shareholder a copy of its financial statements, auditors’ report and directors’ report, which are to be presented before the company in its annual general meeting, not less than twenty one (21) days before such meeting.

According to the PRC Company Law, a company shall prepare its financial accounting reports as at the end of each accounting year, and submit the same to accounting firms for auditing as required by law.

Information on directors and shareholders

The PRC Company Law gives shareholders the right to inspect the company’s articles of association, minutes of the general meetings and financial and accounting reports. Under the articles of association, shareholders have the right to inspect and copy (at reasonable charges) certain information on shareholders and on directors which is similar to the rights of shareholders of Hong Kong companies under the Companies Ordinance.

Receiving agent

Under the PRC Company Law and the Hong Kong law, dividends once declared will become debts payable to shareholders. The limitation period for debt recovery action under Hong Kong law is six years, while under the PRC Civil Code, the limitation period is three years.

Corporate reorganisation

Pursuant to the PRC Company Law, merger, division, dissolution or changes to the form of a joint stock limited liability company shall be approved by shareholders representing over two-thirds of voting rights at the general meeting.

Mandatory transfers

Under the PRC Company Law, a company is required to make transfers equivalent to certain prescribed percentages of its after tax profit to the statutory common reserve fund. There are no corresponding provisions under Hong Kong law.

Remedies of a company

Under the PRC Company Law, if a director, supervisor or the management in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or the management should be responsible to the company for such damages.

The Listing Rules require listed companies’ articles of association to provide for remedies of the company similar to those available under Hong Kong law (including rescission of the relevant contract and recovery of profits from a director, supervisor or senior management).

APPENDIX IV

**SUMMARY OF PRINCIPAL LEGAL AND
REGULATORY PROVISIONS**

Dividends

The company has the power in certain circumstances to withhold, and pay to the relevant tax authorities, any tax payable under PRC law on any dividends or other distributions payable to a shareholder.

Under the Hong Kong law, the limitation period for an action to recover a debt (including the recovery of declared dividends) is six years, whereas under PRC law, the relevant limitation period is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

Fiduciary duties

In Hong Kong, directors owe fiduciary duties to the company, including the duty not to act in conflict with the company’s interests. Furthermore, the Companies Ordinance has codified the directors’ statutory duty of care.

Closure of register of shareholders

The Companies Ordinance requires that the register of shareholders of a company must not generally be closed for the registration of transfers of shares for more than thirty (30) days (extendable to sixty (60) days in certain circumstances) in a year. As required by the PRC Company Law, the name and address of the transferee should be registered in the shareholders’ registers upon transfer of the bearer shares. No changes may be made to the aforesaid shareholders’ registers within twenty (20) days prior to a shareholders’ general meeting or five (5) days prior to the benchmark date set by the company for the purpose of distribution of dividends. But if it is otherwise prescribed in the laws with respect to the registration of change to the register of shareholders of listed companies, then the laws shall apply.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

This appendix contains the summary of the principal provisions of the Articles of Association adopted by our Company on 26 November 2025 and will become effective on the date that the H Shares are [REDACTED] on the Stock Exchange. The main purpose of this appendix is to provide an overview of our Company’s Articles of Association for potential investors, so it may not contain all the information that is important to potential investors.

1. DIRECTORS AND OUR BOARD

(1) Power to allot and issue shares

Subject to the requirements under the laws, regulations, and the listing rules of the stock exchange where our Company’s shares are listed, our Board may, within three years of the authorisation of the shareholders’ meeting and passed by more than two-thirds of all directors in the resolution of the board, decide to issue shares not exceeding 50% of the issued shares. However, the funding with non-monetary assets as consideration shall be resolved by the shareholders’ meeting.

If our Board decides to issue shares in accordance with the preceding provisions, resulting in changes to the registered capital or the number of issued shares of our Company, amendments to the relevant provisions of the Articles of Association do not need to be approved by the shareholders’ meeting again.

(2) Power to dispose of the assets of our Company or any subsidiary

Subject to the requirements under the relevant laws, administrative regulations, normative documents and the securities regulatory rules of the stock exchange where our Company’s shares are listed and the requirements under the Articles of Association, our Board has the right to establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset pledge, external guarantee, consigned financial management and connected transactions, and matters exceeding the decision-making authority of our Board must be reported to the shareholders’ meeting for approval. Our Board should organise relevant specialists or professional personnel to assess and examine any material investment projects.

(3) Compensation or payment for loss of office

The shareholders’ meeting may remove a director from office before the expiration of their term, and the removal shall take effect on the date of the resolution, provided that any claims for damages made by the director under any contract shall not be affected by this. If a director is dismissed before the expiration of his/her term without justifiable reasons, the director may demand compensation from our Company.

(4) Loans to Directors

There are no provisions in the Articles of Association relating to making loans to directors.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

(5) Financial assistance for the purchase of shares in our Company or any subsidiary

Our Company shall not provide gifts, loans, guarantees and other financial assistance for others to obtain shares of our Company or its parent company, unless our Company implements an employee stock ownership plan.

Subject to the provisions of laws, regulations and the securities regulatory rules of the place where our Company’s shares are [REDACTED], our Company may, for the benefit of our Company, provide financial assistance for others to acquire shares of our Company or its parent company upon a resolution of the shareholders’ meeting or a resolution of our Board in accordance with the Articles of Association or the authorisation of the shareholders’ meeting, provided that the aggregate amount of financial assistance shall not exceed 10% of the total issued share capital. Resolutions of our Board shall be passed by more than two-thirds of all the Directors.

In cases of a violation of the preceding two paragraphs that results in losses to the company, any directors, and senior management held responsible for the violation shall be liable for compensation.

(6) Disclosure of interests in contracts with our Company or any subsidiary

Directors who enter into contracts or transactions with our Company directly or indirectly shall report to our Board or the shareholders’ meeting on matters relating to the conclusion of contracts or transactions, and such matters shall be approved by the resolutions of our Board or the shareholders’ meeting in accordance with the laws, regulations, the securities regulatory rules of the place where our Company’s shares are [REDACTED] and the provisions of the Articles of Association.

The aforesaid provisions shall be applicable to the close family members of the Directors, the enterprises directly or indirectly controlled by the Directors or their close family members, and the related persons who have other related relationships with the Directors when they enter into contracts or conduct transactions with our Company.

(7) Remuneration

The appointment and removal of members of our Board and their remuneration and payment methods shall be passed by an ordinary resolution of the shareholders’ meeting.

(8) Resignation, appointment and removal

Our Company has established a Board which is responsible for the shareholders’ meeting. Our Board consists of 8 Directors, of which 3 are independent non-executive Directors. The members of our Board are elected by the shareholders’ meeting in accordance with the law.

Directors are elected or replaced by the shareholders’ meeting and may be removed from office by the shareholders’ meeting before the expiration of the term of office. Directors are appointed for a term of three years, subject to re-election upon expiry of the term. Our Board shall have one chairman, who shall be elected by more than half of all the directors of our Board.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

The term of office of a director shall commence on the date of taking office and end on the expiration of the term of the current session of our Board. If a director is not re-elected in a timely manner upon the expiration of his/her term of office, the original Director shall perform his/her duties as a director in accordance with the provisions of the laws, administrative regulations, departmental rules and the Articles of Association before the re-elected Director takes office.

Director may be concurrently held by the general manager or other senior management personnel, but the total number of directors who concurrently hold the position of general manager or other senior management personnel, as well as directors held by employee representatives, shall not exceed half of the total number of directors of our Company.

The director of our Company is a natural person. No one shall be a director of our Company if subject to any of the following circumstances:

- (a) being without civil capacity or having limited civil capacity;
- (b) having been penalised or sentenced due to an offence of corruption, bribery, encroachment on property, misappropriation of property or disruption of the socialist market economy, or having been deprived of political rights due to the committing of any crime, five years not having elapsed since the completion of the relevant penalty, sentence or deprivation, and less than two years having elapsed since the date of the completion of the probation period if probation is announced;
- (c) having been a former director, factory director or manager of a company or enterprise which had been bankrupt and liquidated whereby such person was personally liable for the bankruptcy of such company or enterprise, and three years not having elapsed since the date of completion of the liquidation of the company or enterprise;
- (d) having been the legal representative of a company or enterprise which business licence was revoked and which business was compulsorily closed down due to violation of laws whereby such person was personally liable, and three years not having elapsed since the date of revocation of the business licence or order to close down of the company or enterprise;
- (e) being listed as a defaulter by a people’s court as a debtor for personally liable for a relatively large debt which has not been paid as it fell due;
- (f) being prohibited from entering the securities market by the China Securities Regulatory Commission and its dispatched agencies or identified as an inappropriate candidate, and the period has not expired;
- (g) other contents as required by laws, administrative regulations, departmental rules or securities regulatory rules of the place where our Company’s shares are listed.

If a director is elected and appointed in violation of the provisions of the preceding paragraph, such election, appointment or employment shall be invalid. A director shall be relieved of his/her duties in the event that any of the preceding circumstances arises during his/her term of office.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

(9) Borrowing power

Our Board shall have the power to formulate plans for the issuance of bonds or other securities and [REDACTED] plans of our Company.

2. ALTERATIONS TO CONSTITUTIONAL DOCUMENTS

Under any of the following circumstances, our Company shall amend its Articles of Association:

- (1) after the amendments to the PRC Company Law or relevant laws, administrative regulations and securities regulatory rules of the place where the shares of our Company are [REDACTED], the matters stipulated in the Articles of Association conflict with the provisions of the amended laws and administrative regulations and securities regulatory rules of the place where the shares of our Company are [REDACTED];
- (2) there is a change in our Company’s circumstances which is inconsistent with the matters recorded in the Articles of Association;
- (3) the shareholders’ meeting decides to amend the Articles of Association.

If the amendments to the Articles of Association passed by the resolution of the shareholders’ meeting should be reviewed and approved by the competent authority, they must be submitted to the competent authority for approval; if it involves company registration matters, the change registration must be carried out in accordance with the law.

3. VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

There is no provision in the Articles of Association for the alteration of rights in existing shares or classes of shares.

4. SPECIAL RESOLUTIONS REQUIRING AN ABSOLUTE MAJORITY OF VOTES

Resolutions of the shareholders’ meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders’ meeting shall require the affirmative votes of more than half of the shareholders (including their proxies) present at the meeting.

A special resolution of the shareholders’ meeting shall require the affirmative votes of not less than two-thirds of the shareholders (including their proxies) present at the meeting.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

The following matters shall be passed by an ordinary resolution of the shareholders' meeting:

- (1) our Company's business plans and investment plans;
- (2) work reports of our Board;
- (3) profit distribution plan and loss recovery plan formulated by our Board;
- (4) the appointment and removal of members of our Board, and the determination of the remuneration and payment methods of the members of our Board;
- (5) our Company's annual financial budget plans and final account plans;
- (6) our Company's annual report;
- (7) other matters other than laws, administrative regulations, securities regulatory rules of the place where our Company's shares are [REDACTED] or the Articles of Association shall be passed by special resolutions.

The following matters shall be passed by a special resolution of the shareholders' meeting:

- (1) increase or decrease of the registered capital of our Company;
- (2) division, spin-off, merger, dissolution and liquidation or change of corporate form of our Company;
- (3) amendments to the Articles of Association;
- (4) the amount of purchase or sale of material assets or guarantees provided to others by our Company within one year exceeds 30% of our Company's total audited assets in the latest period;
- (5) share incentive plan;
- (6) application for the termination of listing of shares or withdrawal of the application for termination of listing;
- (7) issuance and listing of shares or non-public issuance of shares;
- (8) amendment to the differential voting rights arrangement;
- (9) other matters that are required by laws, administrative regulations, securities regulatory rules of the place where our Company's shares are [REDACTED] or the Articles of Association of our Company, and that are determined to have a significant impact on our Company through ordinary resolutions at the shareholders' meeting and require the adoption of special resolutions.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

5. VOTING RIGHTS (GENERAL RULES OF VOTING)

Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, and each share shall be entitled to one vote, unless otherwise provided by laws, administrative regulations, departmental rules, normative documents and the securities regulatory rules of the place where our Company’s shares are [REDACTED].

Shareholders present at the shareholders’ meeting, except for those who should avoid voting, shall express one of the following opinions on the proposal submitted for voting: for, against or abstain. The securities registrar and clearing institution are the nominee holder of the shares under stock connect mechanism between the mainland and Hong Kong stock markets, except for declarations made in accordance with the actual holder’s intention.

Where there are ballots on which the words are not filled in, wrongly filled in or unintelligible or the ballots that are not voted, the voters shall be regarded as having relinquished their voting rights and the voting results of their shares shall be regarded as “abstain”.

Pursuant to applicable laws, administrative regulations, departmental rules, regulatory documents and Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, if any shareholder is not allowed to exercise voting rights in respect of part of his/her shares or is required to abstain from voting on any matter to be resolved or is restricted from voting in favour or against, any votes cast by shareholders (or their proxies) that violate relevant regulations or restrictions will not be counted in the voting results.

6. REQUIREMENTS FOR ANNUAL MEETING

Shareholders’ meetings are divided into annual meetings and extraordinary meetings. The annual meeting shall be convened once every fiscal year and shall be held within six months after the end of the previous fiscal year.

7. ACCOUNT AND AUDIT

(1) Financial and accounting policies

Our Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions of the relevant state departments.

Our Board of directors of our Company shall, at each annual shareholders’ meeting, submit to the shareholders the financial reports prepared by our Company as required by the relevant laws, administrative regulations, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the regulatory documents promulgated by the local government and the competent authorities.

Our Company will not maintain separate accounting books other than statutory accounting books. Our Company’s assets shall not be deposited in an account opened in the name of any individual.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

(2) Appointment and dismissal of accountants

Our Company engages an accounting firm that complies with the PRC Securities Law to conduct auditing of accounting statements, verification of net assets and other relevant consulting services. The term of employment is one year and subject to renewal.

The appointment of the accounting firm shall be determined by the shareholders’ meeting, and our Board shall not appoint the accounting firm prior to the decision of the shareholders’ meeting.

Our Company undertakes to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the accounting firm engaged, and shall not refuse, conceal or misrepresent.

When our Company dismisses or ceases to re-appoint the accounting firm, it shall notify the accounting firm at least 30 days before our Company holds the shareholders’ meeting on such matters. When the shareholders’ meeting of our Company votes on the dismissal of the accounting firm, the accounting firm is allowed to state its opinion. If the accounting firm resigns, it shall explain to the shareholders’ meeting whether there is any impropriety in our Company.

8. NOTICE AND AGENDA OF SHAREHOLDERS’ MEETING

(1) General provisions of general meetings

Our Company shall convene an extraordinary meeting within 2 months after the occurrence of the following circumstances:

- (1) the number of directors is less than the number specified in the PRC Company Law or less than two-thirds of the number required in the Articles of Association;
- (2) the uncovered losses of our Company reach one-third of its total share capital;
- (3) upon request from shareholders individually or collectively holding more than 10% of our Company’s shares;
- (4) when our Board deems it necessary;
- (5) when the Audit Committee proposes to convene;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

If the extraordinary meeting is convened in accordance with the requirements of securities regulatory rules of the place where our Company’s shares are [REDACTED], the actual date of the extraordinary meeting may be adjusted in accordance with the requirements of the relevant rules of the stock exchange where our Company’s shares are [REDACTED] (if applicable).

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

(2) Convening of general meetings

Shareholders’ meetings shall be convened by our Board, unless otherwise stipulated by laws and regulations or the Articles of Association.

The independent non-executive Directors (Same as the independent directors referred to in the Governance Rules for Listed Companies under the National Equities Exchange and Quotations System for Small and Medium sized Enterprises) have the right to propose to our Board to convene an extraordinary meeting. For the proposal of an independent non-executive director to convene an extraordinary meeting, our Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where our Company’s shares are [REDACTED] and the Articles of Association, provide written feedback on whether it agrees or disagrees with convening an extraordinary meeting within 10 days after receiving the proposal. If our Board agrees to convene an extraordinary meeting, a notice of convening the shareholders’ meeting shall be issued within 5 days after the resolution of our Board is made. If our Board does not agree to convene an extraordinary meeting, it shall state the reasons and make an announcement.

The Audit Committee shall have the right to propose to our Board to convene an extraordinary meeting, and shall submit the written proposal to our Board. Our Board shall, in accordance with the laws, administrative regulations, the securities regulatory rules of the place where our Company’s shares are [REDACTED], and the Articles of Association, provide written feedback on whether it agrees or disagrees with convening an extraordinary meeting within 10 days after receiving the proposal. If our Board agrees to convene an extraordinary meeting, a notice of convening the shareholders’ meeting shall be issued within 5 days after the resolution of our Board is made. Any changes to the original proposal in the notice must be approved by the Audit Committee. If our Board does not agree to convene an extraordinary meeting, or fails to provide feedback within 10 days after receiving the proposal, our Board shall be deemed to be unable or fail to perform its duties of convening the shareholders’ meeting, and the Audit Committee may convene and preside over the meeting by itself.

If our Board of Directors is unable or fails to fulfil its duty of convening a shareholders’ meeting, the Audit Committee shall convene and preside over it in a timely manner. If the Audit Committee does not convene and preside over the meeting, shareholders who individually or collectively hold more than 10% of our Company’s shares for more than 90 consecutive days may convene and preside over the meeting on their own. If shareholders who individually or collectively hold more than 10% of our Company’s shares request to convene an extraordinary shareholders’ meeting, our Board of Directors and the Audit Committee shall make a decision on whether to convene an extraordinary shareholders’ meeting within ten days from the date of receiving the request, and provide a written reply to the shareholders. If there are other provisions in laws, regulations, rules, and the relevant rules of the securities regulatory authority in the place where our Company’s share are [REDACTED], such provisions shall prevail. If the Audit Committee or shareholder(s) decide to convene a shareholders’ meeting on their own, they must notify our Board of Directors in writing and issue the notification about convening a shareholders’ meeting. If shareholders convene a shareholders’ meeting on their own, the shareholding ratio of the shareholders who convene the meeting shall not be less than 10% from the date of convening the meeting until the announcement of the resolution.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

(3) Proposals at general meetings

Our Board, the Audit Committee and Shareholders who individually or collectively hold more than 1% of the shares of our Company are entitled to submit proposals to our Company when our Company convenes a shareholders’ meeting.

Shareholders who individually or collectively hold more than 1% of the shares of our Company may submit an interim proposal in writing to the convener 10 days prior to the convening of the shareholders’ meeting. Interim proposals should have clear topics and specific resolution matters. The convener shall issue a supplemental notice of the shareholders’ meeting within 2 days after receiving the proposal and announce the contents of the interim proposal, except for interim proposals that violate laws, administrative regulations, or the provisions of this Articles of Association, or not within the scope of the powers of the shareholders’ meeting.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not amend the proposals specified in the notice of the shareholders’ meeting or add new proposals after the announcement of the notice of the shareholders’ meeting.

In respect of the issuance of the supplementary notice of the shareholders’ meeting, if there are special provisions in the securities regulatory rules of the place where our Company’s shares are [REDACTED], it shall not violate the PRC Company Law, the PRC Securities Law, the Trial Administrative Measures of Overseas securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Trial Measures”) and other applicable PRC laws and regulations, the provisions thereof shall be followed. In accordance with the provisions of securities regulatory rules of the place where our Company’s shares are [REDACTED], if the shareholders’ meeting is postponed due to the issuance of a supplementary notice of the shareholders’ meeting, the convening of the shareholders’ meeting shall be postponed in accordance with the provisions of securities regulatory rules of the place where our Company’s shares are [REDACTED].

The shareholders’ meeting shall not vote and make resolutions on proposals not specified in the notice of the shareholders’ meeting or which do not comply with the provisions of the Articles of Association.

The convener shall notify the shareholders by way of announcement 21 days prior to the convening of the annual meeting, and 15 days prior to the convening of the extraordinary meeting, unless all shareholders agree that the notice of the meeting may not be subject to the notice period or the notice system.

9. TRANSFER OF SHARES

Shares already issued by our Company before [REDACTED] shall not be transferred within one year after the shares of our Company are [REDACTED] on the stock exchange.

The directors, and senior management of our Company shall report to our Company their shareholdings and changes thereof and shall not transfer more than 25% of their shares per annum during their determined terms of office; the shares they hold in our Company shall not be transferred within one year after the shares of our Company are [REDACTED]. The aforesaid persons shall not transfer their shares in our Company within half a year after they terminate service with our Company.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

In addition to the transfer restrictions and requirements stipulated in the Articles of Association, if there are other restrictions or requirements specified by laws and regulations such as the PRC Company Law, the PRC Securities Law, the Trial Measures, the Stock Exchange, and regulatory rules of the CSRC and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, shareholders or individuals holding the shares or other equity-like securities of our Company must also comply with these restrictions and requirements.

10. POWER OF OUR COMPANY TO PURCHASE ITS OWN SHARES

Our Company shall not repurchase its shares, except in the one of the following circumstances:

- (1) decreasing the registered capital of our Company;
- (2) merging with other companies holding shares of our Company;
- (3) using shares for the employee share ownership scheme or for share incentive;
- (4) as required by shareholders objecting to resolutions of the shareholders’ meeting concerning merger or division of our Company to buy their shares;
- (5) using the shares in the conversion of the convertible corporate bonds issued by our Company;
- (6) necessary for our Company to protect its value and the shareholders’ equity;
- (7) other circumstances permitted by laws, administrative regulations, securities regulatory rules of the stock exchange where our Company’s shares are [REDACTED], etc.

Our Company may repurchase its shares through trading in a public and centralised manner or other methods permitted by laws, administrative regulations, Stock Exchange Listing Rules, and other means recognised by the CSRC and the securities exchange and the securities regulatory authorities where our Company’s shares are [REDACTED]. Where our Company acquires its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, it shall be conducted through trading in a public and centralised manner.

Where our Company repurchases its shares under the circumstances set out in items (1) and (2) of the preceding paragraph, it shall be subject to the resolution of the shareholders’ meeting of our Company; where our Company acquires its shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, it shall be subject to the resolution of our Board meeting attended by not less than two-thirds (2/3) of the directors in accordance with the provisions of the Articles of Association or the authorisation of the shareholders’ meeting. If the securities regulatory authorities where our Company’s shares are [REDACTED] provide otherwise, such rules shall prevail, provided that they do not violate the PRC Company Law, the PRC Securities Law and the Trial Measures.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

The shares acquired by our Company shall be processed in the following ways: for the circumstance in item (1), such shares shall be cancelled in 10 days after the purchase date; for the circumstance in items (2) or (4), such shares shall be transferred or cancelled in 6 months; for the circumstance in items (3), (5) or (6), the total number of shares held by our Company shall not exceed 10% of the total issued shares of our Company, and such shares shall be transferred or cancelled in three years. If the securities regulatory authorities where our Company’s shares are [REDACTED] provide otherwise, such rules shall prevail, provided that they do not violate the PRC Company Law, the PRC Securities Law and the Trial Measures.

11. POWER OF ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN OUR COMPANY

There are no provisions in the Articles of Associations relating to ownership of shares in the parent company by a subsidiary of our Company.

12. DIVIDENDS AND OTHER MEANS OF DISTRIBUTIONS

Basic principles of our Company’s profit distribution policy:

Our Company implements a dividend distribution policy of equal shares and benefits, and shareholders receive dividends and other forms of profit distribution based on their respective shares. Our Company implements an active profit distribution policy, attaches importance to reasonable investment returns for investors, and maintains continuity and stability. Our Company may distribute profits through cash or stocks, and the distribution of profits shall not exceed the scope of cumulative distributable profits and shall not harm our Company’s ability to continue operating. The decision-making and argumentation process of our Company’s Board of Directors, the Audit Committee, and shareholders’ meeting on profit distribution policies should fully consider the opinions of independent non-executive directors, and public investors.

The overall form of profit distribution for our Company:

Our Company distributes dividends through cash, stocks, or a combination of both. If our Company has the conditions for cash dividends, it may consider prioritising cash dividends for profit distribution. If conditions permit, our Company can make mid-term profit distribution. Our Company shall pay cash dividends and other payments to shareholders of unlisted shares within the territory of the PRC in RMB. Our Company pays cash dividends and other payments to H-share shareholders, denominated and declared in RMB, and paid in foreign currency or RMB. The foreign currency required for our Company to pay cash dividends and other payments to H-share shareholders shall be handled in accordance with relevant PRC foreign exchange management regulations.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

The specific conditions and proportions for our Company’s cash dividends:

If our Company achieves profitability in the current year and has distributable profits after offsetting losses in accordance with the law, withdrawing statutory reserves, and surplus reserves, our Company may consider cash dividends.

The specific conditions for our Company to distribute stock dividends:

When our Company is operating well and our Board of Directors believes that the size of our Company’s share capital matches our Company’s operating scale and industry reputation, and that distributing stock dividends is beneficial to the overall interests of all shareholders, a stock dividend distribution plan can be proposed after meeting the conditions of the above cash dividends.

Procedures for considering our Company’s profit distribution plan:

- (1) our Company’s profit distribution plan is drafted by the management and submitted to our Board of our Company for consideration. Our Board will fully discuss the reasonableness of the profit distribution plan and form a special resolution, which will then be submitted to the shareholders’ meeting for consideration. When the shareholders’ meeting reviews the profit distribution plan, our Company may communicate and exchange views with minority shareholders via telephone, fax, or email to hear their opinions and demands;
- (2) our Company’s decision-making procedures for adjusting or changing the profit distribution policy specified in the Articles of Association: Based on our Company’s production and business conditions, investment plans, long-term development needs, and the external business environment, if it is necessary to adjust the profit distribution policy, it should start with protecting shareholders’ rights and interests. The adjusted profit distribution policy must not violate the requirements under the relevant laws and regulations. Our Board will fully discuss the reasonableness of the adjustment or change of the profit distribution plan and form a special resolution, which will then be submitted to the shareholders’ meeting for consideration. The adjusted profit distribution plan is subject to the special resolution of shareholders’ meeting with more than two-thirds of the voting rights held by the shareholders present.

13. PROXIES

All shareholders registered on the record date or their proxies shall have the right to attend a meeting and exercise their voting rights in accordance with relevant laws and regulations, the Stock Exchange Listing Rules and the Articles of Association.

Shareholders may attend meetings in person or, appoint a proxy (the individual may not necessarily be a shareholder of our Company) to attend and vote at the meeting on their behalf, subject to the securities regulatory rules of the stock exchange where our Company’s Shares are [REDACTED]. If a shareholder appoints a proxy to attend shareholders’ meeting of our Company, the matters, authority, and deadline of the proxy shall be clearly defined.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

Natural person shareholder attending the meeting in person shall present his/her identification card, effective certificate/proof of his/her identification and certificate of shareholding. When a proxy attends the meeting in place of the shareholder, he/she shall present his/her valid identification card, written proxy or authorisation letter issued by the individual shareholder, and certificate of shareholding of the proxy.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend a meeting. In case of attendance by legal representatives, they shall present their identity cards and valid proof of their capacities as legal representatives and certificate of shareholding and, in the case of attendance by proxies of such legal representatives, such proxies shall present their identity cards, a written authorisation letter issued by the legal representative of the legal entity shareholder, in accordance with the law, and share certificates of the proxy.

Where a shareholder is a non-corporate entity, its responsible person or a proxy entrusted by such responsible person shall attend a meeting. In case of attendance by responsible person of entity, they shall present their identity cards and valid proof of their capacities as responsible person and share certificates and, in the case of attendance by proxies of entity, such proxies shall present their identity cards, documents proving that he/she is appointed by the shareholder of a non-corporate entity and share certificates of the proxy.

If the shareholder is an authorised clearing house (hereinafter referred to as the “Authorised Clearing House”) defined under the relevant ordinance in force from time to time under Hong Kong law or the securities regulatory rules of the stock exchange where our Company’s shares are [REDACTED] or its agent, such a shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy in the shareholders’ meeting or creditors meeting. If one or more persons are appointed as proxies, the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The proxies so appointed may represent the Authorised Clearing House (or its agent) in exercising its rights (including right to speak and voting right) (without being required to present share certificate, certified statement of proxy and/or further evidence of due authorisation) as if that proxy is an individual shareholder of our Company.

The proxy form shall specify whether the proxy may vote at will when the shareholder gives no instruction.

If the proxy voting authorisation letter is signed by other person authorised by the appointing shareholder, such proxy voting authorisation letter or other authorisation documents shall be notarised to be effective. The notarised proxy voting authorisation letter or other authorisation documents, together with the proxy form, shall be deposited in our Company domicile or other place specified in the notice of meeting. If the principal is a legal person, its legal representative or the person authorised by a resolution of our Board or other decision-making body shall attend the shareholders’ meeting of our Company as the representative of such legal person.

14. CALLS ON SHARES AND FORFEITURE OF SHARES

The Articles of Association do not contain provisions regarding calls on shares and forfeiture of shares.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

15. INSPECTION OF REGISTER OF MEMBERS

Our Company shall maintain a register of members based on the evidence provided by the securities registration agency. The register of members is sufficient evidence of the shareholders' shareholdings in our Company unless there is evidence to the contrary. The register of members is managed by our Board of Directors. The shareholders enjoy rights and assume obligations as per the shares they hold; the same class of shares represents the same rights and the same obligations. The original part of the register of members of shareholders holding shares listed on the Stock Exchange should be kept in Hong Kong and be available for inspection by shareholders. However, our Company may close the registration of shareholders in accordance with provisions equivalent to Section 632 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

If the applicable laws, administrative regulations, departmental rules, normative documents, and the securities regulatory rules of the stock exchange where our Company's Shares are [REDACTED] have special provisions regarding the close of changes to the register of members, those provisions shall prevail.

When our Company convenes a meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the convener of our Board or shareholders' meeting shall decide the shareholders entitled to enjoy the relevant rights. The shareholders whose names appear on the register of shareholders at the close of trading on the record date are entitled to the relevant rights.

16. QUORUM FOR SHAREHOLDERS' MEETINGS AND SEPARATE CLASS MEETINGS

The Articles of Association do not contain provisions regarding the quorum for shareholders' meetings and class shareholders' meetings.

17. RIGHTS OF MINORITIES IN RELATION TO FRAUD OR OPPRESSION

If a director, or senior management violates the provisions of laws, administrative regulations, or the Articles of Association while performing their duties, causing losses to our Company, they shall be liable for compensation.

If directors or senior management personnel fall under the aforementioned circumstances, shareholder(s) individually or jointly holding 1% or more shares of our Company for consecutively one hundred and eighty (180) days or longer may request the Audit Committee in writing to institute legal proceedings to the people's court. If the Audit Committee falls under the aforementioned circumstances, the aforementioned shareholders may request in writing that the board of directors file a lawsuit with the people's court.

Such foregoing shareholder(s) may directly institute legal proceedings to the people's court in its own name, in the interests of our Company, if the Audit Committee or our Board of Directors refuses to institute legal proceedings to the people's court after receipt of the foregoing shareholder's written request, or fails to institute legal proceedings within thirty (30) days after receipt of the written request, or in emergency when such failure to institute legal proceedings may cause irrecoverable damage to the interest of our Company.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

If any person infringes on the lawful interests of our Company, causing loss to our Company, such foregoing shareholder(s) may institute legal proceedings to the people’s court under the preceding paragraphs of this article.

If the directors, supervisors (if any), or senior management personnel of a wholly-owned subsidiary of our Company fall under the circumstances stipulated in the preceding article, or if others infringe upon the legitimate rights and interests of the wholly-owned subsidiary of our Company and cause losses, shareholders who individually or collectively hold more than 1% of our Company’s shares for more than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs, request in writing that the supervisory board/Audit Committee or our Board of Directors of the wholly-owned subsidiary file a lawsuit with the people’s court or directly file a lawsuit in their own name with the people’s court.

If any director or senior management violates the laws, administrative regulations or the Articles of Association and damages the interests of shareholders, the shareholders may institute legal proceedings to the people’s court.

A shareholder who abuses its rights and causes any loss to our Company or other shareholders shall be liable for compensation. A shareholder who abuses the legal personality of our Company and the limited liability of shareholders to evade debts and severely harm the interest of creditors of our Company shall be jointly and individually liable for the debts of our Company.

The controlling shareholder, actual controller, directors, and senior management of our Company shall not use the connected relations to prejudice the interest of our Company; otherwise, it shall be liable for compensation for the loss suffered by our Company. If the controlling shareholder or actual controller violates relevant laws, regulations, and the provisions of this Articles of Association, causing losses to our Company and other shareholders, they shall be liable for compensation.

The controlling shareholder or actual controller of our Company shall owe fiduciary duties towards our Company and other shareholders. The controlling shareholder shall strictly exercise its rights as a capital contributor, and shall not prejudice the lawful interest of our Company or the other shareholders by means of profit distribution, asset restructuring, foreign investment, capital occupation, borrowing guarantee or others, and shall not abuse its controlling position against the interest of our Company and other shareholders.

18. LIQUIDATION PROCEDURES

Our Company shall be dissolved upon the occurrence of any of the following events:

- (1) expiry of the term of business provided in the Articles of Association or other reasons for dissolution as specified in the Articles of Association;
- (2) a resolution on dissolution is passed by the shareholders’ meeting;
- (3) dissolution is required due to the merger or division of our Company;

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (4) our Company’s business license is revoked, or our Company is ordered to close down or to be cancelled in accordance with laws;
- (5) where our Company gets into serious trouble in operation and management and its continuation may cause substantial loss in shareholders’ interests, and no solution can be found through any other channel, shareholders representing 10% or above of the total voting rights of our Company may request the people’s court to dissolve our Company.

If our Company falls under the circumstances described in items (1) and (2) above and has not yet distributed property to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the shareholders’ meeting. Amendments to the Articles of Association or resolutions of the shareholders’ meeting as described above must be approved by not less than two-thirds of the voting rights held by the shareholders present at the meeting.

If our Company dissolves under the requirements of items (1), (2), (4), and (5) above, it must be liquidated. The directors are the liquidation obligators of our Company and must form a liquidation committee within 15 days of the occurrence of the dissolution event. The liquidation committee shall be composed of directors unless otherwise provided in the Articles of Association or resolved by the shareholders’ meeting. If the liquidation obligator fail to fulfil the liquidation obligation in a timely manner and causes losses to our Company or creditors, he/she shall bear the liability for compensation. If our Company is required to be liquidated according to the above provisions and fails to form a liquidation committee within the specified time or fails to liquidate after forming a liquidation committee, interested parties may apply to the people’s court to appoint relevant personnel to form a liquidation committee to carry out the liquidation. If our Company dissolves under the requirements of item (4) above, the department or company registration authority that makes the decision to revoke its business license, order closure or revocation may apply to the people’s court to designate relevant personnel to form a liquidation team for liquidation.

The liquidation committee shall, within 10 days of its establishment, send notices to creditors and shall, within 60 days of its establishment, publish a public announcement in a newspaper or National Enterprise Credit Information Publicity System. Creditors should, within 30 days upon receipt of the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation committee. When declaring claims, creditors shall state relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims. The liquidation committee shall not make repayment to creditors during the claims declaration period.

After checking our Company’s assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan for confirmation by shareholders’ meetings or the people’s court. The remaining properties of our Company, after payment of liquidation expenses, wages, social insurance contribution and statutory compensation of staff, and taxes and debts of our Company, shall be distributed in proportion to the shareholdings of shareholders. During the liquidation period, our Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of our Company shall not be distributed to shareholders before the settlement of debts in accordance with the preceding article.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

If the liquidation committee, after checking our Company’s assets and preparing a balance sheet and an inventory of assets, discovers that our Company’s assets are insufficient to settle its debts, it shall immediately apply to the people’s court for bankruptcy liquidation. After the people’s court accepts the bankruptcy application, the liquidation committee should transfer the liquidation affairs to the bankruptcy administrator designated by the people’s court.

Upon completion of liquidation of our Company, the liquidation committee shall prepare a liquidation report and submit to shareholders’ meeting or the people’s court for confirmation, and submit the same to the company registration authority, apply for de-registration of our Company.

19. OTHER IMPORTANT PROVISIONS OF OUR COMPANY OR SHAREHOLDERS

(1) General provisions

Our Company is a joint stock company with limited liability with no definite term of existence.

All of the assets of our Company shall be divided into shares of equal values. Each shareholder shall be liable to the extent of the shares [REDACTED]. Our Company is liable for its debts to the extent of all of its assets.

As at the effective date of these Articles of Association, these Articles of Association shall be a legally binding document which regulates our Company’s organisation and acts, governs the rights and obligations between our Company and the shareholders, and amongst the shareholders themselves, and shall constitute a legally binding document governing on our Company, its shareholders, directors, senior management. Pursuant to these Articles of Association, a shareholder may take action against the other shareholders, our Company’s directors, and senior management and our Company under certain circumstances. Our Company may take action against its shareholders, directors and senior management under certain circumstances.

(2) Capital increase and capital reduction

Subject to approval of the shareholders’ meeting, our Company may, based on its requirements for operation and development and in accordance with the applicable laws and regulations and the securities regulatory rules of the stock exchange where our Company’s shares are [REDACTED], increase its registered capital by way of:

- (a) public offering of shares;
- (b) non-public offering of shares;
- (c) offer of bonus shares to existing shareholders;
- (d) capitalisation of surplus reserve into share capital;
- (e) by other means stipulated by laws, administrative regulations or approved by the CSRC.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

Our Company may reduce its registered capital. The reduction of registered capital of our Company shall be made in accordance with the PRC Company Law, the Stock Exchange Listing Rules and other relevant requirements as well as procedures stipulated in these Articles of Association. Subject to any law or administrative regulation or any decision of the State Council, the registered capital of our Company after capital reduction shall not be lower than the statutory minimum limit.

(3) Shareholders

The shareholders of our Company shall be entitled to the following rights:

- (a) to receive dividends and other distributions in proportion to the shares they hold;
- (b) to lawfully request, convene, preside over, and attend shareholders' meetings either in person or by proxy and exercise the corresponding right to speak and voting right (except in cases where voting rights must be waived on specific matters according to the requirements under laws and regulations and the securities regulatory rules of the stock exchange where our Company's shares are listed);
- (c) to supervise, raise suggestions on or make inquiries about the operations of our Company;
- (d) to transfer, gift or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;
- (e) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of board of directors meetings, resolutions of supervisory committee meetings, and financial accounting reports;
- (f) to participate in the distribution of the remaining properties of our Company as per their proportion of shares in the event of the termination or liquidation of our Company;
- (g) to require our Company to buy the shares they held in the event of objection to resolutions of the shareholders' meeting concerning merger or division of our Company;
- (h) other rights stipulated by laws, administrative regulations, departmental rules, the Article of Association and the securities regulatory rules of the stock exchange where our Company's shares are [REDACTED].

The shareholders of our Company shall assume the following obligations:

- (a) to abide by laws, administrative regulations and these Articles of Association;
- (b) to pay capital contribution as per the shares subscribed and the method of subscription;
- (c) not to exit shares unless in the circumstances stipulated by laws and regulations;
- (d) not to abuse shareholder's right to damage the interests of our Company or other shareholders;

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (e) not to abuse the independent status of our Company as a legal person and the limited liability of shareholders to harm the interests of our Company’s creditors;
- (f) other obligations shall be assumed under laws, administrative regulations and these Articles of Association.

(4) Our Board

Our Board shall exercise the following functions and powers:

- (a) to convene the shareholders’ meetings and report to the shareholders’ meetings;
- (b) to execute resolutions of the shareholders’ meetings;
- (c) to resolve on our Company’s business plans and investment plans;
- (d) to prepare our Company’s annual financial budget plans and final account plans;
- (e) to prepare the profit distribution plan and loss makeup plan of our Company;
- (f) to prepare plans for the increase or decrease of the registered capital of our Company, the issuance of bonds or other securities and the listing;
- (g) to formulate plans for material acquisitions, purchase of shares of our Company, merger, division, dissolution and liquidation, or transformation of our Company;
- (h) to resolve on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted financial management, connected transactions, external donation etc. of our Company within the authority granted by the shareholders’ meeting;
- (i) to resolve on the establishment of internal management organisations of our Company;
- (j) to decide on appointing or dismissing our Company’s general manager, secretary to our Board; and to determine their remunerations and rewards and penalties; to appoint or dismiss our Company’s vice general manager, chief financial officer and other senior management as nominated by the general manager; and to determine their remunerations and rewards and penalties;
- (k) to set up the basic management system of our Company;
- (l) to formulate the proposals for any amendment to the Articles of Association;
- (m) to manage the disclosure of information by our Company;

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (n) to propose to the shareholders’ meetings the appointment or change of the accounting firm acting as the auditors of our Company;
- (o) to listen to the work report of the general manager of our Company and examine the general manager’s work;
- (p) to discuss and assess whether the corporate governance mechanism affords appropriate protection and equal rights to all shareholders, and whether the corporate governance structure is reasonable and effective;
- (q) requirements under or grant by laws, administrative regulations, departmental rules or securities regulatory rules of the place where our Company’s shares are [REDACTED], the Article of Association or other authorisations granted by the shareholders’ meeting.

A Board meeting shall be attended by more than one-half of the directors. Resolutions made by our Board must be passed, depending on matters to be resolved, by more than half or two-thirds of all directors.

Matters exceeding the scope authorised by the shareholders’ meeting should be submitted to the shareholders’ meeting for review and approval.

(5) Responsibilities of directors

Directors must comply with laws, administrative regulations, departmental rules, securities regulatory rules of the place where our Company’s shares are [REDACTED], and the Articles of Association. Directors owe a duty of loyalty to our Company and must take measures to avoid conflicts of interest between their own interests and those of our Company. They must not misuse their authority to seek improper benefits. Directors owe a duty of diligence to our Company, and in carrying out their duties, they should exercise the care that a reasonably prudent manager would under similar circumstances, for the maximum benefit of our Company.

Directors shall not engage in the following behaviours:

- (a) to expropriate our Company’s property and misappropriate funds of our Company;
- (b) to open any bank account in their own names or in others’ names for the purpose of depositing any of our Company’s assets or monies;
- (c) to use their authority to bribe or accept other illegal income;
- (d) to accept commissions from transactions between others and our Company for personal gain;
- (e) to disclose any secret of our Company illegally;
- (f) to utilise their connected relationships to damage the interests of the Company;

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (g) any other acts that violate the duty of loyalty to our Company.

Directors shall not exploit their position to seek business opportunities that belong to our Company for themselves or others. However, exceptions include the following circumstances:

- (a) reporting to shareholders’ meeting and obtaining approval, as resolved by shareholders’ meeting, in accordance with the provisions of the Articles of Association.
- (b) our Company cannot utilise the business opportunity according to the requirements under laws, administrative regulations, or the Articles of Association.

Subject to the requirements under laws, regulations, and securities regulatory rules of the place where our Company’s shares are [REDACTED], directors shall not engage in self-employment or operate businesses similar to those of our Company for which they serve without reporting to our Board or shareholders’ meeting and obtaining approval from the resolutions of Board and shareholders’ meeting in accordance with the Articles of Association.

Gains obtained by directors in violation of the above provisions shall belong to our Company.

A director shall complete all of the handover procedures with our Board once his/her resignation becomes effective or his/her term of office expires. The duty of loyalty to our Company and the shareholders are not necessarily released upon his/her resignation or expiry of his/her term of office, but shall remain effective within 12 months after the resignation of a director becomes effective, they shall still adhere to the duty of loyalty as stipulated in the Articles of Association. The duty of confidentiality in respect of trade secrets of our Company survives the termination of the term of office of the resigned director until such trade secrets become publicly known. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances and conditions under which the relationship between the director and our Company was terminated.

If a director breaches the laws, administrative regulations, departmental rules or these Articles of Association when carrying out his/her duties and causes loss to our Company, he/she shall be responsible for damages. A director who resigns from office before the expiry of his/her term without authorisation and causes losses to our Company shall bear liability for compensation.

(6) Independent non-executive Directors

Independent non-executive directors shall not be less than one-third of all our Board members.

(7) Audit Committee

The Board of the Company shall establish an Audit Committee to exercise functions and powers of the board of supervisors stipulated under the Company Law. The Audit Committee consists of three members who are directors not holding senior management positions in the Company, including two independent non-executive directors. The independent non-executive who is an accounting professional shall serve as the chairman.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

The Audit Committee is responsible for reviewing and disclosing the Company’s financial information, and supervising and evaluating internal and external audit work and internal control.

The Audit Committee is responsible for reviewing and disclosing the Company’s financial information, and supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board for deliberation after obtaining the consent of more than half of all members of the Audit Committee:

- (i) disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;
- (ii) appointment or dismissal of the accounting firms undertaking audit services of the Company;
- (iii) appointment or dismissal of the finance officer of the Company;
- (iv) changes in accounting policies, accounting estimates or corrections of major accounting errors for reasons other than changes in accounting standards;
- (v) other matters as stipulated by laws, administrative regulations, the securities regulatory rules of the places where the Company’s Shares are [REDACTED], and the provisions of the Articles

The Audit Committee shall meet at least once every six months. An extraordinary meeting may be convened upon the proposal of two or more members or when deemed necessary by the Chairman. A meeting of the Audit Committee shall be held only with the attendance of at least two-thirds of the members.

Resolutions of the Audit Committee shall be passed by more than half of its members. In voting on resolutions, each member shall have one vote.

Minutes of the Audit Committee meetings shall be prepared in accordance with regulations, and the members present at the meeting shall sign the minutes.

(8) General manager

Our Company has one general manager, who is appointed or dismissed by our Board.

The general manager shall be accountable to our Board and exercise the following functions and powers:

- (a) to manage the business operations of our Company, organise and implement our Board’s resolutions, and report to our Board;
- (b) to organise and implement our Company’s annual business plans and investment plans;

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (c) to draft the plan for the establishment of internal management structure of our Company;
- (d) to draft the plan of the basic management system of our Company;
- (e) to formulate our Company’s specific rules;
- (f) to propose to our Board to appoint or dismiss the deputy general manager or chief financial officer;
- (g) to decide to appoint or remove executives other than those who shall be appointed or removed by our Board;
- (h) to exercise other functions and powers conferred by the Articles of Association and by our Board.

The general manager shall attend our Board meetings as a non-voting representative.

(9) Reserve fund

When our Company distributes its after-tax profits for the current year, it shall set aside 10% of the profits to be included in our Company’s statutory reserve. Our Company may elect not to do so if its aggregate statutory reserve reaches 50% or more of its registered capital.

If the statutory reserve fund of our Company is insufficient to make up for the losses of the previous year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn as per the provision of the preceding paragraph.

After our Company sets aside an amount for statutory reserve from its after-tax profits, it may, subject to a resolution of the shareholders’ meeting, set aside an amount for discretionary reserve from its after-tax profits.

If any after-tax profits remain after losses are covered and reserves are set aside, in the case of a joint stock limited company, the profits shall be distributed on a pro rata basis, reflecting the respective proportion of shares held by each shareholder, unless otherwise stipulated in our Company’s Articles of Association.

No profits shall be distributed in respect of the shares held by our Company.

In cases where profits are distributed to any shareholder in violation of the PRC Company Law, the shareholder shall return the distributed profits involved in the violation to our Company; if losses are caused thereby to our Company, the shareholders, as well as any directors, and senior management responsible for violation, shall be liable for compensation.

Our Company’s reserves shall be used to cover its losses, expand its business, or increase its registered capital.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION

When using our Company’s reserves to cover its losses, any discretionary reserve and statutory reserve balances shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with applicable regulations.

When converting statutory reserve into an increase in registered capital, the remaining balance of such reserve shall not be less than 25% of our Company’s registered capital before the conversion.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company was established as a limited liability company in the PRC on 21 January 2009 and was converted into a joint stock limited company on 31 January 2016 under the laws of the PRC. As at the Latest Practicable Date, the share capital of our Company is RMB108,070,000, divided into 108,070,000 Shares with a par value of RMB1.0 each.

Our place of business in Hong Kong is at 40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wan Chai, Hong Kong. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance with the Registrar of Companies in Hong Kong under the name of Impression Dahongpao Co., Ltd. (印象大紅袍股份有限公司) on 21 January 2025. Mr. Chung Ming Fai has been appointed as the authorised representative of our Company for the acceptance of service of process in Hong Kong whose address for service of process is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendix IV and V to this document, respectively.

2. Changes in Share Capital of our Company

Save as disclosed in “History and Corporate Structure”, there has been no other alteration in the share capital of our Company within two years immediately preceding the date of this document.

3. Changes in Share Capital of our Subsidiaries

A summary of the corporate information and particulars of our subsidiaries are set out in Note 1 to the Accountants’ Report as set out in Appendix I to this document.

On 26 August 2024, the registered capital of Mount Wuyi Chatang Resort increased from RMB30.0 million to RMB88.0 million.

On 30 September 2024, Moonlight Wuyi was established as a limited liability in the PRC with a registered capital of RMB60.0 million.

On 2 July 2025, the registered capital of Moonlight Wuyi increased from RMB60.0 million to RMB80.0 million.

Save as disclosed above, as at the Latest Practicable Date, there was no alteration in the share capital of any of our subsidiaries of our Company within the two years immediately preceding the date of this document.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

4. Resolutions of the Shareholders

Pursuant to a general meeting of our Shareholders held on 26 December 2024, the following resolutions, among others, were passed by our Shareholders:

- (a) the issuance by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Stock Exchange;
- (b) the number of H Shares to be issued before the exercise of the [REDACTED] shall not be more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (c) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association which shall become effective on the [REDACTED], and the authorisation to our Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and
- (d) authorisation of our Board to handle all relevant matters relating to, among other things, the issue and [REDACTED] of the H Shares.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

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

- (a) the Deed of Indemnity.
- (b) the [REDACTED].

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

2. Intellectual Property Rights

Save as disclosed below, as at the Latest Practicable Date, there was no other intellectual property right which was or may be material in relation to our business.

(a) Trademarks

(i) Registered trademarks

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

No.	Trademark	Registration Number	Owner	Date of Registration	Place of Registration
1.		12702079	Our Company	14 December 2015	PRC
2.		21962337	Our Company	28 August 2019	PRC
3.	大红袍	33887811	Our Company	28 September 2019	PRC
4.	印象大红袍	33887816	Our Company	28 December 2019	PRC
5.	大红袍	38127038	Our Company	14 April 2020	PRC
6.		6138766	Our Company	28 July 2020	PRC
7.	无事	41950184	Impression Dahongpao Cultural	28 August 2020	PRC
8.	幽坐	41951970	Impression Dahongpao Cultural	28 August 2020	PRC
9.	幽坐	41958585	Impression Dahongpao Cultural	28 August 2020	PRC
10.	印象大红袍	65022578	Our Company	21 November 2022	PRC
11.	印象大红袍	65023917	Our Company	28 February 2023	PRC
12.	大红袍	73228893	Our Company	7 May 2024	PRC
13.		76910059	Our Company	21 December 2024	PRC
14.		306668317	Our Company	12 September 2024	Hong Kong
15.	月映武夷山	81509237	Moonlight Wuyi	7 May 2025	PRC

APPENDIX VI STATUTORY AND GENERAL INFORMATION

(b) Domain names

As at the Latest Practicable Date, we had registered the following domain names:

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1.	yx513.net	Our Company	27 March 2015	27 March 2030
2.	yxdhp.com.cn	Our Company	25 July 2024	25 July 2030

(c) Copyrights

As at the Latest Practicable Date, we had registered the following copyrights which we are considered to be material to our business:

No.	Copyright	Owner	Registration Number	Place of Registration	Registration Date
1.	Impression Dahongpao — Poster (Classic) (印象大紅袍-海報(經典))	Our Company	Guo Zuo Deng Zi (國作登字)- 2016-F-00304630	PRC	5 September 2016
2.	Impression Dahongpao — Poster (Chinese painting) (印象大紅袍-海報(國畫))	Our Company	Guo Zuo Deng Zi (國作登字)- 2016-F-00304631	PRC	5 September 2016
3.	Impression Dahongpao — LOGO (印象大紅袍-LOGO)	Our Company	Guo Zuo Deng Zi (國作登字)- 2016-F-00304642	PRC	5 September 2016
4.	Impression Dahongpao (印象大紅袍)	Our Company	Guo Zuo Deng Zi (國作登字)- 2023-F-00206262	PRC	18 September 2023

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the interests or short positions of our Directors and chief executives in our Shares, underlying shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company and the Stock Exchange, will be as follows:

Name of Shareholder	Position	Nature of Interest	Type of Shares ⁽¹⁾	Number ⁽²⁾	As at the Latest Practicable Date	Immediately following the completion of the [REDACTED]	
					Percentage of shareholding in the relevant type of Shares / the total issued shares capital	Percentage of shareholding in the relevant the total issued type of Shares	Percentage of shareholding in the total issued share capital
Mr. Zheng Bin	Executive Director and general manager	Beneficial interest	Unlisted Shares	439,175(L)	0.4064%	0.4046%	[REDACTED]%

Notes:

(1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

(2) The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such Share.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

2. Interests of the Substantial Shareholders

(a) Interest in the Shares of our Company

For information on the persons who will, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), having or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company, see “Substantial Shareholders” in this document.

(b) Interests in our Company’s subsidiary(ies)

So far as the Directors are aware, the persons (other than our Directors, the chief executive of our Company, and any member of our Group) will, immediately following the completion of the [REDACTED], be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of the members of our Group (other than our Company):

<u>Our Subsidiary(ies)</u>	<u>Parties with 10% or more Equity Interest</u>	<u>Approximate Percentage of Shareholding</u>
Moonlight Wuyi	Fujian Wuyi Tourism Group	35%
	Moonlight Wuyi (Beijing)	
	Cultural Media	25%

3. Particulars of service contracts

We have entered into a service contract with each of our Directors in respect of, among other things, compliance with relevant laws and regulations and the Articles of Association.

The principal terms of these service contracts comprise (a) a term of three years commencing from the date of appointment; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to the Shareholders’ approval.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

4. Remuneration of Directors

Save as disclosed in “Directors and Senior Management” and “Appendix I — Accountants’ Report — Notes to The Historical Financial Information — 9. Employee Benefits Expenses” for the three years ended 31 December 2024 and the six months ended 30 June 2025, none of our Directors received other remunerations of benefits in kind from us.

5. Disclaimers

- (a) Save as disclosed in “History and Corporate Structure” in this document, none of the Directors nor any of the experts referred to in “D. Other Information — 7. Qualification of Experts” and “8. Consent of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) Save in connection with the [REDACTED], none of the Directors nor any of the experts referred to in “D. Other Information — 7. Qualification of Experts” and “8. Consent of Experts” below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group.
- (c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of our Company nor is any such cash securities or benefit intended to be paid, allotted or given on the basis of the [REDACTED] or related transactions as mentioned.
- (d) Save as disclosed in this document, none of our Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any member of our Group.

2. Litigation

As at the Latest Practicable Date, and so far as our Directors are aware, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial conditions.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

3. Joint Sponsors

The Joint Sponsors have made an [REDACTED] on behalf of our Company to the Listing Committee for [REDACTED] of, and permission to [REDACTED] in, the H Shares of our Company. [All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.]

Halcyon Capital Limited satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. China Industrial Securities International Capital Limited is considered as not independent under Rule 3A.07(3) of the Listing Rules.

Pursuant to the engagement letter entered into between our Company and the Joint Sponsors, we have agreed to pay the Joint Sponsors a fee of approximately RMB5.4 million to act as the sponsors of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

4. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

5. Bilingual [REDACTED]

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

6. Binding Effect

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

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

7. Qualification of Experts

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

Name	Qualifications
China Industrial Securities International Capital Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Halcyon Capital Limited	A corporation licensed to conduct Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
AllBright Law Offices (Fuzhou)	Legal Advisers to our Company as to PRC laws
Grant Thornton Hong Kong Limited	Certified Public Accountants under the Professional Accountants Ordinance (Cap. 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor registered under the Accounting and Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong)
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

8. Consent of Experts

Each of the experts as referred to in “— D. Other Information — 7. Qualification of Experts” in this appendix has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or legal opinion (as the case may be) and references to their names included in the form and context in which it respectively appears.

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

9. Compliance Adviser

We have appointed Gram Capital Limited as our compliance adviser upon the [REDACTED] in compliance with Rule 3A.19 of the Listing Rules.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

10. Taxation of Holders of H Shares

(1) Hong Kong

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

(2) Consultation with professional advisers

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

11. No Material Adverse Change

Our Directors confirm that, save as disclosed in this document, there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

12. Promoters

The promoters of our Company are:

No.	Name
1.	Fujian Mount Wuyi Cultural Tourism Group
2.	Fujian Wuyi Tourism Group
3.	Beijing Impression Landscape
4.	Mount Wuyi Tourism Resort Development

Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] or the related transactions described in this document.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

13. Other Indemnities

Mount Wuyi Cultural Tourism Co., Ltd. (being one of our Controlling Shareholders) (the “**Indemnifying Shareholder**”) has entered into the Deed of Indemnity with our Company (for itself and as trustee for each member of our Group) (being a contract referred to in “B. Further Information about our Business — 1. Summary of materials contracts” above).

Under the Deed of Indemnity, the Indemnifying Shareholder will indemnify and keep indemnified our Company (for itself and as trustee for each member of our Group) against all claims, legal actions, demands for payment, legal proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses, and penalties that may be incurred by our Group as a results of certain non-compliance incidents as set out in “Business — Non-compliance Incidents” in this document.

The Indemnifying Shareholder will, however, not be liable under the Deed of Indemnity where (i) sufficient provision or reserve has been made for such liability in the Accountants’ Report set out in Appendix I to this document; or (ii) such liability arises or is increased as a result only of a retrospective change in law or a retrospective increase in tax rates coming in force after the first day on which the H Shares of the Company are [REDACTED] on the Stock Exchange (the “**Effective Date**”); or (iii) the liability arises as a result of a voluntary act by a Group company after the Effective Date which the Group company ought reasonably to have known would give rise to such liability, provided that the said voluntary acts do not include: (a) any act pursuant to a legally binding obligation entered into or created by any Group company on or before the Effective Date; or (b) any act pursuant to an obligation imposed by any law, regulation or provision with the force of law; or (c) any act that occurs with the written approval of the Indemnifying Shareholder, or pursuant to the [REDACTED] or any document executed based on the [REDACTED]; or (d) any act that occurs in the ordinary course of business of the Group.

14. Miscellaneous

Save as disclosed in this document:

- (a) within the two years preceding the date of this document, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any Shares of our Company;
- (b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived;

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

- (f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (g) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) no part of the equity or debt securities of our Company, if any, is currently **[REDACTED]** on or **[REDACTED]** in on any stock exchange or trading system, and no such **[REDACTED]** or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought;
- (j) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (k) our Company has adopted a code of conduct regarding Directors’ securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

A. DOCUMENTS DELIVERED TO THE REGISTER OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Appendix VI — Statutory and General Information — B. Further information about our business — 1. Summary of material contracts” in this document; and
- (b) the written consents referred to in “Appendix VI — Statutory and General Information — D. Other information — 8. Consent of Experts” in this document; and

B. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at www.hkexnews.hk and our Company’s website at <https://www.yxdhp.com.cn/> up to and including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Report from Grant Thornton Hong Kong Limited, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Group for the three years ended 31 December 2024 and the six months ended 30 June 2025;
- (d) the report on unaudited [REDACTED] financial information of our Group from Grant Thornton Hong Kong Limited, the text of which is set out in Appendix II to this document;
- (e) the material contracts referred to in “Appendix VI — Statutory and General Information — B. Further information about our business — 1. Summary of material contracts” in this document;
- (f) the service contracts and letters of appointment referred to in “Appendix VI — Statutory and General Information — C. Further Information about Our Directors, senior management and substantial Shareholders — 3. Particulars of service contracts” in this document;
- (g) the written consents referred to in “Appendix VI — Statutory and General Information — D. Other Information — 8. Consent of Experts” in this document;
- (h) the PRC legal opinion issued by AllBright Law Offices (Fuzhou), our PRC Legal Advisers, in respect of certain general corporate matters and property interests in the PRC of our Group;

**APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

- (i) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.; and
- (j) the PRC Company Law, the PRC Securities Law, and the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.