DAHON®

DAHON TECH (SHENZHEN) CO., LTD.
大行科工(深圳)股份有限公司

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

Stock Code: 2543

GLOBAL OFFERING

Sole Sponsor, Sponsor-Overall Coordinator, Sole Overall Coordinator, Sole Global Coordinator, Joint Bookrunner and Joint Lead Manager

中信建投國際 CHINA SECURITIES INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

ABCI 農銀國際 | 中銀國際 BOCI | 建银国际 CCB International | 招银国际 CMB INTERNATIONAL | 富途證券

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

DAHON TECH (SHENZHEN) CO., LTD.
大行科工(深圳)股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	**7,920,000 H Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	:	**792,000 H Shares (subject to reallocation)**
Number of International Offer Shares	:	**7,128,000 H Shares (subject to the Over-allotment Option and reallocation)**
Offer Price	:	**HK$49.5 per Offer Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015%, and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	:	**RMB1.00 per H Share**
Stock code	:	**2543**

Sole Sponsor, Sponsor-Overall Coordinator, Sole Overall Coordinator, Sole Global Coordinator, Joint Bookrunner and Joint Lead Manager

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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 prospectus, 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 prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and Documents on Display" in Appendix VII to this prospectus, 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 of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

The Offer Price will be HK$49.5 per Offer Share, unless otherwise announced. Investors applying for the Hong Kong Offer Shares are required to pay, on application, the Offer Price of HK$49.5 for each Hong Kong Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%.

The Sole Overall Coordinator (on behalf of the Hong Kong Underwriters), with the consent of our Company, may reduce the number of Offer Shares being offered pursuant to the Global Offering at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction of the number of Offer Shares will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **https://dahon.com** not later than the morning of the last day for lodging applications under the Hong Kong Public Offering.

We are incorporated, and the majority of our businesses are located, in the PRC. Potential investors should be aware of the differences in the legal, economic and financial systems between the PRC and Hong Kong and that there are different risk factors relating to investment in PRC-incorporated businesses. Potential investors should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the H Shares. Such differences and risk factors are set out in "Risk Factors," "Appendix IV — Summary of Principal Legal and Regulatory Provision" and "Appendix V — Summary of Articles of Association" to this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sole Overall Coordinator (on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Grounds for Termination" of this prospectus.

The Offer Shares have not been and will not be registered under the US Securities Act or securities law of any state in the United States and may be offered and sold only outside the United States in offshore transactions according to Regulation S under the US Securities Act.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the websites of the Stock Exchange (www.hkexnews.hk) and our Company (https://dahon.com). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

September 1, 2025

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at **https://dahon.com**. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses stated above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 100 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

DAHON TECH (SHENZHEN) CO., LTD.
(HK$49.50 per Hong Kong Offer Share)
NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
100	4,999.92	2,000	99,998.41	30,000	1,499,976.23	140,000	6,999,889.06
200	9,999.84	2,500	124,998.02	35,000	1,749,972.27	160,000	7,999,873.20
300	14,999.76	3,000	149,997.62	40,000	1,999,968.30	180,000	8,999,857.36
400	19,999.68	3,500	174,997.23	45,000	2,249,964.33	200,000	9,999,841.50
500	24,999.61	4,000	199,996.84	50,000	2,499,960.38	250,000	12,499,801.88
600	29,999.52	4,500	224,996.43	60,000	2,999,952.46	300,000	14,999,762.26
700	34,999.45	5,000	249,996.03	70,000	3,499,944.53	350,000	17,499,722.63
800	39,999.37	10,000	499,992.08	80,000	3,999,936.60	396,000(1)	19,799,686.16
900	44,999.29	15,000	749,988.11	90,000	4,499,928.68		
1,000	49,999.21	20,000	999,984.16	100,000	4,999,920.76		
1,500	74,998.81	25,000	1,249,980.19	120,000	5,999,904.90		

(1) Maximum number of Hong Kong Offer Share you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

*If there is any change to the expected timetable of the Hong Kong Public Offering, we will issue an announcement on the respective websites of the Company at **https://dahon.com** and the Stock Exchange at **www.hkexnews.hk**.*

Hong Kong Public Offering commences . . . . .9:00 a.m. on
Monday, September 1, 2025

Latest time to complete electronic applications under **White Form eIPO service** through the designated website at **www.eipo.com.hk**[2] . . . . .11:30 a.m. on
Thursday, September 4, 2025

Application lists open[3]. . . . . .11:45 a.m. on
Thursday, September 4, 2025

Latest time for (a) completing payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[4] . . . . 12:00 noon on
Thursday, September 4, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant who will submit an **electronic application instruction** on your behalf through HKSCC's FINI system in accordance with your instruction, you are advised to contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

Application lists close[3] . . . . 12:00 noon on
Thursday, September 4, 2025

Announcement of:

- the level of applications in the Hong Kong Public Offering;
- the level of indications of interest in the International Offering; and
- the basis of allocation of the Hong Kong Offer Shares to be published on our website at **https://dahon.com**[5] and the website of the Stock Exchange at **www.hkexnews.hk** . . . . at or before 11:00 p.m. on
Monday, September 8, 2025

Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be published on our website at **https://dahon.com**[5] and the website of the Stock Exchange at **www.hkexnews.hk** . . . . no later than 11:00 p.m. on Monday, September 8, 2025

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function from . . . . 11:00 p.m. on Monday, September 8, 2025 to 12:00 midnight on Sunday, September 14, 2025

- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on . . . . Tuesday, September 9, 2025, Wednesday, September 10, 2025, Thursday, September 11, 2025, Friday, September 12, 2025

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[6][8] . . . . Monday, September 8, 2025

White Form e-Refund payment instructions/refund cheques in respect of wholly or partially unsuccessful applications under the Hong Kong Public Offering to be dispatched on or before[7][8] . . . . Tuesday, September 9, 2025

Dealings in H Shares on the Stock Exchange expected to commence at. . . . . .9:00 a.m. on Tuesday, September 9, 2025

Notes:

(1) Unless otherwise stated, all times and dates refer to Hong Kong local times and dates.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above and/or Extreme Conditions (collectively, "**Severe Weather Signals**") in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, September 4, 2025, the application lists will not open or close on that day. For further details, please see the section headed "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" in this prospectus.

(4) Applicants who instruct their broker or custodian to apply for the Hong Kong Offer Shares on their behalf through the **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels" in this prospectus.

(5) None of the website or any of the information contained on the website forms part of this prospectus.

(6) No temporary documents of title will be issued in respect of the Offer Shares. H Share certificates for the Hong Kong Offer Shares will only become valid evidence of title provided that (i) the Global Offering has become unconditional in all respects and (ii) neither of the Underwriting Agreements has been terminated in accordance with their terms prior to 8:00 a.m. on the Listing Date. Investors who trade H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so at their own risk.

(7) White Form e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund check. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund check.

(8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce evidence of identity acceptable to our H Share Registrar at the time of collection. Applicants who have applied for Hong Kong Offer Shares through HKSCC EIPO channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies" in this prospectus for details.

Applicants who have applied through the White Form eIPO service and paid their applications monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of White Form e-Refund payment instructions. Applicants who have applied through the White Form eIPO service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund checks by ordinary post at their own risk.

Any uncollected H share certificates and/or refund checks will be despatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the sections headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies."

The H Share certificates will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with their respective terms prior to 8:00 a.m. on the Listing Date. The Listing Date is expected to be on or about Tuesday, September 9, 2025. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus, respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, the Company will make an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by us, any of the Sole Sponsor, the Sole Overall Coordinator, the Capital Market Intermediaries, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

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This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide whether to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide whether to invest in the Offer Shares.

OVERVIEW

We are mainland China's largest folding bicycle company in terms of both retail sales volume and retail sales value of folding bicycles in 2024. Folding bicycles are compact and portable bicycles designed with mechanisms that allow them to be folded into a smaller size for easy storage and transport. Our *DAHON* brand was founded in 1982 by Dr. Hon Ta-Wei. With over 40 years of development, our *DAHON* brand has garnered strong reputation of technological capabilities, innovation, craftsmanship, dedication to better performance and product quality. According to CIC, in terms of retail sales volume in 2024, we ranked first in the mainland China folding bicycle industry, representing a market share of 26.3%, and we also ranked first in the mainland China folding bicycle industry in terms of retail sales value in 2024, representing a market share of 36.5%.

Anchored upon proven best sellers such as our P8 together with newly developed models, we have developed a comprehensive bicycle portfolio designed to meet the varied needs of different consumer segments, from urban commuters to adventure seekers and competitive racers. Throughout our history, our portfolio has grown from folding bicycles to also encompass other bicycle types including road bicycles, mountain bicycles, children's bicycles and electric-assisted bicycles, reflecting our commitment to innovation and responsiveness towards market demand. As of April 30, 2025, we offer over 70 bicycle models.

We are dedicated to advancing folding bicycle technology through sustained research and development investments and developed innovations that span across fundamental aspects of bicycle design, from frame structure to riding dynamics. As of April 30, 2025, we hold 113 effective patents in mainland China, making us the brand with the highest number of patents in China's folding bicycle industry according to CIC. We also hold 22 effective patents in the U.S., Europe and Japan as of the same date. As of April 30, 2025, we had licensed our patented technologies and our *DAHON* brand to a total of 18 and 16 industry peers through our Sharing 360 Program.

We have developed a comprehensive and efficient sales and distribution network that continuously increases the coverage and penetration of our products spanning both offline and online channels in mainland China. We partnered with 38 distributors across 30 provincial-level administrative regions in the PRC, covering 680 retail outlets, as of April 30, 2025. We have also expanded into online channels, including major e-commerce and social media platforms in mainland China, namely JD.com, Tmall, Douyin and Pinduoduo. During the Track Record Period, revenue generated from our online direct sales surged from RMB14.1 million in 2022 to RMB100.2 million in 2024, representing a CAGR of 166.1%. As of December 31, 2024, although to a substantially lesser extent, we have also sold our products in 28 other countries and regions, including Southeast Asia, the U.S. and Europe.

The folding bicycle industry is still a niche but fast-growing segment within the overall bicycle industry. In terms of retail sales value and retail sales volume, the global folding bicycle segment accounted for only 5.3% and 2.1%, respectively, in 2024. In terms of retail sales value, the folding bicycle segment is projected to reach RMB40.7 billion by 2029, representing a CAGR of 12.0% from 2024 to 2029. In terms of retail sales volume, the global folding bicycle industry is projected to reach 5.2 million units in 2029, representing a CAGR of 7.3% during the same period. With our strong brand influence, market leadership position, comprehensive product coverage and proven technological innovation capabilities, we believe we are well-positioned to capture the growth opportunities in the folding bicycle market as well as the broader bicycle market and further strengthen our industry leadership.

As a leader among folding bicycle brands in mainland China, we have achieved strong business and financial growth during the Track Record Period. Our sales volume increased from 148,956 units in 2022 to 156,877 units in 2023, and further increased to 229,525 units in 2024, representing a CAGR of 24.1%, and from 63,758 units for the four months ended April 30, 2024 to 93,398 units for the four months ended April 30, 2025, representing a growth rate of 46.5%. Our revenue increased from RMB254.2 million in 2022 to RMB300.2 million in 2023, and further increased to RMB450.7 million in 2024, representing a CAGR of 33.1%, and from RMB125.8 million for the four months ended April 30, 2024 to RMB184.7 million for the four months ended April 30, 2025, representing a growth rate of 46.8%. In addition, our net profit increased from RMB31.4 million in 2022 to RMB34.9 million in 2023, and further increased to RMB52.3 million for the same period in 2024, representing a CAGR of 29.1%, and from RMB12.7 million for the four months ended April 30, 2024 to RMB21.5 million for the four months ended April 30, 2025, representing a growth rate of 69.3%. According to CIC, among the top five folding bicycle companies in mainland China in terms of sales volume in 2024, we achieved the fastest growth rate in sales volume and revenue from 2023 to 2024.

STRENGTHS

We believe that the following competitive strengths differentiate us from our competitors and have contributed to our success: (i) we are a leader in the mainland China folding bicycle industry with strong brand recognition and industry influence and are well positioned to capture opportunities in the growing folding bicycle industry; (ii) we possess established technological innovation capabilities and performance and quality-focused craftsmanship; (iii) we offer a diversified and continuously evolving product portfolio tailored to diverse consumer needs; (iv) we have built a multi-channel sales and distribution network and have solid marketing capability; and (v) we have a professional, experienced and internationalized management team.

STRATEGIES

Leveraging our competitive strengths, we aim to become an enterprise leading the development of the global folding bicycle industry by implementing the following strategies: (i) further enrich product portfolio and strengthen brand momentum to solidify our leading position; (ii) further strengthen research and development and product development capabilities to consolidate our technological and product leadership; (iii) optimize supply chain integration and intelligent manufacturing to accelerate business growth; (iv) further strengthen sales channel development and expand our global reach; and (v) continuously attract, train, and motivate professional talent.

OUR PRODUCTS

During the Track Record Period, our revenue was mainly derived from the sale of our *DAHON* bicycles. To a much lesser extent, we also generated revenue from (i) accessories, apparel and other related products, and (ii) licensing and royalty income primarily related to our Sharing 360 Program.

The following table sets forth a breakdown of our revenue by business line:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
DAHON bicycles	237,325	93.4	288,588	96.1	442,248	98.1	123,143	97.9	181,513	98.3
Accessories, apparel and other related products[1]	13,584	5.3	6,776	2.3	3,425	0.8	945	0.8	946	0.5
Licensing and royalty income	3,279	1.3	4,792	1.6	5,047	1.1	1,665	1.3	2,282	1.2
Total	**254,188**	**100.0**	**300,156**	**100.0**	**450,720**	**100.0**	**125,753**	**100.0**	**184,741**	**100.0**

Note:

1. Includes revenue generated from our proprietary accessories and parts sold through our Sharing 360 Program.

The following table sets forth a breakdown of our gross profit and gross profit margins by business line for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
Sales of products										
— *DAHON* bicycles	72,207	30.4	95,372	33.0	142,527	32.2	39,119	31.8	58,335	32.1
— Accessories, apparel and other related products	2,446	18.0	1,330	19.6	1,174	34.3	308	32.6	366	38.7
Licensing and royalty income	3,279	100.0	4,792	100.0	5,047	100.0	1,665	100.0	2,282	100.0
Total	**77,932**	**30.7**	**101,494**	**33.8**	**148,748**	**33.0**	**41,092**	**32.7**	**60,983**	**33.0**

We categorize our bicycles into distinct price tiers based on their recommended retail prices to cater to various market segments. These include the high-end tier, with recommended retail prices of RMB5,000 per unit or above, the mid-range tier, with recommended retail prices reaching RMB2,500 per unit but less than RMB5,000 per unit, and the mass-market tier, with recommended retail prices less than RMB2,500 per unit. For markets outside mainland China, we generally set higher recommended retail prices than those in mainland China to reflect different market conditions. The following table sets forth a breakdown of revenue of *DAHON* bicycles by price tier.

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
High-end	24,691	10.4	29,198	10.1	40,155	9.1	12,219	9.9	18,886	10.4
Mid-range	120,054	50.6	183,394	63.6	307,224	69.5	85,602	69.5	124,165	68.4
Mass-market	92,580	39.0	75,996	26.3	94,869	21.4	25,322	20.6	38,462	21.2
Total	**237,325**	**100.0**	**288,588**	**100.0**	**442,248**	**100.0**	**123,143**	**100.0**	**181,513**	**100.0**

The following table sets forth a breakdown of sales volume and average selling prices of *DAHON* bicycles by price tier.

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	Sales volume	**Average selling price per unit[1]**	**Sales volume**	**Average selling price per unit[1]**	**Sales volume**	**Average selling price per unit[1]**	**Sales volume**	**Average selling price per unit[1]**	**Sales volume**	**Average selling price per unit[1]**
	units	*RMB*	*units*	*RMB*	*units*	*RMB*	*units*	*RMB*	*units*	*RMB*
High-end	6,565	3,761	7,406	3,942	10,232	3,924	3,176	3,847	4,892	3,861
Mid-range	60,296	1,991	88,061	2,083	144,209	2,130	41,390	2,068	57,651	2,154
Mass-market	82,095	1,128	61,410	1,238	75,084	1,264	19,192	1,319	30,855	1,247
Overall	**148,956**	**1,593**	**156,877**	**1,840**	**229,525**	**1,927**	**63,758**	**1,931**	**93,398**	**1,943**

Note:

1. Average selling price per unit is calculated through dividing the revenue by sales volume for each price tier. Such calculated average selling prices are lower than the recommended retail price ranges as we primarily sell our products to distributors that exclude distributor markups and other downstream expenses.

Product Pricing

The retail prices of our products are determined based on various factors, including market positioning for the specific product model, procurement and production costs, market conditions, the price of comparable products in the market, and the expected profit margins for us. For products with the same specifications, we generally implement a consistent overall pricing strategy and recommended retail prices across all channels. With respect to sales to distributors, our products are generally sold at discounts to retail prices, with such discounts taking into account distributors' operational costs and profit margin, procurement volumes, geographical locations and the overall prices of our products across the market. Distributors may make reasonable adjustments to our recommended retail prices based on local market conditions and regional factors when selling our products. For sales through e-commerce platforms we also consider the service fees and commission fees charged by e-commerce platforms.

SALES AND DISTRIBUTION NETWORK

We have a broad sales and distribution network for our products, covering both offline and online channels. We not only engage distributors to distribute our products through their online and offline stores but also sell directly to consumers and retailers. The following table sets forth a breakdown of our revenue by sales channel.

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Domestic sales	**198,030**	**77.9**	**279,821**	**93.2**	**420,895**	**93.4**	**114,835**	**91.3**	**174,336**	**94.4**
— Sales to distributors[1]	155,778	61.3	211,501	70.5	307,123	68.2	90,255	71.8	128,441	69.5
— Offline direct sales	28,107	11.0	10,251	3.4	13,610	3.0	3,005	2.4	6,022	3.3
— Online direct sales	14,145	5.6	58,069	19.3	100,162	22.2	21,575	17.1	39,873	21.6
Offshore sales	**56,158**	**22.1**	**20,335**	**6.8**	**29,825**	**6.6**	**10,918**	**8.7**	**10,405**	**5.6**
Total	**254,188**	**100.0**	**300,156**	**100.0**	**450,720**	**100.0**	**125,753**	**100.0**	**184,741**	**100.0**

Note:

(1) Includes sales of certain distributors through their online stores.

The following table sets forth a breakdown of our gross profit and gross profit margins by sales channel for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Domestic sales	**58,540**	**29.6**	**93,800**	**33.5**	**138,583**	**32.9**	**37,782**	**32.9**	**57,751**	**33.1**
— Sales to distributors	42,745	27.4	60,598	28.7	84,025	27.4	24,859	27.5	34,524	26.9
— Offline direct sales	8,655	30.8	4,275	41.7	6,755	49.6	1,632	54.3	2,955	49.1
— Online direct sales	7,140	50.5	28,927	49.8	47,803	47.7	11,291	52.3	20,272	50.8
Offshore sales	**19,392**	**34.5**	**7,694**	**37.8**	**10,165**	**34.1**	**3,310**	**30.3**	**3,232**	**31.1**
Total	**77,932**	**30.7**	**101,494**	**33.8**	**148,748**	**33.0**	**41,092**	**32.7**	**60,983**	**33.0**

The following table sets forth a breakdown of our revenue by geographic regions.

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Mainland China	**198,029**	**77.9**	**279,821**	**93.2**	**420,895**	**93.4**	**114,835**	**91.3**	**174,337**	**94.4**
Asia	**40,121**	**15.8**	**15,939**	**5.3**	**24,339**	**5.4**	**8,299**	**6.6**	**8,565**	**4.6**
— Japan	20,839	8.2	10,444	3.5	14,923	3.3	5,540	4.4	4,577	2.5
— Korea	1,954	0.8	557	0.2	2,803	0.6	10	0.0	2,212	1.2
— Other Asia countries	17,328	6.8	4,938	1.6	6,613	1.5	2,749	2.2	1,776	0.9
Northern America	**7,607**	**3.0**	**860**	**0.3**	**678**	**0.2**	**184**	**0.2**	**851**	**0.5**
— United States	7,607	3.0	633	0.2	678	0.2	184	0.2	851	0.5
— Other Northern America countries	—	—	227	0.1	—	—	—	—	—	—
Europe	**6,092**	**2.4**	**3,295**	**1.1**	**4,236**	**0.9**	**2,430**	**1.9**	**786**	**0.4**
Oceania	**2,151**	**0.8**	**237**	**0.1**	**422**	**0.1**	**1**	**0.0**	**202**	**0.1**
Other	**188**	**0.1**	**4**	**0.0**	**150**	**0.0**	**4**	**0.0**	**—**	**—**
Total	**254,188**	**100.0**	**300,156**	**100.0**	**450,720**	**100.0**	**125,753**	**100.0**	**184,741**	**100.0**

According to CIC, adoption of folding bicycles is highest in mainland China and other Asian origins, where smaller dwelling sizes, limited parking and permissive public-transport carriage make portability a core purchase criterion. Supported by an established cycling culture and the first/last-mile integration with rail networks, Europe shows medium-to-high penetration with demand tilting towards lightweight/performance and e-folding models. Northern America has lower but rising penetration concentrated in urban cores cities and recreational niches, with higher price elasticity and emphasis on comfort features. Oceania exhibits niche yet stable urban demand. Consistent with these patterns and as reflected in the revenue breakdown set out above, Mainland China accounts for the majority of revenue, while offshore sales are primarily derived from other Asian markets with smaller contributions from North America, Europe and Oceania.

Our Customers

Our customers primarily include distributors, e-commerce platform and retail consumers of our online and offline self-operated stores. In 2022, 2023, 2024 and the four months ended April 30, 2025, the aggregate revenue generated from our five largest customers in each year/period during the Track Record Period accounted for 35.3%, 37.2%, 36.8% and 35.0%, respectively, of our total revenue for the respective periods. For the same period, revenue generated from our largest customer in each year/period during the Track Record Period accounted for 12.0%, 16.0%, 15.5% and 14.7%, respectively, of our total revenue for the respective periods.

SUPPLY CHAIN MANAGEMENT

During the Track Record Period, we employed a production model combining in-house production at our Huizhou facility with carefully selected third-party OEM suppliers. During the Track Record Period, we have maintained high utilization rate at our Huizhou facility primarily due to strong demand for our products. We have devoted substantial resources to quality control since the founding of our business and have obtained ISO9001 certification for our quality management system. We have adopted and implemented strict quality control measures for all aspects of our operations, including product design and development, sample production, procurement, production (both in-house and OEM), packaging, inventory storage, delivery and after-sales services.

Our Suppliers

Our suppliers primarily include our OEM suppliers and raw material suppliers. Raw material suppliers primarily include suppliers of bicycle frames, wheelsets, chainrings and chains, gear systems, brake systems and other bicycle parts. In 2022, 2023, 2024 and the four months ended April 30, 2025, purchase from our five largest suppliers in each year/period during the Track Record Period accounted for 32.7%, 42.7%, 46.2% and 52.1%, respectively, of our total purchase amount for the respective periods. For the same periods, purchase from our largest supplier in each year/period of the Track Record Period accounted for 15.6%, 15.9%, 16.8% and 17.6%, respectively, of our total purchase amount for the respective periods.

COMPETITION

According to CIC, the global bicycle market is highly fragmented, with numerous established manufacturers competing across various segments including among others traditional, mountain, road and folding bicycles. Driven by societal needs and technological advancements, bicycles have transformed significantly from leisure items to a popular mode of personal transportation. In recent years, environmental concerns and urban congestion have revitalized the bicycle market. In particular, folding bicycles have surged in popularity due to their compactness and portability. Despite competition with other traditional bicycle types in urban mobility solutions, folding bicycles have successfully carved out their market position by addressing specific urban commuting challenges that traditional bicycles cannot fully resolve, particularly for users with limited storage space or multi-modal transportation needs. According to CIC, the global folding bicycle market, as one of the niche segments in the overall bicycle market, accounts for 5.3% of the global bicycle market by retail sales value and 2.1% by retail sales volume in 2024. Mainland China, the U.S. and Europe are the three largest sales regions in the global folding bicycle industry, contributing 22.1%, 9.0% and 8.6% of global demand, respectively, in terms of retail sales volume in 2024.

According to CIC, the global folding bicycle market is characterized by intense competition, with the top five companies capturing a notable market share of 19.4% while mainland China's folding bicycle market is highly concentrated with the top five companies capturing 60.4% of the market share in 2024, both in terms of retail sales volume in 2024. According to CIC, we held a significant position in the mainland China folding bicycle industry in terms of retail sales volume in 2024, accounting for 26.3% of the market share, and we also led the mainland China folding bicycle industry in terms of retail sales value in 2024, representing a market share of 36.5%.

There are certain barriers to entry into the folding bicycle market, including (i) specialized engineering and design expertise; (ii) economies of scale of production; (iii) established distribution network; (iv) reliable after-sale services and (v) brand recognition and trust. We believe we are competitively positioned due to our first mover advantage, strong research and development capabilities, well-established brand name and extensive sales channels.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of historical financial information for the periods or as of the dates indicated. This summary has been derived from our historical financial information included in the Accountants' Report as set out in Appendix I. The summary of historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information included in the Accountants' Report as set out in Appendix I, including the accompanying notes, and the information set forth in "Financial Information." Our historical financial information was prepared in accordance with HKFRS. The results of operations in any particular period are not necessarily indicative of our future trends.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue	254,188	300,156	450,720	125,753	184,741
Cost of sales	(176,256)	(198,662)	(301,972)	(84,661)	(123,758)
Gross profit	77,932	101,494	148,748	41,092	60,983
Other income	980	1,885	2,687	438	535
Other gains and losses, net	3,011	280	(1,196)	(549)	(262)
Impairment losses under expected credit loss model, net of reversal	177	883	747	654	(50)
Selling and distribution costs	(15,988)	(29,576)	(47,462)	(13,358)	(19,732)
Administrative expenses	(19,070)	(23,041)	(23,289)	(8,248)	(9,232)
Research and development expenditure	(9,013)	(10,667)	(17,553)	(4,636)	(6,481)
Listing expenses	—	—	(66)	—	(154)
Finance costs	(1,301)	(925)	(872)	(311)	(251)
Share of result of an associate	(210)	—	—	—	—
Profit before tax	36,518	40,333	61,744	15,082	25,356
Income tax expense	(5,084)	(5,483)	(9,445)	(2,352)	(3,828)
Profit and total comprehensive income for the year/period	31,434	34,850	52,299	12,730	21,528

During the Track Record Period, we have achieved strong financial growth. Our revenue increased from RMB254.2 million in 2022 to RMB450.7 million in 2024 at a CAGR of 33.1%, and further increased by 46.8% from RMB125.8 million for the four months ended April 30, 2024 to RMB184.7 million for the four months ended April 30, 2025. Profit and total comprehensive income for the year increased from RMB31.4 million in 2022 to RMB52.3 million in 2024 at a CAGR of 29.1%, and further increased by 69.3% from RMB12.7 million for the four months ended April 30, 2024 to RMB21.5 million for the four months ended April 30, 2025. Such increases were primarily due to the continuous increase in sales volume of our *DAHON* bicycles during the Track Record Period as we were able to seize the business opportunities brought by the growing market size of mid-to-high end folding bicycles in mainland China and multiple favorable industry trends by optimizing our sales and marketing to enhance brand awareness, mainly including (a) supporting distributors and sub-distributors to upgrade their retail outlets and (b) increasing e-commerce and new media marketing activities.

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000* (*unaudited*)	%	*RMB'000*	%
Raw materials and consumables used	103,625	58.8	95,280	48.0	121,434	40.2	33,427	39.5	49,412	39.9
Direct labor costs	8,429	4.8	7,753	3.9	9,857	3.3	2,459	2.9	3,783	3.1
Manufacturing overhead	27,085	15.4	24,535	12.4	28,575	9.5	7,562	8.9	10,967	8.9
Outsourcing production costs	35,596	20.2	68,637	34.5	138,869	46.0	40,238	47.5	58,300	47.1
Others	1,521	0.8	2,457	1.2	3,237	1.0	975	1.2	1,296	1.0
Total	**176,256**	**100.0**	**198,662**	**100.0**	**301,972**	**100.0**	**84,661**	**100.0**	**123,758**	**100.0**

Summary of Consolidated Statements of Financial Position

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	159,429	156,730	269,063	319,903
Non-current assets	26,320	36,105	32,402	32,587
Total assets	**185,749**	**192,835**	**301,465**	**352,490**
Current liabilities	104,305	81,622	158,468	207,204
Non-current liabilities	26,639	21,558	17,243	15,717
Total liabilities	**130,944**	**103,180**	**175,711**	**222,921**
Net current assets	**55,124**	**75,108**	**110,595**	**112,699**
Net assets	**54,805**	**89,655**	**125,754**	**129,569**

We recorded net current assets of RMB55.1 million, RMB75.1 million, RMB110.6 million and RMB112.7 million as of December 31, 2022, 2023 and 2024 and April 30, 2025, respectively. Our net current assets increased from RMB55.1 million as of December 31, 2022 to RMB75.1 million as of December 31, 2023, primarily due to (i) an increase in inventories of RMB21.6 million, (ii) a decrease in trade and other payables of RMB19.6 million, partially offset by (iii) a decrease in amounts due from related parties of RMB20.3 million and (iv) a decrease in cash and cash equivalents of RMB10.9 million. Our net current assets further increased to RMB110.6 million as of December 31, 2024, primarily due to (i) an increase in cash and cash equivalents of RMB55.9 million, (ii) an increase in inventories of RMB33.2 million and (iii) an increase in trade and other receivables of RMB23.4 million, partially offset by (iv) an increase in trade and other payables of RMB67.2 million. Our net current assets remained relatively stable at RMB110.6 million as of December 31, 2024 and RMB112.7 million as of April 30, 2025, respectively. For details, see "Financial Information — Selected Key Items of Consolidated Statement of Financial Position — Current Assets and Current Liabilities."

Our net assets increased from RMB54.8 million as of December 31, 2022 to RMB89.7 million as of December 31, 2023, primarily due to an increase in retained profits of RMB34.9 million attributable to the net profit generated in 2023. Our net assets further increased to RMB125.8 million as of December 31, 2024, primarily due to (i) an increase in retained profits attributable to the net profit generated in 2024 of RMB52.3 million, partially offset by (ii) a decrease in retained profits of RMB16.2 million as a result of dividend recognized as distribution. Our net assets then increased to RMB129.6 million as of April 30, 2025, primarily due to (i) an increase in retained profits attributable to the net profit generated for the four months ended April 30, 2025 of RMB21.5 million, partially offset by (ii) a decrease in retained profits of RMB17.7 million as a result of dividend recognized as distribution.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Net cash generated from operating activities	57,666	26,865	78,942	35,741	21,751
Net cash (used in)/generated from investing activities	(128)	(15,419)	18	192	(50,785)
Net cash used in financing activities	(12,850)	(22,324)	(23,067)	(6,193)	(13,730)
Net increase (decrease) in cash and cash equivalents	**44,688**	**(10,878)**	**55,893**	**29,740**	**(42,764)**
Cash and cash equivalents at beginning of the year/period	12,085	56,773	45,895	45,895	101,788
Cash and cash equivalents at end of year/period	**56,773**	**45,895**	**101,788**	**75,635**	**59,024**

For details of our cash flows, see "Financial Information — Liquidity and Capital Resources."

Key Financial Ratios

The following table sets forth our key financial ratios for the periods/as of the dates indicated:

	Year ended/As of December 31,			Four months ended/ As of April 30,
	2022	**2023**	**2024**	**2025**
Return on equity (%)	62.8	48.2	48.6	50.6
Return on assets (%)	19.5	18.4	21.2	19.8
Current ratio (times)	1.5	1.9	1.7	1.5
Quick ratio (times)	1.0	0.9	1.0	0.9
Gearing ratio (%)	38.3	19.2	12.9	12.1

For an analysis of our key financial ratios, including their methods of calculation, see "Financial Information — Key Financial Ratios."

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$342.2 million, after deducting underwriting fees and commissions and other estimated expenses paid and payable by us in relation to the Global Offering, based on an Offer Price of HK$49.5 per H Share and that the Over-allotment Option is not exercised. We currently intend to use these net proceeds for the purposes and in the amounts set forth below:

- approximately 30.0%, or HK$102.7 million, is expected to advance our manufacturing capabilities through modernized production systems and expanded operational scale.

- approximately 30.0%, or HK$102.7 million, is expected to be used to strengthen our market position and accelerate global expansion through distribution network enhancement and strategic brand development.

- approximately 30.0%, or HK$102.7 million, is expected to be used to advance our technology through enhanced research and development capabilities.

- approximately 10.0%, or HK$34.1 million, is expected to be used for our working capital and other general corporate purposes.

DIVIDENDS

On December 30, 2022, our Company declared dividends of an aggregate amount of RMB23.5 million in respect of the financial year, which was paid during the year ended December 31, 2023. The amount of RMB22.0 million was recognized as dividend distributed to the Shareholder and the amount of RMB1.5 million was recognized in profit or loss for the 2022 Eligible Participants (as defined in Note 31 to the Accountants' Report as set out in Appendix I). On January 18, 2024 and May 17, 2024, our Company declared dividends of RMB5.0 million and RMB13.0 million, respectively, to our Shareholders. The amount of RMB18.0 million was paid during the year ended December 31, 2024, among which the amount of RMB16.2 million was recognized as dividend distributed to the Shareholder and the amount of RMB1.8 million was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme. On January 18, 2024, our Company declared dividends of RMB5.0 million to our Shareholders, which was paid during the four months ended April 30, 2024. The amount of RMB4.5 million was recognized as dividend distributed to the Shareholder and the amount of RMB0.5 million was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme. On April 23, 2025, our Company declared dividends of RMB20.0 million to our Shareholders, which had been fully settled as of the Latest Practicable Date. The amount of RMB17.7 million was recognized as dividend distributed to the Shareholder and the amount of RMB2.3 million was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme, 2023 Pre-IPO Employee Incentive Scheme and 2024 Pre-IPO Employee Incentive Scheme. For details, see Note 13 to the Accountants' Report as set out in Appendix I.

In the future, we may distribute dividends by way of cash or by other means that our Board considers appropriate. Any proposed distribution of dividends is subject to the discretion of our Board after taking into account our results of operations, cash flow, financial condition, capital requirements and other factors our Board may deem relevant. Any dividend distribution will also be subject to the approval of our Shareholders. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future. As confirmed by our PRC Legal Advisor, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above. We cannot assure you that we will be able to distribute dividends of any amount, or at all, in any year. Currently, we do not have any specific dividend policy nor any pre-determined dividend payout ratio.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Dr. Hon (i) directly held approximately 88.56% of our total issued Shares, and (ii) was deemed to be interested in approximately 1.60% of our total issued Shares held by Dahon Tech Enterprise LP, one of the employee shareholding platforms of our Group, by virtue of his role as the sole general partner of Dahon Tech Enterprise LP. Accordingly, Dr. Hon and Dahon Tech Enterprise LP constitute a group of Controlling Shareholders before the Listing.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Dr. Hon and Dahon Tech Enterprise LP will in aggregate hold approximately 67.61% of our total issued Shares. Accordingly, Dr. Hon and Dahon Tech Enterprise LP will remain as our Controlling Shareholders upon Listing.

See "Relationship with Our Controlling Shareholders" for details.

Implications of the Approval of Investment Regulations on our Taiwan Shareholders

Pursuant to the Approval of Investment Regulations, investments in mainland China by our Taiwan Shareholders are subject to the approval of the Taiwan Department of Investment Review. Our Taiwan Shareholders are also restricted by the Annual Investment Quota of US$5 million per year for investments in mainland China. As advised by our Taiwan Legal Advisors, the Taiwan Department of Investment Review would likely consider that any equity capital increase by our Company or subsidiary(ies) in mainland China will be considered as an additional investment by our Taiwan Shareholders, and each of our Taiwan Shareholders will be required to obtain an approval from the Taiwan Department of Investment Review for their equity capital increase. Based on our Taiwan Legal Advisor's interpretation of the case study provided in the Foreign and Mainland China Investment Regulations and Case Information Session (對外及對大陸投資法規與案例説明會) published by the Taiwan Department of Investment Review in 2024, equity capital increase in us or our mainland China subsidiaries as a result of the receipt or using proceeds from the Global Offering by us will not be counted towards the Original Quota or Annual Investment Quota of each Taiwan Shareholder as such proceeds represent funds received by us from third party investors. For details, see "Risk Factors — Our expansion plan and business operations in mainland China may be affected as a result of our Taiwan Shareholders' interests in us as they are required to comply with the Approval of Investment Regulations and obtain approvals from the Taiwan Department of Investment Review for investments in mainland China" and "Regulatory Overview — Approval of Investment Regulations".

OUR BRAND DEVELOPMENT

The trademark of *DAHON* was owned by DNA, a U.S. company controlled by Dr. Hon in our early days of development. In 2001, DH Technology, a company wholly owned by Dr. Hon, was set up to expand the business of *DAHON* to the PRC market. After the establishment of DH Technology, DH Technology was licensed by DNA to operate the *DAHON* brand, and it also registered various trademarks for *DAHON* under its own name. As a result, DNA ceased operating the *DAHON* brand save for mainly serving as a sales channel of *DAHON* bicycles in the U.S.

In 2016, our Company was established to take up the operation and management of the *DAHON* brand. After the establishment of our Group, DNA, as the trademark holder of *DAHON* brand, licensed the *DAHON* brand to our Group for nil consideration in 2017, while we sold our products through DNA to end customers in the U.S. As our business scale expanded, we acquired the trademarks of *DAHON* from DNA in 2023 at a consideration of USD2.2 million determined with reference to the appraise value of the trademarks to facilitate our brand building. For details of the acquisition of *DAHON* trademarks from DNA, see "Financial Information — Selected Key Items of Consolidated Statement of Financial Position — Current Assets and Current Liabilities — Amounts due from related parties." At the same time of acquisition of trademarks from DNA, we also acquired all the relevant trademarks registered by DH Technology at nil consideration.

RISK FACTORS

There are certain risks involved in the investment in the Offer Shares, among which the relatively material risks include the following: (i) our *DAHON* brand is an important asset of our businesses and violation of our trademark rights by third-parties, or the failure of our distributors or licensees to comply with our product quality, manufacturing requirements, marketing standards or other requirements could negatively impact our reputation, brand and results of operations; (ii) We rely on third-party distributors to place our products into the market, and we may not be able to control our distributors and their sub-distributors; (iii) Our distributors may accumulate excess or obsolete inventory, and any excessive build-up of inventory could affect the volume of future orders from our distributors; (iv) Our business depends on third-party suppliers to meet our requirements for high-quality production and timely delivery of raw materials, components and finished products. Significant disruption in their supply or increase in their prices may materially and negatively affect our business; and (v) Unsatisfactory performance of or defects in our products may harm our reputation, lead to product returns or recalls, subject us to significant product liability litigations and have a material adverse effect on our business, financial conditions and results of operations. See "Risk Factors" for further details.

GLOBAL OFFERING STATISTICS

	Based on the Offer Price of HK$49.5 per Share
Market capitalization of our Company upon completion of the Global Offering(1)(2)	HK$1,567.6 million
Unaudited pro forma adjusted consolidated net tangible asset value per Share(3)	HK$16.32

Notes:

(1) All statistics in the table are based on the assumption that the Over-allotment Option is not exercised.

(2) The calculation of market capitalization is based on 31,667,841 Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised).

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in the section headed "Appendix II — Unaudited Pro Forma Financial Information" in this prospectus and have not taken into account the vesting of 2,715,676 shares under Pre-IPO Employee Incentive Schemes (as defined and detailed in Note 31 to the Accountants' Report as set out in Appendix I).

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately HK$49.8 million or 12.7% of the gross proceeds of the Global Offering (based on an Offer Price of HK$49.5 per H Share without taking into account the Over-allotment Option), including (i) underwriting commission of approximately HK$19.6 million, and (ii) non-underwriting related expenses of approximately HK$30.2 million which consist of (a) fees and expenses of legal advisors and the Reporting Accountants of approximately HK$17.3 million and (b) other fees and expenses of approximately HK$12.9 million. Approximately HK$4.2 million of our listing expenses is expected to be charged to our consolidated statements of profit or loss and other comprehensive income and approximately HK$45.6 million is expected to be accounted for as a deduction from equity upon Listing under the relevant accounting standard. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

For the seven months ended July 31, 2025, we experienced a steady growth in our business and financial performance. Our total sales volume of our *DAHON* bicycles amounted to approximately 185,000 units for such period. Nonetheless, the results of operations in any particular period are not necessarily indicative of our future trends.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, up to the date of this prospectus, there have been no material adverse changes in our financial, operational, or trading position or prospects since April 30, 2025, being the date of the latest reporting period ended of our consolidated financial statements as set out in Appendix I to this prospectus, and there is no event since April 30, 2025, that would materially affect the information as set out in the Accountants' Report included in Appendix I to this prospectus.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below.

"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Annual Investment Quota"	the amount that individuals with Taiwan passport are restricted to invest each year in the mainland China by the Approval of Investment Regulations
"Approval of Investment Regulations"	collectively, the Act Governing Relations between the People of the Taiwan Area and the Mainland China Area (《台灣地區與大陸地區人民關係條例》), the Regulations Governing the Approval of Investment or Technical Cooperation in the Mainland China Area (《在大陸地區從事投資或技術合作許可辦法》), the Principles Governing Review of Investment or Technical Cooperation in the Mainland China Area (《在大陸地區從事投資或技術合作審查原則》) and other relevant Taiwan laws and regulations
"Articles" or "Articles of Association"	the articles of association of our Company (as amended from time to time), adopted on January 10, 2025 with effect from the Listing Date, a summary of which is set out in Appendix V, and as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board"	the board of directors of our Company
"business day" or "Business Day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"Capital Market Intermediaries"	the capital market intermediaries participating in the Global Offering as listed in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus and has the meaning ascribed thereto under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"China", "mainland China", "PRC" or "State"	People's Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires otherwise, references in this prospectus to "China", "mainland China", the "PRC" and the "State" do not apply to Hong Kong, Macau Special Administrative Region and Taiwan
"CIC"	China Insights Industry Consultancy Limited, the industry consultant of our Company
"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 or supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time
"Company", "our Company"	DAHON TECH (SHENZHEN) CO., LTD. (大行科工(深圳)股份有限公司), a joint stock company with limited liability established in the PRC on December 13, 2016, converted from our predecessor Shenzhen Meidahon Technology Co., Ltd. (深圳市美大行科技有限公司) into a joint stock company with limited liability under the PRC Company Law on August 28, 2023
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholders"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Dr. Hon and Dahon Tech Enterprise LP. See "Relationship with Our Controlling Shareholders"
"CSRC"	the China Securities Regulatory Commission of the PRC (中國證券監督管理委員會)
"Dahon LP"	Shenzhen Dahon Enterprise Management Consulting Partnership (L.P.) (深圳大行企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on May 7, 2022 which is held by 38 partners, with Ms. Yan Xiaoyan as the general partner holding 13.28% of partnership interest, and 37 limited partners who are Independent Third Parties including our employees holding 86.72% of partnership interest in aggregate. Dahon LP is one of our employee shareholding platforms

"Dahon Tech Enterprise LP"	Shenzhen Dahon Tech Enterprise Management Consulting Partnership (L.P.) (深圳大行科工企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on November 14, 2024 which is held by seven partners, with Dr. Hon as the general partner holding 2.64% of partnership interest, and six limited partners who are our Directors or Supervisors holding 97.36% of partnership interests in aggregate. Dahon Tech Enterprise LP is one of our employee shareholding platforms and one of our Controlling Shareholders
"DahonInd LP"	Shenzhen DahonInd Enterprise Management Consulting Partnership (L.P.) (深圳大行工企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on August 28, 2023 which is held by 29 partners, with Mr. Mo Quan as the general partner holding 10.78% of partnership interest, and 28 limited partners who are Independent Third Parties including our employees holding 89.22% of partnership interests in aggregate. DahonInd LP is one of our employee shareholding platforms
"DahonTech LP"	Shenzhen DahonTech Enterprise Management Consulting Partnership (L.P.) (深圳大行科企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on August 28, 2023 which is held by 33 partners, with Ms. Yan Xiaoyan as the general partner holding 22.73% of partnership interest, and 32 limited partners who are Independent Third Parties including our employees holding 77.27% of partnership interests in aggregate. DahonTech LP is one of our employee shareholding platforms
"Deed of Non-competition"	the deed of non-competition dated August 27, 2025 entered into by Dr. Hon in favor of our Company, particulars of which are set out in the paragraph headed "Relationship with our Controlling Shareholders — Deed of Non-competition" in this prospectus
"DH Technology"	Dahon Technology (Shenzhen) Co., Ltd. (大行科技(深圳)有限公司) (formerly known as Dahon Industry (Shenzhen) Co., Ltd. (大行車業(深圳)有限公司)), a limited company established in the PRC on November 2, 2001 and wholly owned by Dr. Hon, which previously operated the business under the *DAHON* brand, and has commenced cessation of business activities since second half of 2017 and has no active business operations as of the Latest Practicable Date
"Director(s)"	the director(s) of our Company
"DNA"	Dahon North America Inc., a company incorporated in the state of California, U.S. on February 9, 1982 and was controlled by Dr. Hon prior to February 2023

"Domestic Unlisted Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are not listed on any stock exchange
"Dr. Hon"	Dr. Hon Ta-Wei (alias Hon David Tak Wei) (韓德瑋), the founder, chairman of the Board, general manager and executive Director of our Company, and one of our Controlling Shareholders
"EIT"	enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which came into effect on January 1, 2008, as amended or supplemented or otherwise modified from time to time
"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
"FINI" or "Fast Interface for New Issuance"	an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listing of securities
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "we", "our" or "us"	our Company and its subsidiaries from time to time, or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the business operated by such subsidiaries or their predecessors (as the case may be)
"Guide"	the Guide for New Listing Applicants published by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
"H Share Registrar"	Computershare Hong Kong Investor Services Limited

"H Share(s)"	overseas shares in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and for which an application has been made for the granting of listing and permission to deal in on the Stock Exchange
"HK$", "Hong Kong dollars", "HK dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"HKFRS"	HKFRS Accounting Standards issued by Hong Kong Institute of Certified Public Accountants
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via FINI to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	the 792,000 H Shares being initially offered by our Company for subscription pursuant to the Hong Kong Public Offering (subject to adjustments as described in "Structure of the Global Offering")
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price on the terms and conditions described in this prospectus
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in "Underwriting — Hong Kong Underwriters"

"Hong Kong Underwriting Agreement"	the underwriting agreement dated August 28, 2025, relating to the Hong Kong Public Offering and entered into among our Company, the Controlling Shareholders, the Sponsor-Overall Coordinator and the Hong Kong Underwriters, as further described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement" in this prospectus
"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons
"International Offer Shares"	the 7,128,000 H Shares being initially offered by our Company for subscription at the Offer Price pursuant to the International Offering together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option, (subject to adjustments as described in "Structure of the Global Offering")
"International Offering"	the offer of the International Offer Shares by the International Underwriters at the Offer Price outside the United States in offshore transactions in accordance with Regulation S, as further described in "Structure of the Global Offering"
"International Underwriters"	the group of underwriters who are expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering, which is expected to be entered into by, among others, the Sole Sponsor, the Sole Overall Coordinator, the International Underwriters and our Company on or about September 5, 2025
"Joint Bookrunners"	China Securities (International) Corporate Finance Company Limited and ABCI Capital Limited, BOCI Asia Limited, CCB International Capital Limited, CMB International Capital Limited and Futu Securities International (Hong Kong) Limited
"Joint Lead Managers"	China Securities (International) Corporate Finance Company Limited and ABCI Securities Company Limited, BOCI Asia Limited, CCB International Capital Limited, CMB International Capital Limited and Futu Securities International (Hong Kong) Limited

"Latest Practicable Date"	August 24, 2025, being the latest practicable date prior to the publication of this prospectus for the purpose of ascertaining certain information contained in this prospectus
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or about September 9, 2025, on which the H Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or 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 the GEM of the Stock Exchange
"Meidahon LP"	Shenzhen Meidahon Enterprise Management Consulting Partnership (L.P.) (深圳美大行企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on May 5, 2022 which is held by 41 partners, with Mr. Mo Quan as the general partner holding 12.60% of partnership interest, and 40 limited partners who are Independent Third Parties including our employees holding 87.40% of partnership interests in aggregate. Meidahon LP is one of our employee shareholding platforms
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Nomination Committee"	the nomination committee of the Board
"NTD"	New Taiwan dollar(s), the lawful currency of Taiwan
"Offer Price"	the final offer price per Offer Share (exclusive of any brokerage fee, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in "Structure of the Global Offering"

"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Original Quota"	the total investment amount in a single mainland China entity that a holder of Taiwan passport or Taiwan-incorporated entity is allowed to made without obtaining prior approval from the Taiwan Investment Commission, save for investments in prohibited or conditionally permitted categories
"Over-allotment Option"	the option expected to be granted by our Company to the International Underwriters, exercisable by the Sole Overall Coordinator (on behalf of the International Underwriters), pursuant to which our Company may be required to allot and issue up to an aggregate of 1,180,000 additional Shares (representing approximately 15% of the Offer Shares initially being offered under the Global Offering) at the Offer Price to cover over-allocations in the International Offering, if any
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), enacted by the Standing Committee of the Eighth National People's Congress on December 29, 1993 and effective on July 1, 1994, and subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, as amended, supplemented or otherwise modified from time to time
"PRC GAAP"	generally accepted accounting principles in mainland China
"PRC Government"	the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them
"PRC Law"	the laws and regulations of the PRC, without reference to the laws and regulations of Hong Kong, the Macau Special Administrative Region and the relevant regulations of Taiwan region
"PRC Legal Advisors"	DeHeng Law Offices (Shenzhen), our legal advisors as to PRC laws
"prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"Regulation S"	Regulation S under the U.S. Securities Act

"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"SAMR"	State Administration of Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"SAT"	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
"SFO" or "Securities and Future Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of Shares
"Shares"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Unlisted Share(s) and H Share(s)
"Sharing 360 Program"	our promotional program launched in 2019 to (i) promote co-branded products with prominent domestic and offshore industry peers, and (ii) sell our self-developed and proprietary bicycle parts
"Sole Global Coordinator"	China Securities (International) Corporate Finance Company Limited
"Sole Sponsor"	China Securities (International) Corporate Finance Company Limited
"Sponsor-Overall Coordinator" or "Sole Overall Coordinator"	China Securities (International) Corporate Finance Company Limited
"Stabilizing Manager"	China Securities (International) Corporate Finance Company Limited
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategic and ESG Committee"	the strategic and ESG committee of the Board

"subsidiaries"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"Supervisor(s)"	the supervisor(s) of the Company
"Taiwan Department of Investment Review"	the Department of Investment Review, the Ministry of Economic Affairs of Taiwan
"Taiwan Shareholders"	our direct and indirect Shareholders who are holders of Taiwan passports
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended or supplemented or otherwise modified from time to time
"Track Record Period"	the years ended December 31, 2022, 2023 and 2024, and the four months ended April 30, 2025
"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 and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"US$", "USD" or "U.S. dollars"	United State dollars, the lawful currency for the time being of the United States
"**White Form eIPO**"	the application for the Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"%"	per cent.

In this prospectus, the terms "associate", "close associate", "connected person", "connected transaction", "core connected person", "subsidiary" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

If there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC mentioned in this prospectus and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such PRC entities or enterprises are provided for identification purposes only.

This glossary contains terms used in this document in connection with us. As such, these terms and their meanings may not correspond to standard industry meanings or usages of these terms.

"618 Shopping Festival"	an annual online sales event in China on or around June 18
"CRM"	customer relationship management
"DAHON-V' technology suite (快車道技術)"	a set of technologies and methods for bicycle design and verification, which effectively optimizes bicycle design and improves the speed of various types of bicycles. This technology suite includes three parts: measurement and verification, component solutions, and complete vehicle technology applications
"DELTECH' technology"	our enhanced structural design transforming the single-beam front frame structure into a triangle front frame structure through a reinforcement system featuring a lower tube and an adjustable tensioning cable
"disc-brake"	A bicycle braking system that consists of a brake disc connected to the wheel and a caliper at the edge of the disc
"Double 11 Shopping Festival"	an annual online sales event in China on or around November 11
"ERP"	enterprise resource planning
"GFA"	gross floor area
"ISO"	the International Organization for Standardization, a non-government organization based in Geneva, Switzerland, for assessing the quality systems of business organizations
"ISO9001"	International Quality Management System, which is released by ISO
"KOLs"	key opinion leaders
"OEM"	original equipment manufacturer, a company that manufactures a product in accordance with its customer's designs which ultimately will be branded by its customer for sale
"PLM system"	a system of product lifecycle management
"sq.m."	square meter

"Super Down-tube technology"	our enhanced structural design providing a flattened down tube connecting the main beam and the bottom bracket shell of a bicycle frame
"v-brake"	A bicycle braking system that generates braking effect by using V-shaped brake arms to clamp wheel rim

We have included in this prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This prospectus contains certain forward-looking statements relating to our Company, our subsidiaries and consolidated affiliated entities that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "aim", "anticipate", "believe", "could", "expect", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to successfully implement our business plans, strategies, objectives and goals;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operational efficiency;
- changes in our customers' demands and expectations;
- changes in the competitive landscape of the industries where we operate;
- our ability to protect our reputation and brand image, as well as trademarks, technologies, knowhow, patents and other intellectual property rights;
- changes in local economic and political conditions and changes in compliance with international laws and regulations in the countries and regions where we operate;
- developments in technology and our ability to successfully keep up with technological advancement;
- our ability to attract and retain experienced professionals and other qualified employees and key personnel;
- changes in currency exchange rates; and

- the other risk factors discussed in this prospectus as well as other factors beyond our control.

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. Further, subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise.

Accordingly, you should not place undue reliance on any forward-looking statements in this prospectus. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section titled "Forward-Looking Statements" of this prospectus.

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

Our *DAHON* brand is an important asset of our businesses and violation of our trademark rights by third-parties, or the failure of our distributors or licensees to comply with our product quality, manufacturing requirements, marketing standards or other requirements could negatively impact our reputation, brand and results of operations.

Our *DAHON* brand represents a core asset of our business. Consumers, especially public members without specific knowledge of the engineering or mechanical composition of folding bicycles, rely significantly on brand recognition in their purchase decisions. Our success relies heavily on the popularity of our *DAHON* brand in the market and our well-established reputation for providing quality and pioneering folding bicycles. Revenue attributable to our *DAHON* bicycles accounted for 93.4%, 96.1%, 98.1%, 97.9% and 98.3%, respectively, of our total revenue for the year ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025. Therefore, preserving and enhancing our brand recognition and image is key to differentiating our products effectively from that of the other market players and maintaining our competitiveness and market share. Nonetheless, recognition of our brand may be negatively affected by any product defects, product liability claims, administrative penalties or proceedings, negative publicity and media exposure, product recalls and intellectual property infringement, even if meritless or immaterial to our operations. Alternatively, we cannot guarantee that we can attain the promotional effects through marketing campaigns as anticipated or that such effects attained can effectively boost our sales, failure of which will adversely affect our financial conditions and results of operations.

While we have registered our trademarks in the PRC and other different countries, any incidents of unauthorized use of our trademarks and infringement of our intellectual property may not only divert potential sales of our products, but also cause harm to our brand recognition and lead to heightened litigation costs in lodging claims. Additionally, we cannot assure that our distributors or licensees will comply with our standards and requirements on product quality, manufacturing, marketing and other contractual requirements, failure of which may lead to delivery of products of inconsistent quality, loss of revenue, increased litigation, and damage to our reputation and business. There is also no assurance that our on-going effort to protect our brand and trademark rights and ensure compliance with our licensing and distribution agreements will prevent all violations.

Our success and the success of our brand has been driven by our founder Dr. Hon and also relies on key executives and senior management, product design and development engineers, our sales force and other important staff members.

Our success, to a large extent, hinges on the continued service and performance of our key executives, senior management members, including our founder Dr. Hon, all Executive Directors, and other important personnel, who possess deep industry knowledge and experience, technical expertise and specialized skills, hold valid qualifications or valuable experiences in various aspects, including research and development, design, manufacturing and operation, sales and marketing, business and risk management, all of which are important fronts of our continued business operation. Specifically, our founder, Dr. Hon, is a well-known figure in the folding bicycle industry and the success of our Company and our Dahon brand has been significantly attributable to his leadership in the research and development as well as his achievements in technological innovations and pioneering work in folding bicycle mechanisms, and he is deeply involved in the overall management of our business operations.

However, there can be no assurance that we are able to retain all our key executives, senior management and other important staff members. Should any incidents that may jeopardize Dr. Hon's ability to manage the Company or any negative publicity regarding his reputation occur, failure to promptly identify and address it may result in reputational damages, diversion of management's attention and resources from other important business concerns, which may potentially negatively impact our business operation and lead to declines in our product sales. Additionally, if any of our other key executives, senior management and other important staff members ceases or is unable to continue their service contracts with us, we may not be able to hire suitable talents in time to fill the job vacancies, which can be a costly and time-consuming process. This can lead to disruptions in our workflows, loss of expertise, decreasing work efficiency and morale among other team members, which can adversely impact our business operation. Alternatively, the departure of our key executives or senior management members could create a leadership vacuum, impacting our decision-making processes, strategic planning, and overall organizational stability, creating significant adverse impact on our business performance and operational results. If any of such departed key personnel joins our competitors, we may risk exposure of our trade secrets and critical business information including our strategic business plans to our competitors, jeopardizing our competitive advantage and business development. Accordingly, any loss of our important staff members without timely replacement will adversely affect our business, financial conditions, results of operations and future prospects.

We rely on third-party distributors to place our products into the market, and we may not be able to control our distributors and their sub-distributors.

Our business relies significantly on the contributions of our distributors. As of April 30, 2025, we cooperated with 38 domestic distributors in the PRC which controlled 680 retail outlets across 30 provincial-level administrative regions in the PRC. Revenue generated from our sales to domestic distributors accounted for 61.3%, 70.5%, 68.2%, 71.8% and 69.5%, respectively, of our total revenue in 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025. As we mainly sell and distribute our products through distributors, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition and results of operations:

- reduction, delay or cancelation of orders from one or more of our distributors; selection or increased sales by our distributors of our competitors' products;
- failure to renew distribution agreements and maintain relationships with our existing distributors;
- failure to establish relationships with new distributors on favorable terms; and
- inability to timely identify and appoint additional or replacement distributors upon the loss of one or more of our distributors.

We may not be able to compete successfully against larger and better-funded sales and marketing campaigns of some of our current or future competitors, especially if these competitors provide their distributors with more favorable arrangements. We cannot assure you that we will not lose any of our distributors to our competitors, which could cause us to lose some or all of our favorable arrangements with such distributors and may result in the termination of our relationships with other distributors. In addition, we may not be able to successfully manage our distribution network and the cost of any consolidation or further expansion of our distribution and sales network may exceed the revenue generated from these efforts. If the sales volumes of our products to consumers are not maintained at a satisfactory level or if distributor orders fail to track consumers demand, our distributors may not place orders for new products from us or decrease the quantity of their usual orders. The occurrence of any of these factors could result in a significant decrease in the sales volume of our products and therefore adversely affect our financial condition and results of operations.

Furthermore, we rely on the distribution agreements, policies and measures we have in place to manage our distributors. There can be no assurance that we will be successful in managing our distributors, or that our distributors would not breach our agreements and policies. Any violation or alleged violation by our distributors of the distribution agreements, our policies or any applicable laws and regulations could result in, among other things, a decrease in the market value of our brand and an unfavorable public perception about the quality of our products, resulting in a material adverse effect on our business, financial condition, results of operations and prospects.

In line with industry practice, most of our distributors further sold our products to their sub-distributors. In general, we do not enter into contracts with such sub-distributors, thus having no control over sales activities of such sub-distributors. We cannot assure you that the sub-distributors will at all times comply with our sales policies or that they will not compete with each other for market share in respect of our products. If any of the sub-distributors fail to distribute our products to their customers in a timely manner, overstock, or carry out actions which are inconsistent with our business strategy, it may affect our future sales. This may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

Our distributors may accumulate excess or obsolete inventory, and any excessive build-up of inventory could affect the volume of future orders from our distributors.

We sell a significant amount of our products to distributors, who maintain their own inventories of our products. Our distributors in turn distribute our products to end customers through their own retail outlets or sub-distributors and their retail outlets. We assess the inventory information of our distributors and their sub-distributors primarily by conducting site visits and reviewing sales records through our management systems. However, we may not be able to accurately track the inventory level of our sales and distribution partners or to identify any excessive inventory build-up at various levels of our sales and distribution network. Our distributors may be unable to sell an adequate amount of their inventories of our products in a given period, which may result in a build-up of inventory at our distributors. In such an event, these distributors likely would reduce future orders until their inventory levels realign with demand. As such, any excessive build-up of inventory by our distributors could reduce the volume of future orders that we receive from our distributors and thus may have a material adverse impact on our sales to them and, accordingly, our business, financial condition, results of operations and future prospects.

Our business depends on third-party suppliers to meet our requirements for high-quality production and timely delivery of raw materials, components and finished products. Significant disruption in their supply or increase in their prices may materially and negatively affect our business.

Our business operations rely heavily on a number of third-party suppliers including OEM suppliers and raw material suppliers to fulfill our demands for raw materials, components and finished products in a timely manner. In 2022, 2023 and 2024 and the four months ended April 30, 2025, purchase from our largest supplier in each year/period accounted for 15.6%, 15.9%, 16.8% and 17.6%, respectively, of our total purchase amount for the respective periods. For the same periods, purchase from our five largest suppliers in each year/period during the Track Record Period accounted for 32.7%, 42.7%, 46.2% and 52.1%, respectively, of our total purchase amount for the respective periods. Our suppliers may extend lead times and may fail to deliver raw materials, components or finished products required for our production and sales as scheduled. Failures by our suppliers to deliver on schedule or if the products they supplied do not meet our specifications, the entire production and sales process may be delayed. As a result, we may be unable to fulfill our customers' orders or may have to delay the timeline for launching new products, resulting in decreases in sales.

In addition, if there is a surging demand for the same type of raw materials or components provided by our suppliers, or that our suppliers halt their operations due to insolvency or other internal reasons, the supply of such materials may be significantly reduced or delayed. It could be difficult, costly and time-consuming to obtain alternative sources for these raw materials or components, or to change product design to make use of alternative raw materials and components. Difficulties in transitioning from an existing supplier to a new supplier could create delays in the availability of raw materials, components and finished products which would have a significant adverse impact on our ability to fulfill orders for our products. If we are unable to obtain a sufficient supply of raw materials, components and finished products, or if we experience any supply interruption, our product shipments could be reduced or delayed. Any or all such disruptions in supply may affect our ability to meet scheduled product deliveries, damage our reputation in the market and cause us to lose market share.

Moreover, some of our raw materials and components are obtained from a limited number of qualified suppliers for whom we may provide the engineering design and specifications. We cannot assure you that our efforts to control quality will be successful or that in the event we must change suppliers we will be able to obtain satisfactory alternative sources of supply. If any existing or new supplier fails to satisfy our pricing or quality requirements, we may be subject to increased costs or lose sales.

The occurrence of any of the above could have a material adverse effect on our business, financial condition and results of operations.

We rely on a limited number of OEM suppliers for the production of a large portion of our products and any capacity constraints or limitations by them could materially and adversely affect our business, results of operations and financial condition.

We outsource the production of a large portion of our products to a limited number of OEM suppliers. During the Track Record Period, we had five OEM suppliers, with four located in mainland China and one located in Romania. In 2022, 2023 and 2024 and the four months ended April 30, 2025, we procured 44,037, 76,476, 136,690 and 65,964 bicycles from OEM suppliers, respectively, representing approximately 29.5%, 45.1%, 56.8% and 65.5% of the total units of bicycle produced in-house and procured from OEM suppliers, respectively.

The production capacity of our OEM suppliers may be constrained by various factors including equipment breakdowns, labor strikes or shortages, industry downturns, component or material shortages, cost increases, acquisitions, insolvency, natural disasters or other catastrophic events. Any such events could limit our OEM suppliers' ability to maintain or increase their production capacity to meet our requirements. In the event of a surge in demand for our products, our OEM suppliers may not be able to increase their production capacity sufficiently to meet such increased demand, potentially causing us to lose sales opportunities or market share.

Given our reliance on a limited number of OEM suppliers, a capacity constraint or production limitation at even one supplier could have a disproportionate adverse effect on our overall supply chain and significantly disrupt our ability to effectively and timely deliver products to our customers. If our OEM suppliers are unable to provide products in the required volumes or fail to supply products in accordance with our delivery schedule due to capacity limitations, we may be forced to provide these products on a delayed basis, in reduced volumes, or cancel our product offerings entirely. Any such disruption could harm our reputation, damage our relationships with distributors and consumers, and result in lost sales.

The occurrence of any capacity constraints at our OEM suppliers could have a material adverse effect on our business, financial condition and results of operations.

Unsatisfactory performance of or defects in our products may harm our reputation, lead to product returns or recalls, subject us to significant product liability litigations and have a material adverse effect on our business, financial conditions and results of operations.

The success of our business depends heavily on our consistent delivery of high-quality products. The efficacy of our quality control systems plays a crucial role in maintaining the consistent quality of our products, which is dependent on various factors such as our ability to supervise or otherwise ensure adherence to our quality control measures by our employees or third-party suppliers. Nonetheless, we cannot assure that our quality control systems and testing measures in place are at all times effective to prevent every product defect, including latent defect, or that they can be promptly identified. Furthermore, product defects may be caused by defects of the raw materials, components or finished products provided by third-party suppliers, which we may have difficulty in preventing or identifying as we may not have control over the production process or quality control system of these suppliers. During the Track Record Period, we did not experience material product return or loss associated with defects. However, we cannot guarantee that there will not be any returned products as a result of defects in our products in the future. If we fail to prevent or identify any product defects before supply to our consumers and our consumers raise any complaints or claims of product defects, consumers may demand for product returns or recalls and we may incur substantial costs in coping with such demand and our business reputation and creditability will be adversely affected. This may lead to a decrease in our sales and adversely affect our brand image, financial condition and results of operations. Further, the occurrence of any product defects may trigger additional compliance issues of relevant laws or regulations, thereby subjecting us to administrative proceedings or penalties, which creates further negative impact on our market reputation, business and results of operations.

Where any defects of our products lead to personal injury or property damage, we may face product liability claims from our consumers, resulting in damage to our reputation and financial performance. It is time-consuming and costly to defend against such legal claims even if the outcome of proceedings stands favorable to us, which may impede our business growth by diverting our time and resources which could have been invested in our business development. There can be no assurance that we will not be subject to any product liability claims or legal proceedings associated with quality issues of products in the future along with development of our products and relevant regulatory regimes, and the outcomes of such legal proceedings will be favorable to us. While we have acquired product liability insurance, the coverage might not be adequate or that the product defects fall outside the scope of our insurance coverage.

Additionally, a broader pattern of quality issues associated with folding bicycles could negatively affect consumers' perception and willingness to purchase our products, irrespective of whether these quality issues are directly relevant to our products. Any quality-related concerns, whether actual or perceived, regarding our products or the industry at large, could significantly and adversely affect our business, financial conditions, results of operations, and future prospects.

Changes in customer and end-user preferences, inability to maintain mutually beneficial relationships with large customers, inventory reductions by customers could adversely affect our business.

Our ability to maintain a strong market position and drive growth depends on our ability to understand and respond to evolving customer preferences. However, customer preferences may shift over time due to various factors such as changes in their lifestyle, disposable income level and purchasing powers which are closely linked to economic conditions of countries in which we operate, technological advancements and market trends. If we fail to anticipate or adapt to these changes in a timely manner, our products may become less appealing to our customers, leading to reduced sales volume and an adverse impact on our profitability and financial conditions.

Our future growth and profitability are closely tied to our ability to maintain and strengthen our relationships with these customers including bicycle distributors and retailers. The loss of any of these customers or a deterioration in our relationship with them could have a material adverse effect on our business, financial condition, and results of operations. Our ability to maintain mutually beneficial relationships with these customers depends on various factors, including our ability to meet their quality and delivery requirements, provide competitive pricing, and offer innovative products that meet their needs. Any reductions in orders by our customers may also be attributed to a change in their marketing and business development plans resulted either from changing market conditions or internal business decisions. For instance, some of our major customers may periodically assess their inventory levels and adjust according to projections of future demand trends. If their analysis leads to a decision to temporarily reduce orders for a certain type of product for better management of overall stock levels, it could potentially impact the supply of our related products to such customer. Accordingly, if our customers substantially reduce their purchases from us or if we fail to maintain mutually beneficial relationships with them, our sales and revenue may decline, and our financial performance will be adversely affected.

The inability to develop and introduce new products at favorable margins, or low customer demand for new products, could adversely impact our competitiveness, performance and prospects for future growth.

Our ability to maintain a competitive position in the folding bicycle and the broader bicycle industry is heavily reliant on our capacity to identify new market trends and develop and introduce innovative products that meet the evolving needs and preferences of our customers while maintaining favorable profit margins.

However, we cannot guarantee that we can develop and introduce new products at favorable margins which are subject to the risk of product failure and increased costs of production. For instance, the development and introduction of new products require significant investments in research and development, marketing, and production. If we are unable to recover these investments through sales of our new products, our profitability and cash flows could be negatively impacted. Alternatively, there are also inherent market risks underlying introduction of new products, including uncertainties about market responses and acceptance, which may also impact our financial results and competitive position. We may not be able to launch new products that meet customer’s preferences which are constantly changing as a result of a range of factors, such as market conditions and market trends. Furthermore, considering the highly competitive nature of the bicycle industry in the PRC, consumers may be drawn to the new product offerings of our competitors due to the marketing and pricing strategies employed by our competitors in the marketplace. There can be no assurance that we will be successful in introducing new products, and our failure to do so could result in reduced demand for our products and negatively impact our competitiveness, brand image and our financial conditions.

We may not be successful in implementing our future business plans and strategies, and if we are unable to execute them effectively and efficiently, our business, financial conditions, results of operations and growth prospects may be materially and adversely affected.

We strive to achieve sustainable growth and further strengthen our competitiveness in the bicycle industry by implementing our business strategies. See "Business — Strategies" for details. Nonetheless, our business plans and strategies are based on assumptions of future events which may include certain risks and are inherently subject to uncertainties. These assumptions may not be correct, which could affect the commercial viability of our business plans and strategies. As such, there can be no assurance that our business plans and strategies will be implemented successfully as scheduled or at all.

If we fail to implement our business plans and strategies effectively, we may be unable to expand our operations, manage our growth, take advantage of market opportunities or remain competitive in the industry. Furthermore, even if we implement our business plans and strategies effectively, there may be other unexpected events or factors that prevent us from achieving the desirable and profitable results, which may materially and adversely affect our business, financial conditions, results of operations and growth prospects.

For example, we plan to seek expansion of our production capacities in the PRC in response to increasing market demands and we may undertake further expansion plans based on our future business needs. See "Business — Strategies — Optimize Supply Chain Integration and Intelligent Manufacturing to Accelerate Business Growth" for details. However, the success of our future expansion plans depends on several factors that are beyond our control, such as changes in local laws and regulations and government policies, the availability of low-cost skilled labor and changes in consumer demands. In addition, the integration of new facilities into our existing operation may be subject to unforeseeable delays, which may, among other things, increase our operation costs, strain our production capacity, cause delays in delivery of customer orders and decrease our production efficiency. Moreover, our expansion plans may increase our operational costs, such as higher labor costs and equipment purchase fees, and increase our cash outflows for operating and investing activities. Accordingly, we cannot assure you that we will be able to achieve the expected expansion of our operations or manage our growth in a timely or cost-effective manner.

Our historical results may not be indicative of our future performance.

During the Track Record Period, we demonstrated strong financial performance with significant increases in our revenue and profits. Our revenue increased by (i) approximately 18.1% from RMB254.2 million for the year ended December 31, 2022 to RMB300.2 million for the year ended December 31, 2023, (ii) approximately 50.1% from RMB300.2 million for the year ended December 31, 2023 to RMB450.7 million for the year ended December 31, 2024, and (iii) approximately 46.8% from RMB125.8 million for the four months ended April 30, 2024 to RMB184.7 million for the same period in 2025. In addition, our net profit increased by (i) approximately 11.1% from RMB31.4 million for the year ended December 31, 2022 to RMB34.9 million for the year ended December 31, 2023, (ii) approximately 49.9% from RMB34.9 million for the year ended December 31, 2023 to RMB52.3 million for the year ended December 31, 2024, and (iii) approximately 69.3% from RMB12.7 million for the four months ended April 30, 2024 to RMB21.5 million for the same period in 2025. See "Financial Information — Period to Period Comparison of Results of Operations" for details.

Nonetheless, while our historical financial data provides insights into our past financial performance, they may not be indicative of our future financial results. Our business prospects and financial success going forward will depend on our ability to secure new business opportunities and control costs and expenses, and are subject to various factors beyond our control, including intensifying competition from both domestic and international bicycle manufacturers, lowered consumer demand, heightened costs of raw materials, changing economic conditions and policy developments in countries which we operate, disruptions to supply chains and slower industrial growth. Therefore, there cannot be assurance that we can maintain growth in our revenue and profits in the future comparable to that recorded during the Track Record Period. In case we are unable to increase our sales or that our gross profit margin fails to remain stable, our business, financial conditions and results of operations could be materially and adversely affected.

Our results of operations are affected by seasonal fluctuations.

Our financial performance and results of operations experience seasonal fluctuations. Specifically, sales are relatively lower during the first two months of each year primarily due to winter weather conditions that limit outdoor cycling activities, whether for general commuting or recreational purposes, and the Chinese New Year holiday period. For instance, the average monthly sales of our products amounted to RMB37.6 million in 2024, while the sales of products during the first two months of 2024, covering the Chinese New Year holiday period, were RMB21.6 million and RMB12.2 million, respectively. Our revenue and operational results may also fluctuate throughout the year due to various reasons. For instance, our sales may increase at times when we launch new products or when we occasionally implement promotional initiatives. By virtue of these seasonal fluctuations inherent in our business, comparing financial data between different periods within the same financial year or same periods in different financial years may not provide meaningful insights as our operational results in any individual period do not necessarily indicate what can be attained over the course of the complete annual financial cycle, and therefore should not be relied on for anticipating our future performance. Should demand for our products decline significantly in any period during the financial year, our business, financial condition and results of operations may be adversely affected.

We face active global competition including increasing pricing pressure in a matured market with relatively low expected growth rate, and if we do not compete effectively, our business may suffer.

In the bicycle industry of China, we encounter intense competition across various aspects, including distribution networks, brand awareness and recognition, product quality and safety, pricing strategies and marketing. According to CIC, the global folding bicycle market is characterized by intense competition where four of our major competitors had occupied 13.2% of the market share of the global folding bicycle market in terms of retail sales volume in 2024. For details, see "Industry Overview — Production — Competitive Landscape of the Global And Mainland China's Folding Bicycle Industry — Overview." Further, according to CIC, the bicycle industry and its folding bicycle segment are highly fragmented and there were over 200 market players in the global folding bicycle industry and over 3,000 market players in the global bicycle industry as of December 31, 2024.

Our competitors' resources may expand through mergers, consolidations, or strategic alliances, and we anticipate the emergence of new competitors in the future. Although we achieved a retail sales volume of 229.5 thousand units, representing 6.2% of the market share in 2024, we cannot guarantee to maintain the same market share in the future in light of the potential expansion of our competitors in the industry. Furthermore, we may encounter challenges competing with local manufacturers in existing markets where we base our operations and also in untapped markets. In addition, market dynamics and seasonal fluctuations in customer demands may occasionally compel us to adjust our pricing strategies, potentially lowering our selling prices or reallocating funds towards marketing initiatives, advertising campaigns, promotional activities, or sales incentives to stay competitive and maintain our market position, thereby leading to a prospective decrease in our profit margins.

Some of our products are positioned at the premium segment, compared to the whole industry, they are priced at a premium, determined after considering factors such as our aesthetic design, technologies, product quality and brand reputation. However, increased competition, market dynamics and changes in customer demands and preferences may occasionally compel us to adjust our pricing strategies, potentially lowering the selling prices and retail prices of our products or requiring us to reallocate funds towards marketing initiatives, advertising campaigns, promotional activities, or sales incentives to stay competitive and maintain our market position. The highly fragmented and competitive nature of our industry creates increasing pricing pressure from our peers, with the risk that the price of our products may eventually be lowered in view of such increasing competition, thereby leading to a prospective decrease in our profit margins.

According to CIC, the global bicycle industry is expected to grow at a relatively low rate, with the retail sales volume increasing from approximately 178.8 million units in 2024 to approximately 201.6 million units in 2029, at a CAGR of 2.4%. Moreover, given the long history of the commercialization of folding bicycles and the relatively minor level of retail sales volume and retail value of the global folding bicycle industry as compared to those of the global bicycle industry, the market acceptance of folding bicycles is relatively low compared to traditional bicycles. The relatively low market acceptance of folding bicycles compared to traditional bicycles creates additional market constraints. These market limitations, combined with the above-mentioned challenges arising from intensifying competition may further hinder our ability to raise prices in response to any increased costs of raw materials and other expenses.

As a result of the uncertainties underlying active competition, we cannot guarantee our ability to boost product sales, sustain previous sales volumes, or preserve our profit margins. If any of the response measures implemented fail to boost market demand for our products or enable us to maintain our profit margins, our business, financial conditions and results of operations would be adversely affected.

Our results of operations could be negatively impacted by our ability to obtain raw materials, component parts, freight, energy, labor and sourced finished goods in a timely and cost-effective manner and inflationary or deflationary economic conditions.

Our raw materials and consumables used mainly include bicycle frames, wheelsets, chainrings and chains, gear systems, brake systems and packaging materials. Cost of raw materials and consumables used accounted for a significant portion of our total cost of sales, which amounted to RMB103.6 million, RMB95.3 million, RMB121.4 million, RMB33.4 million and RMB49.4 million, respectively, for the years ended December 31, 2022, 2023, 2024 and the four months ended April 30, 2024 and 2025, representing 58.8%, 48.0%, 40.2%, 39.5% and 39.9%, respectively, of our total cost of sales during the corresponding period. The prices and availability of our raw materials and other production factors are susceptible to fluctuations driven by numerous factors beyond our control, such as inflation, stability of supply chains, cost of production of the relevant materials and parts, market demand and supply for the relevant materials and parts, availability and costs of energy, labor and freight, availability of alternative materials and parts, and changes in domestic and national regulations. Any disruption to our supply chains may lead to substantial increases in our cost of sales, and there is no assurance that we will be able to fully pass such increases to our customers, thereby diminishing our profit margins and negatively impacting our overall business, financial condition, results of operations and future prospects.

Our operational results are also subject to changes in economic conditions of countries where we based our operations, such as market inflation or deflation. If we are unable to mitigate any inflationary increases through various customer pricing actions and cost reduction initiatives, our profitability may be adversely affected. In the event there is deflation, we may experience pressure from our customers to reduce prices, and there can be no assurance that we would be able to reduce our cost base (through negotiations with suppliers or other measures) to offset any such price concessions which could adversely impact our results of operations and cash flows. Where general economic conditions deteriorate and suppliers halt operations or are unable to fulfill their contractual obligations, we may experience significant disruption to supply of raw materials and components, which may have a material and adverse effect on our business, financial condition and results of operations.

If our logistics service providers fail to provide reliable and timely logistics services, our business, financial condition and results of operations may be materially and adversely affected.

We depend primarily on independent third-party logistics service providers to fulfill and deliver purchased orders. Disruptions or breakdowns in these external logistics services could hinder timely or proper delivery of products to customers and harming our business operations. Such interruptions or failures may originate from events beyond our control or the third-party logistics service providers', including extreme weather, natural disasters, accidents, transportation disruptions, labor unrest or energy shortages. For instance, when transportation disruptions arise, such as road closures due to traffic accidents, vehicle breakdowns or regulatory road maintenance, such events will cause inefficiencies and delays of the logistics network. In addition, logistics could also experience disturbance or interruption resulting from commercial disputes between us and the logistics service providers or insolvency of the logistics service providers. We may not be able to find alternative service providers to provide logistics services in a timely and reliable manner, or at all, which may have a material and adverse effect on our business, financial condition and results of operations.

Failure to successfully execute our capacity expansion and equipment upgrade plans may have a material adverse effect on our business, financial conditions and results of operations.

Our future success will depend, to a large extent, on our ability to increase our production output and enhance our production efficiency. We aim to upgrade our current manufacturing facility and seek additional manufacturing facilities to expand our production capacity and enhance our production efficiency. As of April 30, 2025, our production capacity for the four months ended April 30, 2025 was approximately 30,432 units and the utilization rate of our production facility reached 114.1%. For details, see "Business — Production — In-house Production Facility and Capacity." If we fail to meet these objectives, it could impede our ability to attain the desired level of economies of scale or lower our marginal manufacturing costs to the level necessary to maintain our pricing and other competitive advantages and achieve our business expansion plan.

Our capacity expansion and equipment upgrade require substantial capital investment, timely delivery of manufacturing equipment and dedicated attention to oversee and manage the operation of the upgraded equipment, and are subject to the following risks and uncertainties:

- negative effect on the working capital available to us;
- failure to identify suitable site for our new production facility or potential target for investment, acquisition or cooperation;
- the need to finance our equipment upgrade and capacity expansion through bank or other borrowings, which may not be available on commercially reasonable terms or at all;
- increase in depreciation charges associated with our new equipment and interest expenses associated with our future borrowings for planned upgrade or expansion;

- cost overruns, construction delays, manufacturing equipment problems, including delays in equipment delivery or delivery of equipment that does not meet our specifications, and other operational difficulties;

- failure to improve our operational and financial systems and risk monitoring and management system in line with our upgrade or expansion;

- decrease in our product prices, which fail to cover our increased production costs;

- failure to maintain or establish relationships with our existing or prospective customers and suppliers to match our increased production output;

- the failure of our new equipment to perform as expected and lower our manufacturing cost;

- insufficient management resources to properly oversee and manage our planned capacity expansion; and

- delay in or denial of government approvals, permits or documents of similar nature necessary and required for our expansion.

Any of the aforementioned risks or uncertainties could substantially restrict our capacity to carry out our equipment upgrade and capacity expansion as scheduled, potentially hampering our attainment of economies of scale and optimal utilization rates. Consequently, our business, financial conditions, and results of operations could be materially and adversely affected.

We may not be able to effectively manage any overlap or potential competition among our different sales channels.

Throughout the Track Record Period, our products were distributed via a diverse multi-channel sales network, encompassing both online and offline platforms, the preservation and prospective expansion of which is vital for our business growth. Nonetheless, there exists a risk of over-expansion in our sales network, which may result in excessive sales and distribution expenses without the anticipated benefits. Our offline distributors may engage in cannibalization, such as conducting unauthorized cross-region sales in breach of the distributorship agreements, which could destabilize our sales network with significant adverse impact on our profitability, business standing, financial conditions, and results of operations. Since we generally do not enter into contracts with such sub-distributors, our oversight over sub-distributors is limited, relying on our distributors to effectively supervise and manage them. Should our distributors fail to manage their sub-distributors, internal competition among these sub-distributors could foster cannibalization within our sales channels, potentially impacting our business, results of operations, and financial performance negatively. We cannot guarantee that we will be able to effectively implement strategies to manage overlaps or potential competition among our sales channels. Consequently, the expansion of our sales network may not yield a commensurate increase in sales revenue.

Our growth strategies depend substantially on our ability to successfully expand into new sales channels, reinforce our market positions in existing markets and to capture opportunities in international markets.

Our business plan includes strengthening our current market presence in existing markets including the PRC, Japan, Thailand and the EU, while simultaneously seeking to expand our sales channels, particularly through digital commerce platforms and corporate customers. However, we cannot guarantee that such business plan will be successfully implemented. Whether we can reinforce our current market presence depends on a variety of factors beyond our control, for instance, economic conditions that affect purchasing powers of consumers, market trend and new product offerings introduced by our competitors. Even in our established markets where we have existing operations and brand recognition, we face significant challenges in reinforcing our market position. Intensifying competition from both local and international brands in these markets may require us to increase our marketing expenditures, offer more competitive pricing, or enhance our product features to maintain our market share. Consumer preferences in our existing markets may also shift rapidly, potentially requiring substantial investments in product innovation and redesign. Venturing into new sales channels where we lack operational expertise and brand awareness may introduce operational and marketing challenges, as we are not familiar with the distinct competitive dynamics, consumer preference and their spending patterns in such channels and may therefore be less competitive. Additionally, new customers in these channels may have limited prior exposure to our brand and products, requiring significant time and resources for marketing and promotional campaigns to establish brand awareness. Accordingly, we cannot assure you that we will be able to reinforce our existing market presence and expand into new sales channels. In case we fail to do so, our business growth and profitability may be adversely affected.

In particular, expanding our international sales is a part of our long-term business strategy. As of December 31, 2024, our products were sold in 28 countries and regions outside mainland China, including Japan, Thailand, the U.S. and the EU. Our offshore sales are primarily carried out through offshore distributors, and as of December 31, 2024, we engaged 35 offshore distributors. However, international sales are subject to various risks, including those relating to political and economic instability, local labor market conditions, the imposition of foreign tariffs and other trade barriers, fluctuations in foreign exchange rates and foreign exchange limitations or difficulties, the impact of foreign government regulations, the effects of income and withholding taxes, governmental expropriation and differences in business practices. Our efforts to expand our international sales may not be successful. Our products may fail to meet the relevant regulatory requirements for our products in international markets. Furthermore, we may be subject to product liability claims in international markets, which could cause us to incur substantial litigation costs. We may incur increased costs or experience delays or disruptions in product deliveries and payments in connection with international sales that could cause loss of revenues and earnings. Unfavorable changes in the political, regulatory and business climates could have a material and adverse effect on our business, financial condition, results of operations and future prospects.

Our business depends in part on our ability to protect our intellectual property rights and operating without infringing on the rights of third parties.

Intellectual property rights constitute a substantial part of our operational assets, and we have employed different instruments, encompassing patents, trademarks, trade secrets, and confidentiality clauses or agreements to safeguard our intellectual property rights. Additionally, we also adopted various protective policies for our intellectual property rights to identify and curb any infringing activities. For details, see "Business — Intellectual Property." However, we cannot guarantee the effectiveness of the above efforts to protect our intellectual property. For instance, we cannot guarantee that the confidentiality provisions contained in distributorship agreements would be strictly adhered to by our distributors, nor can we guarantee that we will be successful in any legal proceedings against any persons for unauthorized use of our intellectual property. We also cannot guarantee that there will not be any future infringements on our intellectual property rights. Failure to protect our intellectual property from infringements could harm our brand reputation and may lead to a negative impact on our business, financial conditions, results of operations and future prospects.

Alternatively, our competitors and other market players may possess intellectual property rights that could potentially conflict with ours. In case where claims or proceedings of infringement of trademarks, patents or other intellectual property rights against us are successful, we may no longer own the legal right of use of such trademarks, patents or intellectual property and may be subject to hefty penalties or court orders to redesign our products or obtain applicable licenses to avoid any further infringement of trademarks, patents or intellectual property of other industry players, which may require investments of significant time and resources. Even where such claims or proceedings are meritless and unsuccessful at the end, our market reputation may still be damaged. Accordingly, such intellectual property litigation against us will divert our resources and management's attention from business development and cause disruptions to our business. We may also encounter infringement claims in various aspects of our daily operational activities, such as our use of images, fonts and music in our marketing campaigns as well as computer software. Any intellectual property disputes could have a material adverse effect on our business, financial condition, results of operations and future prospects.

Our manufacturing operations depend on labor supply and middle management.

We have manufacturing operations in different regions of the PRC and overseas. Our in-house and external manufacturing operations requires certain manual workers. Accordingly, we recorded direct labor costs of RMB8.4 million, RMB7.8 million, RMB9.9 million, RMB2.5 million and RMB3.8 million, respectively, for the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025. Nonetheless, our direct labor costs and outsourced production costs may increase if the labor supply was to decrease or if the job availability rate was to increase sharply as a result of a sudden increase in manufacturers in the regions in which our facilities are located. In addition, new labor laws, employee benefit systems or labor taxes may be put into place by local governments that affect our labor costs. We therefore cannot provide assurances that we will be able to hire unskilled labor at the same cost as in the past. If we were unable to recruit, train and retain qualified personnel or maintain a sufficient workforce, while controlling labor costs, our business, financial condition and results of operations may be materially and adversely affected.

Consistent product quality is partly a result of middle management supervision, including quality control supervisors and line supervisors. The availability of skilled middle management capable of directing the manufacturing of our products and of adapting quickly to the demands of new production processes used to manufacture new products varies considerably in the regions in which we locate our manufacturing facilities, including the PRC. If we are unable to retain or attract middle management at a reasonable cost, or at all, we may encounter delays or slowdowns in our manufacturing schedule and deterioration in our product quality. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We have granted, and may continue to grant, share-based incentive awards, which may result in increased share-based compensation expenses.

We have granted and may continue to grant share-based awards in the future as we believe such share-based awards are important to our ability to attract, retain and motivate our key individuals. For details of our pre-IPO employee incentive schemes, see Note 31 to the Accountants' Report as set out in Appendix I. As a result, we may incur share-based payment expenses due to such granted share-based incentive awards or any future grants, which may adversely affect our results of operations and financial condition. In addition, any additional grant of share-based incentive awards may potentially dilute existing shareholders' ownership.

Our success depends on our ability to improve productivity and streamline operations to control or reduce costs.

We are committed to continuous productivity improvement and evaluating opportunities to reduce fixed costs, simplify or improve processes, and eliminate excess capacity. Nonetheless, there can be no assurance that the savings of these actions will not be mitigated by various factors, including economic weakness, competitive pressures, and decisions to increase costs in areas such as sales promotion or research and development above levels that were otherwise assumed. Failure to achieve or delays in achieving projected levels of efficiencies and cost savings from such measures, or unanticipated inefficiencies resulting from manufacturing and administrative reorganization actions in progress or contemplated, would adversely affect our results. Our rapid growth has and is expected to continue to place a strain on our administrative and operational infrastructure, in particular on our internal accounting and financial reporting processes and systems. Over the past years, our expansion has required us to expand our management personnel numbers and increase the complexity of our management structure. There can be no assurance that the new personnel and management structure will enable us to successfully execute our strategy or that we will be able to integrate the new personnel and new structure in a timely manner and without incurring unexpected costs and inefficiencies. We will continue to require additional resources to manage relationships with new customers in new geographic areas, as well as other third parties, such as OEM suppliers and equipment providers, as our operations expand. Our ability to manage our operations and growth will require us to continue to improve our operational, financial and management controls and reporting systems and procedures. If we are unable to manage our growth and execute our business strategy effectively, our business, financial condition or results of operations may be materially and adversely affected.

Failures or security breaches of our information technology systems could lead to data leakage or loss, disrupt our operations and negatively impact our business.

We rely on information technology systems to process, transmit and store information in relation to our operations, manage business data and increase efficiencies in our production and distribution facilities and inventory management processes. Specifically, we currently handle customer information exclusively through the ERP system and separate the management of e-commerce platform customer data using a dedicated business management system. In addition, we utilize information technology systems to process financial information and results of operations for internal reporting purposes and to comply with regulatory, legal and tax requirements. A portion of the communications between our personnel and our suppliers, distributors and consumers depends on information technology as well. However, our information technology systems may be vulnerable to interruption due to a variety of events beyond our control, including but not limited to, natural disasters, telecommunications failures, computer viruses, hackers and other security issues. Any such interruption to our information technology system could disrupt our operations and negatively impact our production and ability to fulfill sales orders, which could have an adverse effect on our business, financial condition and results of operations. In addition, we may from time to time implement, modify and upgrade our information technology systems and procedures to support our growth and the development of our e-commerce business. These modifications and upgrades could require substantial investment and may not improve our profitability at a level that outweighs their costs, or at all.

Furthermore, our information technology systems in use may also be subject to risk of data leakage and loss. In the event that our information technology systems experience any computer viruses, unauthorized access or other security incidents leading to data leakage or loss, it could result in substantial financial losses and legal liabilities against our Company and damage to our reputation. There is no guarantee that the adopted technical solutions could be effectively implemented, or even if we implement them effectively, there may be other unexpected events or factors that prevent us from achieving the desirable results, which may materially and adversely affect our business, financial conditions and results of operations.

We may not be able to obtain adequate financing on commercially reasonable terms on a timely basis, or at all, and any debt financing may contain covenants that restrict our business or operations.

The successful expansion of our business depends on our ability to obtain adequate financing on reasonable commercial terms and on a timely basis. Expanding our distribution network, strengthening our marketing efforts, establishing a reputable brand, and cultivating a large and expanding customer base are endeavors that demand significant investments of both time and resources. We cannot assure you that we will be able to secure adequate financing on reasonable commercial terms and on a timely basis, which is contingent upon various factors such as our financial standing, market conditions, market requirements and conditions imposed on financing activities within our industry, stability and dynamics of the financial landscape of the PRC and globally. If we are unable to secure sufficient capital on acceptable terms and a timely basis to meet our capital needs, it could impede our ability to realize our expansion plans and our business, financial condition or results of operations may be materially and adversely affected.

We may not achieve optimal results in future acquisitions, investments, partnerships or new businesses, or may encounter difficulties in integrating and developing the acquired assets or investments successfully.

We may seek to expand our operation through strategic acquisitions, investments, partnerships or establishment of new businesses. Nonetheless, we cannot assure if any risks inherent in such strategic acquisitions, investments, partnerships or new businesses can be effectively mitigated. For instance, the risks underlying an acquisition of or investments in businesses or assets include:

- difficulty in integrating personnel, culture and management styles or combining different IT systems and business operations;
- failure to achieve anticipated returns or realize forecasted revenue and cost synergies of the acquisition or investment;
- assumption of unexpected liabilities that are not identified in the due diligence process;
- loss of clientele and declining sales if the acquired or invested products/services lose market acceptance after acquisition; or
- loss of key employees or members of management after acquisition.

If we fail to integrate and develop the acquired assets or investments or otherwise mitigate the risks inherent in acquisitions, we may not be able to achieve anticipated results or realize expected synergies upon acquisition or investments, and our business and financial conditions will be negatively affected as a result of decline in sales, significant write-offs, incurrence of contingent liabilities, depreciation of assets or adverse tax implications. In addition, we cannot guarantee that any indemnification clauses contained in the acquisition agreement, which require previous owner of the acquired business to indemnify us against pre-acquisition liabilities, could be effectively enforced or the scope of which is sufficient in covering any pre-acquisition liabilities. Moreover, our business and financial conditions may be adversely affected in case of any post-acquisition disputes in relation to warranties or representations of the subject matter of the acquisition, or any legal proceedings ensued from such disputes.

Our failure to continue to successfully avoid, manage, defend, litigate and accrue for claims and litigation could negatively impact our results of operations or cash flows.

We may encounter claims, disputes, and legal proceedings during our day-to-day operation in relation to, among others, product liabilities, employment disputes, contractual breaches, infringements of intellectual property rights, data protection and privacy breaches and environmental issues. We cannot assure you that we will be able to successfully defend against any such claims or legal proceedings initiated against us during the course of our operation. If we fail to do so, our reputation will be damaged and we may be subject to substantial fines or penalties or other legal consequences that may incur huge costs, such as product recalls or replacements of large scale, together with the legal fees incurred during preparation of the defense, may amount to significant diversion of our resource and adverse impact on our cash flows. Furthermore, claims against us could stem from defective products procured from our suppliers, who might not be able to provide timely indemnification for the costs we incur due to these claims and disputes. Accordingly, any of such claims or litigation could materially and adversely affect our business, financial conditions and results of operation.

Our business is subject to certain governmental regulations and registration requirements.

Our business operation across different regions is subject to domestic government regulations and is required to obtain certain registrations or mandatory certificates from local regulatory authorities, which are granted to us upon our satisfactory compliance with the relevant regulations and laws and other specific conditions imposed. For details of applicable governing laws and regulations, see "Regulatory Overview." In addition to the business licenses, we are also required to comply with applicable standards in relation to our manufacturing process and manufacturing facility. These registrations and mandatory certificates are granted upon satisfactory compliance with, among other things, the applicable regulations and laws. The registrations and mandatory certificates necessary to our business may be valid only for a fixed period of time subject to renewal and accreditation.

Considering the uncertainties within the regulatory landscape, there is no guarantee that we can maintain existing registrations and mandatory certificates or succeed in any applications for renewal of such registrations and mandatory certificates upon their expiry or obtain new ones required under newly enacted laws and regulations. Failure to obtain them could expose us to liabilities or penalties such as fines or the confiscation of illicit gains, leading to substantial costs and the diversion of considerable management attention and resources to address the deficiencies. Such incompliance with applicable laws and regulations may also result in negative publicity of our business, materially and adversely harming our business, financial performance and results of operation.

Our expansion plan and business operations in mainland China may be affected as a result of our Taiwan Shareholders' interests in us as they may be required to comply with the Approval of Investment Regulations and obtain approvals from the Taiwan Department of Investment Review for investments in mainland China.

Pursuant to the Approval of Investment Regulations, investment in the mainland China by any individual with Taiwan passport or Taiwan-incorporated entity is subject to the approval of the Taiwan Department of Investment Review. For details, please refer to "Regulatory Overview — Approval of Investment Regulations." We cannot guarantee that the current practice and policy of the Taiwan Department of Investment Review will remain the same in the future, and any changes in the practice and policy may affect our Taiwan Shareholders' likelihood in obtaining the Taiwan Department of Investment Review's approval.

Save for using proceeds from the Global Offering, any equity capital increase into our Company or our subsidiaries in mainland China to the effect that any of our Taiwan Shareholders exceeds the Annual Investment Quota, or our Taiwan Shareholder(s) are unable to obtain the Taiwan Department of Investment Review's approval, they may be required to reduce her/his equity interests in our Company. We cannot assure you that she/he will be able to reduce her/his equity interests in our Company in a timely and orderly manner, or at all. If any Taiwan Shareholder fails to reduce her/his equity interests in our Company in a timely and orderly manner, our future investments through equity capital increase into our Company or our subsidiaries in mainland China may be limited, which could affect our future expansion plans and prospects. In addition, any reduction of the equity interests in our Company by them pursuant to the Approval of Investment Regulations may cause volatility in or otherwise have a material adverse effect on the trading price of our Shares.

Any penalties for violation of the Approval of Investment Regulations for our Taiwan Shareholders' investments in our Company would be directed at the violating Taiwan Shareholder(s), and any penalties for such breach will be more than of NTD50,000 but less than NTD25 million. Such penalties will not be directed at our Company or our subsidiaries in mainland China which our Taiwan Shareholders directly or indirectly invest in. Nevertheless, any violation of the Original Quota or Annual Investment Quota of our Taiwan Shareholders or the failure of our Taiwan Shareholder(s) to obtain the requisite approval from the Taiwan Department of Investment Review for their investment in our Group may delay our expansion plan as we will be required to seek alternative routes to implement our expansion plan, which may involve additional time and hence will affect our business operations.

We may not be able to detect or prevent fraud, bribery, corruption, or other misconduct committed by our employees, customers or other third parties. If our employees, customers or other third parties engage in fraud, bribery, corruption or other misconduct, we may be subject to liability and our reputation and business could be harmed.

We may be exposed to fraud, bribery, corruption, or other misconduct committed by our employees, customers or other third parties, which could subject us to financial losses and penalties from governmental authorities. Our internal control procedures may be unable to identify all non-compliances, suspicious transactions, fraud, corruption or bribery in a timely manner. If such misconduct occurs, we may be subject to claims, fines or suspension of our operations and may suffer from negative publicity and reputation damages.

Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases may materially and adversely affect our business, financial condition and results of operations.

Our business, financial condition and results of operation may be substantially disrupted in case of occurrence of any force majeure events in regions where we operate, such as natural disasters like earthquakes, floods, typhoons, droughts, landslides and blizzards, or outbreaks of epidemics such as MERS, avian influenza, SARS, H1N1 influenza, Ebola virus, and COVID-19, which may lead to logistical impediments and disruptions to our supply chains, workforce unavailability, infrastructural damage to our manufacturing facilities or physical stores and fluctuating market demand.

We cannot guarantee that any future occurrence of natural disasters, outbreaks of epidemics or other catastrophic events, or any corresponding preventive or remedial measures or actions taken by governments, will not severely disrupt our continuous operations and potentially cause a material adverse impact on our business, financial conditions, and results of operations.

Our business is subject to complex and evolving laws and regulation regarding data security and privacy.

Regulatory authorities in mainland China have implemented and are considering further legislative and regulatory proposals with more stringent requirements concerning data security and privacy. In addition, the interpretation and application of data security and privacy laws in mainland China may be uncertain and in flux. Existing or newly-introduced laws and regulations, or their interpretation, application or enforcement, could require us to change our data security and privacy practices and other business activities, including but not limited to data collection, storage, transmission and exchange or other data usage activities.

Compliance with the data security and privacy related laws and regulations as well as additional or amended laws and regulations that regulatory bodies in mainland China may enact in the future, may result in additional expenses to us. We cannot assure you that we are able to manage the risks of being penalized as a result of breach of data privacy in the future. If we fail to be in full compliance with any data security and privacy laws and regulations and become subject to administrative penalties and negative publicity, our reputation and results of operations could be materially and adversely affected.

Failure to register or file the lease agreements related to certain properties leased by us in China may adversely affect our ability to use such properties.

As of the Latest Practicable Date, we entered into eleven lease agreements as a tenant with third parties in Shenzhen and Huizhou with an aggregate area of approximately 27,489.0 sq.m., among which nine lease agreements of our leased properties with an aggregate gross floor area of approximately 24,649.6 sq.m. had not been registered and filed with relevant land and real estate management departments in China. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities, and therefore would not result in us being required to vacate the leased properties. Nonetheless, in case we fail to register the lease agreements upon request by the relevant authority, we may be subject to fines ranging from RMB1,000 to RMB10,000 for each non-registered lease, and the estimated maximum penalties as of the Latest Practicable Date could reach RMB90,000, which may adversely affect our business, financial condition, results of operations. As of the Latest Practicable Date, we did not receive any order from the relevant government authorities requiring us to register these lease agreements. For details, see "Business — Properties.".

Our insurance coverage may not be adequate to cover all the risks relating to our business and operations.

We have implemented various insurance policies to mitigate risks and unforeseen events related to our business operations, including work-related injury insurance covering risks associated with employee injuries or illnesses, property insurance for our inventories and equipment, and product liability insurance applicable to our products. For further information on our insurance coverage, see "Business — Insurance". However, we do not have business interruption insurance or key-man life insurance. Moreover, there is no assurance that any claim for losses under our current insurance policies will be promptly processed, or that the insurance coverage is adequate to compensate the actual losses we may have sustained. Any losses not covered by insurance, or inadequately compensated, could materially and adversely affect our business, financial conditions and results of operations.

Failure to accurately forecast demand may result in excess or insufficient inventory levels, which could either increase our inventory holding costs or cause us to lose sales opportunities.

Our Company's financial performance heavily depends on maintaining an optimal inventory level. As of December 31, 2022, 2023 and 2024 and the four months ended April 30 2025, our inventory balance amounted to RMB57.7 million, RMB79.4 million, RMB112.6 million and RMB143.5 million. We also recorded inventory turnover days being 118 days, 126 days, 116 days and 124 days, respectively, during the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2025. We are exposed to inventory risks due to factors outside our control, such as product offerings introduced by our competitors, changes in consumer preferences and spending patterns and changes in market trend. In order to manage our inventory, we typically anticipate customer demand before they are actually sold and maintain sufficient inventory to satisfy such forecasted demand. Nonetheless, we cannot assure you that such predicted demand for our products is accurate and that our inventory level maintained is adequate to satisfy actual market demand. An unexpected decrease in the market demand for the products we sell could lead to excessive or obsolescent inventory, which in turn may materially and adversely affect our financial condition and results of operations. On the other hand, inventory under-stock may cause us to lose sales and our business, financial condition, results of operations and prospects may also be materially and adversely affected.

Any fluctuation in the regional or global economy, any financial or economic crisis, or any perceived threat of such crisis, could materially and adversely affect our business and financial condition.

There is considerable uncertainty over the long-term effects of the monetary and fiscal policies which had been adopted by the central banks and financial authorities of some of the world's leading economies. The ongoing Russo-Ukrainian War, the current conflict in the Middle East, the unrest, terrorist threats and the potential for war elsewhere, as well as geopolitical uncertainty and international tension may increase market volatility across the globe. There have also been concerns about the relationship between China and the United States. Economic conditions in China are sensitive to global economic conditions, as well as the changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition.

We are subject to import and export regulations.

When engaging in international trade, we must adhere to various import and export regulations across different countries governing aspects such as export controls, customs and trade restrictions. For instance, considering that we also made sales in the Japan, Thailand, U.S. and Europe, our success is intricately tied to our compliance with the export and import regulations of these countries and regions, which may impose more stringent customs restrictions from time to time due to geopolitical tension and the increasing number of economic sanctions. Such changes in import or export laws may result in increased compliance costs and failure of or delays in delivery of our products, which may that influence our dealings with customers and potentially decrease sales. Some regions have economic sanctions that forbid exports of specific products, services, and technologies, necessitating the acquisition of export licenses beforehand. Adhering to the diverse import or export laws applicable to our business may constrain our operation, heighten our procurement costs and occasionally disrupt the supply chain of our raw materials. Additionally, price and exchange controls in certain countries could restrict our operations and complicate the repatriation of profits.

Our business, financial condition and results of operations may be materially and adversely affected by tensions in international trade and rising geopolitical tensions.

During the Track Record Period, our products, including *DAHON* bicycles and accessories, apparel and other related products, were sold to overseas countries including the U.S. During the Track Record Period, we recorded revenue generated from exports to the U.S. market of RMB7.6 million, RMB0.6 million, RMB0.7 million, RMB0.2 million and RMB0.9 million for the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, respectively, which accounted for approximately 3.0%, 0.2%, 0.2%, 0.2% and 0.5% of our total revenue for the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, respectively.

Intensifying geopolitical tension among major economies, in particular, between the PRC and the U.S., could lead to heightened tariffs or other tightened restrictive measures. For instance, in 2025, the U.S. government has imposed additional tariffs on imports from the PRC, to which the PRC responded by implementing countermeasures including imposition of tariffs on U.S. imports. The U.S. tariff and trade policies are constantly shifting due to a combination of complex factors including changing geographical tensions, economic priorities and regulatory development, and accordingly, the timing, extent, or impact of any potential future changes on the U.S. tariff and trade policies cannot be predicted. Considering the tense trade relations between the U.S. and the PRC, there is no assurance whether such tariffs would be reduced or further increased in the future. The ongoing trade tension between the PRC and the U.S. has caused uncertainties to the global economy, potentially affecting our business operations and our plan of expansion of our market presence in the U.S.. Specifically, the imposition of tariffs can cause an increase in the costs of our products, negatively affecting our financial conditions and results of operations. In addition, we cannot assure you that the increased costs will not be shared with our customers, in which case we may adjust the selling price of our products, which may negatively affect the demand of our products for our customers in the U.S. market, leading to a decrease in our revenue while facing increased costs. This may impose a material adverse impact on our business, financial condition and results of operations.

We are subject to national and local environmental and health and safety directives, laws and regulations.

Our business operations are subject to a comprehensive and increasingly stringent national and local framework of laws, regulations and directives governing environment, health and safety matters, including without limitation, hazardous waste treatment, disposal of solid waste and wastewater, emissions of greenhouse gases, occupational health and safety and biodiversity conservation. Failure to adhere to these laws, regulations or directives may lead to significant consequences, including administrative, civil and criminal penalties or liabilities, as well as negative public perception. We cannot guarantee that our compliance policies and procedures will be adequate to prevent health and safety or environmental losses. Moreover, we cannot assure that our insurance coverage will be sufficient to cover all potential losses resulting from non-compliance with the laws and regulations on health and safety or environmental matters, or that we will have sufficient funds for health and safety and environmental remediation costs expenditure. Additionally, as environmental and health and safety laws and regulations continue to evolve and become more stringent, we may face significant compliance costs. Any of the above-mentioned risks could have a material adverse impact on our business, financial condition, and results of operations.

We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations.

Pursuant to the PRC laws and regulations, we are required to participate in the social insurance and housing provident fund contributions administered by competent government authorities. During the Track Record Period, we failed to make full contributions to social insurance and housing provident fund for certain of our employees in accordance with the relevant PRC laws and regulations. In 2022, 2023 and 2024 and the four months ended April 30, 2025, the shortfall amounts were approximately RMB1.5 million, RMB1.6 million, RMB2.7 million and RMB0.8 million, respectively.

In respect of the legal consequences and potential maximum penalties for our failure to make full contributions to social insurance and housing provident fund, according to the relevant PRC laws and regulations, the relevant PRC authorities may (i) demand us to pay the outstanding social insurance contributions within a prescribed period and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. If we fail to make such payments, we may be liable to a penalty of one to three times the amount of the outstanding contributions to social insurance. As advised by our PRC Legal Advisors, the potential maximum penalty with respect to fines that we may be exposed to due to shortfall of social insurance during the Track Record Period would be approximately RMB1.2 million, RMB0.6 million, RMB2.1 million and RMB1.7 million, respectively; and (ii) order us to pay the outstanding housing provident fund contributions within a prescribed time period, failing which the relevant PRC authorities may apply to the People's Court for compulsory enforcement. We have made full provisions for the shortfall of contribution to social insurance and housing provident fund in 2022, 2023 and 2024 and the four months ended April 30, 2025, respectively.

We cannot assure you that no fine or penalty will be imposed on us in this regard in the future, nor the competent local government authorities will not require us to pay the shortfall amount within a specified time limit or impose late fees or fines on us, which may adversely affect our financial condition and results of operations.

The enforcement of Chinese Labor Contract Law, Social Insurance Law and other labor related regulations may materially affect our business, financial condition and results of operations.

Our business operation is primarily based in the PRC, and we are subject to increasingly stringent regulations regarding labor contracts with our employees and the provision of various statutory benefits. These benefits include pensions, housing funds, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, which must be paid to designated government agencies for the benefit of our employees. Our ability to streamline our workforce or modify our employment or labor practices may be restricted by the PRC Labor Contract Law and its implementation guidelines. We may need to adjust our labor practices periodically to comply with new and applicable labor laws and regulations, which could be costly and disrupt our business operation. We cannot guarantee that we can adjust accordingly in a timely and efficient manner. If we fail to do so, it could negatively impact our business, financial conditions and results of operations.

Considering that labor-related laws and regulations and their relevant interpretations and implementations in the PRC may develop from time to time, we cannot guarantee that our employment practices will be in timely and consistent compliance with such laws and regulations in the PRC. If our employment practices fail to adapt swiftly to the labor-related laws and regulations in the PRC, it could expose us to potential labor dispute, claims or government investigations. If we are adjudicated to be in violation of applicable labor-related laws and regulations in the PRC, we may be subject to administrative penalties or are obligated to provide additional compensation to our employees, which could materially and adversely affect our business, financial condition, and results of operations.

Our internal controls and procedures may fail or be circumvented, and our risk management and internal control systems may not be adequate or effective in all respects and any failure or inadequacies could materially and adversely affect our business and results of operations.

We are committed to establishing robust risk management and internal control systems, inclusive of organizational structures, policies, procedures, and risk mitigation strategies tailored to our business operations, with a continual focus on enhancing these systems. Nonetheless, recognizing the inherent limitations in designing and implementing such systems, we cannot guarantee that they will promptly and consistently identify, prevent, and manage all risks underlying our business operations or instances of non-compliance with our risk management and internal control measures. We may also need to establish and implement supplementary risk management and internal control measures periodically to enhance our internal control and risk management systems, which may require additional time for their adequacy and efficacy to be thoroughly evaluated, further increasing our operational costs.

The effectiveness of our risk management and internal control systems may be impeded by unforeseen risks not reflected in the historical company data we collected. The successful execution of our risk management and internal control strategies hinges on the adept implementation by our employees. Given the large scale of our operations, we cannot eliminate the risk of human errors or oversights, which could significantly affect our business and financial performance.

RISKS RELATING TO DOING BUSINESS IN PRC

Adverse changes in economic, political and social conditions, could have a material adverse effect on our business and prospects.

Our financial conditions, results of operations and future prospects are substantially susceptible by the economic, political and social conditions prevailing in the countries and regions where we operate. Any significant adverse changes in the macroeconomic environment of such countries or regions, irrespective of their cause, could materially affect the market demand for our products and hinder our operation. For instance, if these countries or regions experience a significant economic slowdown or recession, consumer purchasing power could decrease, leading to a reduced demand for our products. Similarly, any changes in government policies or international trade relations, could create uncertainties and operational challenges for our business. Such changes would likely have a material adverse impact on our business, financial conditions, results of operations and future prospects.

We may be subject to filing procedure and other requirements of the CSRC or other PRC governmental authorities in connection with this Offering, future capital raising activities and future major events.

As the PRC laws and regulations in relation to overseas issuance and listing of shares develop, we are required to make filings with or report to CSRC or other PRC regulatory authorities for our future capital raising activities.

On July 6, 2021, relevant PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions enhanced administration and supervision on overseas listing by PRC-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by PRC based oversea-listed companies.

On February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") released 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 five supporting guidelines, which came into effect on March 31, 2023. The Trial Measures comprehensively improved and reformed the prior regulatory regime for overseas listing of securities of PRC domestic companies and had regulated both direct and indirect overseas listing of PRC domestic companies' securities by adopting a filing based regulatory regime.

According to the Trial Measures, domestic companies seeking to offer or list securities overseas, whether directly or indirectly, must complete the filing procedure and report relevant information to the CSRC. Additionally, they must follow similar procedures and report to the CSRC in the case of subsequent offering or major events. Failure to fulfill these requirements, omission of material facts, falsification of content, or inclusion of misleading statements in filing documents can lead to administrative penalties for the domestic company. These penalties may include orders to rectify, warnings, and fines. Moreover, controlling shareholders, actual controllers, the responsible person, and other liable individuals may also face warnings and fines.

If it is determined that we must comply with any filing or authorization requirements imposed by the CSRC or other PRC governmental authorities for future fundraising activities or other significant events, and we fail to complete these filings or meet these requirements in a timely manner or at all, we could face sanctions from the CSRC or other PRC regulatory bodies. If we are found to be non-compliant with the Trial Measures and thus unable to complete the filing with the CSRC, we may need to delay or cancel our future fundraising activities. Any uncertainties or negative publicity related to these filings or requirements could significantly and adversely impact our business, prospects, financial condition, reputation, and the offering, listing and trading price of our Shares.

Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on your investment.

The value of the RMB against currencies such as the Hong Kong dollar and the U.S. dollar is subject to fluctuations largely influenced by various factors including fiscal policies, foreign exchange policies, domestic and international economic and political developments and market forces, which are beyond our control and therefore difficult for us to predict their impact on the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future.

Proceeds from the Global Offering will be received in Hong Kong dollars. Accordingly, any appreciation of the value of the RMB against the Hong Kong dollar could diminish the value of the proceeds from the Global Offering. Conversely, a depreciation of the value of the RMB may negatively affect the value of and any dividends payable on, our Shares in foreign currency. These uncertainties could significantly impact our business, financial conditions, results of operations and future prospects.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your H Shares.

The conversion and remittance of foreign currencies from RMB are currently regulated by PRC foreign exchange laws. We cannot guarantee that we will possess sufficient foreign exchange to meet the statutory foreign exchange requirements at a certain exchange rate. While foreign exchange transactions under our current account, such as dividend payments, do not require prior approval from the State Administration of Foreign Exchange (the "**SAFE**"), we must provide documentary evidence and conduct these transactions through designated foreign exchange banks in China that are licensed for conducting foreign exchange business. However, transactions under our capital account must receive prior approval from the SAFE.

As provided in the current foreign exchange regulations, we will be able to pay dividends in foreign currencies without any prior approval from the SAFE following the Global Offering if we adhere to specific procedural requirements. However, the foreign exchange policies regarding dividend payments in foreign currencies may evolve over time. Additionally, in case of shortage of foreign exchange, our ability to secure the necessary funds for dividend payments or fulfill other foreign exchange requirements may be limited. If we are unable to obtain approval from the SAFE to convert Renminbi into foreign exchange for these purposes, our capital expenditure plans, as well as our business, operating results, and financial condition, could be significantly and adversely impacted.

Payment of dividends is subject to laws and regulations in regions where we operate.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our post-tax profits determined under the generally accepted accounting principles in the PRC (the "**PRC GAAP**"), excluding any recovery of accumulated losses and required appropriations to statutory and other reserves. Consequently, we may not have sufficient, if any, distributable profits to make dividend distributions to our Shareholders in the future, notwithstanding that our financial statements show profitability. Any undistributed profits in a given year are retained and available for distribution in subsequent years.

Additionally, the calculation of distributable profits under PRC GAAP differs from that under HKFRS in certain aspects. As a result, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year under HKFRS, or vice versa, which means we may not receive sufficient distributions from our subsidiaries. If our subsidiaries fail to pay dividends to us, it could negatively impact our cash flow and our ability to distribute dividends to our Shareholders in the future, even during periods when our financial statements indicate profitability.

Holders of our H Shares may be subject to PRC income tax obligations.

According to the PRC tax laws and regulations, different taxation rules apply to non-PRC resident individuals and enterprises with respect to dividends received form us and gains from sale or other disposition of H Shares. Non-PRC resident individuals are subject to a 20% PRC individual income tax on income derived in China, as stipulated by the Individual Income Tax Law of the PRC (IIT Law) and its implementation guidelines. Consequently, we must withhold this tax from dividend payments unless the relevant tax obligations are reduced or exempted as a result of applicable tax treaties between China and countries where the foreign individuals reside. Nonetheless, according to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the Ministry of Finance of the PRC (the "**MOF**") and State Administration of Taxation of the PRC (the "**SAT**") in 1994, income from dividends and bonuses of enterprises with foreign investment are temporarily exempt from individual income tax for foreign individuals. Additionally, non-PRC resident individual holders of H Shares are subject to a 20% individual income tax on gains from the sale or other disposition of H Shares under the IIT Law and its implementing guidelines. Nevertheless, the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT in 1998 exempts from individual income tax the income of individuals from the transfer of the shares of listed enterprises since January 1, 1997.

As of the Latest Practicable Date, no provisions explicitly require individual income tax to be levied on any transfer of shares in PRC resident enterprises listed on overseas stock exchanges. In addition, PRC tax authorities have not levied such taxes in practice as far as we are aware. However, there is no assurance that this practice will remain unchanged. Should such practices change, it may potentially result in the imposition of income tax on non-PRC resident individual holders for gains from the sale of H Shares.

For non-PRC resident enterprises without establishments or premises in China, or those with establishments or premises in China but whose income is unrelated to such establishments, dividends received from us and gains from the sale or other disposition of H Shares are generally subject to PRC enterprise income tax at a rate of 20% under the Enterprise Income Tax Law of the PRC (the "**EIT Law**") and its regulations. 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) issued by SAT in 2008 has provided for a reduction of the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares to 10% and we intend to withhold tax at this rate from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises eligible for a reduced tax rate under an applicable tax treaty must make a request to the PRC tax authorities for a refund of any excess amount withheld. Release of the refund amount will be subject to approval from PRC tax authorities.

Under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region (the "**HKSAR**") 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 in 2006, the Chinese government may tax dividends paid by a PRC company to an HKSAR resident (including individuals and legal entities) at a rate not exceeding 10% of the total dividends payable by the PRC company. If an HKSAR resident directly holds 25% or more of the equity interest in a PRC company, the tax rate will not exceed 5%. The Fifth Protocol to the Arrangement between the Mainland of China and the HKSAR 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〉第五議定書》) issued by SAT and effective in 2019 provides that arrangements or transactions primarily aimed at obtaining the aforementioned tax benefits are not subject to the provisions.

Nonetheless, PRC tax laws and regulations, together with their interpretation and implementation, may change over time, potentially adversely affecting the value of your investment in our H Shares.

You should assess the legal protections you are entitled to under legal system in China.

We are subject to the different applicable laws and regulations of the countries and regions where we operate. Our business and operations in China are subject to primarily written statutes, and prior court decisions offer limited precedential value. Furthermore, we cannot assure you that we can predict the effect of future legal developments in countries and regions where we operate, including the promulgation of new laws and changes in existing laws. In addition, lengthy legal proceedings may incur significant costs, divert our resources, and negatively affect our management's focus on strategic planning and execution, which may materially and adversely impact our operational efficiency and overall business performance.

You may experience difficulties in effecting service of legal process or enforcing foreign judgments against us and our Directors, Supervisors and management.

We are a company incorporated under the laws of the PRC and substantially all our assets and subsidiaries are located in the PRC. The majority of our Directors, Supervisors and senior management resides within the PRC. The assets of these Directors, Supervisors and senior management also may be located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon our Directors, Supervisors and senior management outside the PRC. In addition, investors may also experience difficulties in enforcing judgments if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the Listing of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

Any failure to comply with relevant regulations regarding the registration requirements for employee share incentive plans may subject our share incentive plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE issued the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Companies (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (Hui Fa [2012] No. 7), which replaced the previous rules from 2007. According to these regulations, PRC citizens and non-PRC citizens who reside in the PRC for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company are obligated to register with SAFE through a qualified domestic agent and complete other necessary procedures, save for certain exceptions. Additionally, an overseas-entrusted institution must be appointed to manage the exercise or sale of stock options and the purchase or sale of shares and interests. Our company, along with our executive officers and employees who are PRC citizens or have resided in China for at least one year and have been granted options, will need to comply with these regulations once we become an overseas-listed company following the Global Offering. Failure to complete SAFE registrations may result in fines and legal penalties. In light of the above regulations, we cannot guarantee a continuous adoption of additional incentive plans for our directors, executive officers, and employees under the PRC law.

Furthermore, SAT has issued circulars governing employee share options and restricted shares, which stipulate that our employees in the PRC who exercise share options or receive restricted shares will be subject to PRC individual income tax. We are required to file relevant documents with the tax authorities and withhold individual income taxes for employees who exercise their share options. If our employees fail to pay, or if we fail to withhold their income taxes as required by law, we may be subject to legal or administrative penalties from the PRC tax authorities or other government agencies.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and the liquidity and market price of our H Shares may be volatile.

Prior to the completion of Global Offering, there has been no public market for our H Shares. The H Share Offer Price is the result of negotiations between us and the Sole Overall Coordinator (for itself and on behalf of the other Underwriters) and may differ significantly from the market price for our H Shares following completion of Global Offering. We have applied for the listing of, and permission to deal in, our H Shares on the Hong Kong Stock Exchange. A listing on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop, or if it does develop, will be sustained following the completion of Global Offering or that the market price of our H Shares will not decline following the completion of Global Offering. The trading volume and trading price of our H Shares are susceptible to the following factors:

- actual or anticipated fluctuations in our operating performance and revenue;
- our failure to execute our strategies;
- an unexpected business interruption resulting from operational breakdowns, natural disasters, or major changes in our key personnel or senior management;
- adverse market reaction to any indebtedness that we may incur or securities that we may issue in the future;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industry;
- changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our ability to obtain or maintain regulatory approval for our products;

- inadequate protection of our intellectual property rights or legal proceedings brought against us for infringement of third parties' intellectual property rights;
- the operating and stock price performance of other companies in our industry, and other events or factors beyond our control; and
- the release of lock-up or other transfer restrictions on our outstanding H Shares or sales or perceived sales of H Shares by us or other Shareholders.

Additionally, the capital market has occasionally undergone substantial price and trading volume fluctuations unrelated to the operational performance of companies. These widespread market and industry fluctuations could materially and adversely impact the market price and trading volume of our H Shares.

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

Future sales of a substantial number of our H Shares or related securities in the public market, the issuance of new shares or other securities, or even the perception that such sales or issuances may occur, could lead to a decline in the market price of our H Shares. These potential future sales, or the anticipation of them, could significantly and adversely affect our ability to raise capital at a specific time and on favorable commercial terms. Furthermore, any issuance of additional securities in the future will also dilute the shareholdings of our existing Shareholders and any new shares or share-linked securities newly issued by us may also carry rights and privileges that take precedence over those associated with the H Shares.

You will incur immediate and substantial dilution if the Offer Price of our H Shares is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.

The Offer Price of the Offer Shares exceeds the net tangible asset value per H Share immediately preceding the Global Offering. Consequently, purchasers of the Offer Shares will experience an immediate dilution in the pro forma consolidated net tangible asset value. There is no guarantee that, in the event of an immediate liquidation following the Global Offering, there will be any assets available for distribution to our Shareholders after settling our creditors' claims. Additionally, as part of our business expansion strategies, we may contemplate issuing additional Shares in the future. Should we issue these additional Shares at a price lower than the net tangible asset value per Share at that time, purchasers of the Offer Shares may experience further dilution in the net tangible asset value per Share of their Shares.

Certain facts and other statistics in this prospectus with respect to the markets in which we operate and the bicycle industry are derived from official government sources, documents, or statements, and may not be accurate, reliable, complete or up to date.

This prospectus contains certain facts, forecasts, and statistics obtained from official government sources, documents, or statements, the accuracy and completeness of which cannot be guaranteed. Information related the PRC and global economy and the industry we operate in, including such information included in the "Industry Overview" section, has been sourced from various public data and independent third-parties, such as our industry consultant CIC. While we believe these sources are reliable and have taken reasonable care in extracting and reproducing this information, the facts, forecasts, and statistics obtained from official government sources, documents, or statements contained in this prospectus have not been independently verified by us or any of the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries or any of our or their respective directors, officers or representatives or any other person involved in the Global Offering. Consequently, such facts, forecasts, and statistics may not be prepared on a comparable basis or may differ from other sources, and no representation is given as to their accuracy, reliability or completeness.

The interests of the Company's Controlling Shareholders may conflict with the best interests of its other Shareholders.

Upon completion of the Global Offering, assuming the Over-allotment Option is not exercised, our Controlling Shareholders will retain significant influence over our business and operations through their voting power at Shareholders' meetings and their representation on the Board through their respective delegates. As a result, they will have substantial control over key business decisions relating to, for instance, mergers and acquisitions, acquisition or disposal of assets, issuance of additional Shares or other equity securities, dividend payments, and management matters. We cannot assure you that our Controlling Shareholders will always act in the best interests of minority Shareholders. Additionally, such concentrated control may discourage, delay, or prevent a change in control of our Company, potentially depriving other Shareholders of the opportunity to receive a premium for their Shares in the event of a sale and significantly reducing the price of our H Shares.

We cannot assure you whether and when we will declare and pay dividends in the future.

We may not be able to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our H Shares as a source of any future dividend income. Our ability to pay dividends will depend on various factors, including whether we are able to generate sufficient earnings. The distribution of dividends shall be proposed by our Board of Directors at their discretion and will be subject to corporate approval processes. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or HKFRS Accounting Standards, our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable PRC laws and regulations, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy.

We have no experience operating as a public company, and we may incur increased costs as a result of becoming a listed company.

We lack prior experience operating as a public company. Following our listing on the Hong Kong Stock Exchange, we anticipate encountering heightened administrative and compliance obligations, potentially leading to significant costs and expenses that were not present during our time as a private entity. The more complex and stringent regulatory framework for public companies is expected to increase our accounting, legal, financial and compliance costs, as well as render certain corporate activities more intricate and costly as regulatory approval may be required. Our management team may need to devote considerable time and focus to fulfil our public reporting and disclosure obligations and address compliance issues. While we plan to assess and monitor developments related to these regulations, we cannot accurately predict the specific developments or the extent of the additional compliance costs that we may incur. Accordingly, such increasing compliance and reporting obligations as a public company may hinder our management and operational capabilities and negatively affect our financial results.

Also, as we transition into a public company, our management will need to cultivate the expertise required to adhere to the various regulatory mandates applicable to public entities, encompassing corporate governance standards, listing requirements, and securities laws. Our management will need to assess our internal control system against new materiality thresholds and effect necessary enhancements after we transition into a public company. However, we cannot guarantee a seamless or prompt implementation of such enhancements of our internal control systems.

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

This prospectus contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "aim", "anticipate", "believe", "continue", "could", "expect", "estimate", "intend", "may", "plan", "potential", "predict", "project", "propose", "seek", "should", "will", "would" or similar terms. Those statements include, among other things, the discussion of our growth strategy and expectations concerning future operations, liquidity and capital resources. Investors of our H Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. We do not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. See "Forward-Looking Statements" in this prospectus.

Investors should read the entire prospectus carefully before making an investment decision concerning our H Shares and should not rely on information from other sources, such as press articles, media or research coverage without carefully considering the risks and the other information in this prospectus.

Prior to the publication of this prospectus, there has been and there may also be, between the date of this prospectus and the conclusion of the Global Offering, press, media, or research analyst coverage emerging concerning our company, operations, industry, and the Global Offering which contained, among other things, certain financial information, projections and forward-looking information about us and the Global Offering.

You should rely solely upon the information contained in this prospectus in making your investment decisions regarding the Shares, which are true and accurate to the best of our knowledge and belief. We do not accept any responsibility for the accuracy or completeness of the information contained in such press articles, other media or research analyst reports nor the fairness or the appropriateness of any forecasts, views or opinions expressed by the press, other media or research analyst regarding the Shares, the Global Offering, our business or our industry.

We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, forecasts, views or opinions expressed or any such publications. To the extent that such statements, forecasts, projections, views or opinions are inconsistent or conflict with the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of information contained in this prospectus only and should not rely on any other information.

In preparation for the Listing, we have applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong, which normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. As of the Latest Practicable Date, none of our executive Directors resided in Hong Kong.

Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Stock Exchange.

Since our Group's principal business activities and management are primarily conducted in the PRC, and all our executive Directors ordinarily reside outside Hong Kong, our Company considers that it would be practically difficult and commercially unfeasible and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Therefore, we do not and, in the foreseeable future, will not have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, subject to the following conditions. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

1. we have appointed Ms. Lee Hsiu-Fen (李秀芬), our executive Director, and Mr. Lee Hiu Yeung (李曉陽) ("**Mr. Lee**"), one of our joint company secretaries, as our authorized representatives (the "**Authorized Representatives**") pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will serve as our principal channel of communication with the Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to promptly address any enquiries from the Stock Exchange, and will be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon the Stock Exchange's request;

2. when the Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) and senior management team promptly at all times. Our Company will also inform the Stock Exchange promptly in respect of any changes in the Authorized Representatives. We have provided the Stock Exchange with the contact details (i.e., mobile phone number, office phone number, fax number and email address) of each of our Authorized Representatives and our Directors to facilitate communication with the Stock Exchange;

3. all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period of time upon request;

4. in compliance with Rules 3A.19 of the Listing Rules, we have appointed Maxa Capital Limited as our compliance adviser (the "**Compliance Adviser**"), which has access at all times to our Authorized Representatives, Directors and other officers of our Company, and will act as an additional channel of communication with the Stock Exchange. Our Company will keep the Stock Exchange up to date in respect of any change to such details. Our Authorized Representatives, our Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser's duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, our Authorized Representatives, our Directors and other officers and the Compliance Adviser, and to the extent reasonably practicable and legally permissible, our Company will keep the Compliance Adviser informed of all communications and dealings between our Company and the Stock Exchange; and

5. we shall ensure that there are adequate and efficient means of communication among our Company, our Authorized Representatives, our Directors, other officers and the Compliance Adviser, and will keep the Compliance Adviser fully informed of all communications and dealings between us and the Stock Exchange.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

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

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

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules provides that the Stock Exchange will consider the following factors in assessing an individual's "relevant experience":

(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 laws and regulations including the SFO, the Companies Ordinance, the 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 of taking not less than fifteen hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules; and

(iv) professional qualifications in other jurisdictions.

We have appointed Ms. Yi Jiamei (易嘉美) ("**Ms. Yi**") as one of our joint company secretaries. In view of her extensive experience in legal and corporate governance matters, our Directors consider that Ms. Yi is a suitable person to act as a company secretary of our Company. In addition, as the core business and operations of our Group are substantially based and conducted in the PRC, our Directors believe that it is necessary to appoint Ms. Yi as a company secretary whose presence in the headquarters of our Group enables her to attend to the day-to-day corporate secretarial matters concerning our Group.

Since Ms. Yi does not possess the qualification and sufficient relevant experience stipulated in Rule 3.28 of the Listing Rules, she is not able to solely fulfil the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. To provide assistance to Ms. Yi and enable her to acquire all qualifications and experience as our company secretary of our Company required under Rule 3.28 of the Listing Rules, we have also appointed Mr. Lee, a practising solicitor in Hong Kong, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Yi for an initial period of three years from the Listing.

Since Ms. Yi does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Yi may act as a joint company secretary of our Company. Pursuant to paragraph 11 of Chapter 3.10 of the Guide, the waiver 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.

The waiver is valid for an initial period of three years from the Listing, and is granted on the condition that Mr. Lee, as our joint company secretary, will work closely with, and provide assistance to, Ms. Yi in the discharge of her duties as a joint company secretary and in gaining 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, for an initial period of three years commencing on the Listing.

Given Mr. Lee's professional qualifications and experience, he will be able to explain to both Ms. Yi and our Company the relevant requirements under the Listing Rules. Mr. Lee will also assist Ms. Yi in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. He is expected to work closely with Ms. Yi, and will maintain regular contact with Ms. Yi, our Directors, Supervisors and the senior management of our Company. The waiver will be revoked immediately if Mr. Lee ceases to assist Ms. Yi as a joint company secretary during the three-year period after the Listing or where there are material breaches of the Listing Rules by our Company.

In addition, Ms. Yi will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the Listing. Ms. Yi will also be assisted by (a) the Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations.

Prior to the expiration of the initial three-year period, the qualifications and experience of Ms. Yi will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance of Mr. Lee will continue. We will liaise with the Stock Exchange to enable it to assess whether Ms. Yi, having benefited from the assistance of Mr. Lee 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 Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

For the biographical information of Ms. Yi and Mr. Lee, see "Directors, Supervisors and Senior Management".

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 792,000 Offer Shares and the International Offering of initially 7,128,000 Offer Shares (subject to, in each case, reallocation on the basis referred to in "Structure of the Global Offering" in this prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option).

The listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor and the Global Offering is managed by the Sole Overall Coordinator. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around September 5, 2025. For further information regarding the Underwriters and the Underwriting Agreements, see "Underwriting" in this prospectus.

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, advisers, agents or representatives, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

STRUCTURE OF THE GLOBAL OFFERING

For details of the structure of the Global Offering (including its conditions) and the arrangements relating to the Over-allotment Option and stabilization, see "Structure of the Global Offering" and "Underwriting" in this prospectus.

CSRC FILING

We have submitted a filing to the CSRC to apply for the Global Offering and listing of our H Shares on the Stock Exchange on January 22, 2025 and the CSRC accepted the filing on February 28, 2025. The CSRC published the notification on completion of filing procedures dated July 14, 2025. No other approvals from the CSRC are required to be obtained for the listing of the H shares on the Stock Exchange.

RESTRICTIONS ON OFFERS AND SALES OF THE SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Dealings in the H Shares on the Stock Exchange are expected to commence on Tuesday, September 9, 2025. Save as otherwise disclosed in this prospectus, no part of our Shares or loan capital is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements as such arrangements may affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares" in this prospectus.

H SHARE REGISTER AND STAMP DUTY

All of the Offer Shares will be registered on our H Share register of members to be maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC.

Dealings in the H Shares registered on the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of members of our Company in Hong Kong, by ordinary post, at the H Shareholders' risk, to the registered address of each H Shareholder of our Company.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in "Structure of the Global Offering."

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their respective directors, officers, employees, partners, agents, advisers or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Unless otherwise specified, amounts denominated in RMB, US$ and HK$ have been translated, for the purpose of illustration only, into Hong Kong dollars in this prospectus at the following exchange rates: HK$1.00: RMB0.91285, US$1.00: RMB7.13210 and US$1.00: HK$7.81300.

No representation is made that any amounts in RMB or US$ were or could have been or could be converted into Hong Kong dollars at such rates or any other exchange rates on such date or any other date.

ROUNDING

Certain amounts and percentage figures included in this prospectus 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.

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail, provided that if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC mentioned in this prospectus and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such PRC entities or enterprises are provided for identification purposes only.

OTHER

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Over-allotment Option is not exercised.

DIRECTORS

Names	Residential address	Nationality
Executive Directors		
Dr. Hon Ta-Wei (alias Hon David Tak Wei) (韓德瑋)	6–21B, Building 3 Hongshu West Coast Garden Hongshu Bay, Binhai Avenue Nanshan District Shenzhen PRC	Chinese (Taiwan)
Ms. Li Guiyu (李桂玉)	Room 2907, Block B Building 1, Manjinghua Yunzhu Garden Bao'an District Shenzhen PRC	Chinese
Ms. Liu Guocun (劉國存)	Room 705, Unit A2 Building 1, Phase 1 Yunzhu Garden, Songrui Road, Songgang Street, Bao'an District, Shenzhen, Guangdong Province PRC	Chinese
Ms. Lee Hsiu-Fen (李秀芬)	Room 3219 Manjinghua Talent Apartment No. 103, Yingshuo Business Building No. 8, Yizhan 4th Road Shapu Community Songgang Street Bao'an District Shenzhen, Guangdong Province, PRC	Chinese (Taiwan)

Names	Residential address	Nationality
Independent non-executive Directors		
Dr. Lee Lai Sun Peter (李勵生)	8/F, Block C Broadview Terrace 40 Cloud View Road North Point Hong Kong	United States of America
Mr. Liu Xuequan (劉學權)	No. 303, Gate 1 Building 16 Zhanbin West Lane Qixia Road Dongli District Tianjin PRC	Chinese
Mr. Zhao Gensheng (趙根生)	No. 301, Building A Kaixuan Pavilion Kaidong New Town Jiaoyu West Road Farm Village Dalingshan Town Dongguan City PRC	Chinese

SUPERVISORS

Names	Residential address	Nationality
Ms. Huang Siqing (黃思情)	Room 602, Building 23 Baomin Garden Commercial and Residential Building District 24 Bao'an District Shenzhen PRC	Chinese
Mr. Zhu Guocheng (朱國成)	Room 601, No. 11 East Lane 3 Hongqiaotou Community PRC	Chinese

Names	Residential address	Nationality
Mr. Kuang Wenbiao (匡文標)	215, No. 140 Second Industrial Avenue Yan Luo Street Bao'an District Shenzhen PRC	Chinese

For further details on our Directors and Supervisors, see "Directors, Supervisors and Senior Management".

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	**China Securities (International) Corporate Finance Company Limited** 18/F Two Exchange Square 8 Connaught Place, Central Hong Kong
Sponsor-Overall Coordinator	**China Securities (International) Corporate Finance Company Limited** 18/F Two Exchange Square 8 Connaught Place, Central Hong Kong
Sole Overall Coordinator	**China Securities (International) Corporate Finance Company Limited** 18/F Two Exchange Square 8 Connaught Place, Central Hong Kong
Sole Global Coordinator	**China Securities (International) Corporate Finance Company Limited** 18/F Two Exchange Square 8 Connaught Place, Central Hong Kong

Joint Bookrunners	**China Securities (International) Corporate Finance Company Limited** 18/F Two Exchange Square 8 Connaught Place, Central Hong Kong
	ABCI Capital Limited 11/F Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road Central Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	Futu Securities International (Hong Kong) Limited 34/F United Centre No. 95 Queensway, Admiralty Hong Kong

Joint Lead Managers	**China Securities (International) Corporate Finance Company Limited** 18/F Two Exchange Square 8 Connaught Place, Central Hong Kong
	ABCI Securities Company Limited 10/F Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road Central Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	CMB International Capital Limited 45/F, Champion Tower 3 Garden Road Central Hong Kong
	Futu Securities International (Hong Kong) Limited 34/F United Centre No. 95 Queensway, Admiralty Hong Kong

Capital Market Intermediaries	**China Securities (International) Corporate Finance Company Limited** 18/F Two Exchange Square 8 Connaught Place, Central Hong Kong
	ABCI Securities Company Limited 10/F Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road Central Hong Kong
	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	CMB International Capital Limited 45/F Champion Tower 3 Garden Road Central Hong Kong
	Futu Securities International (Hong Kong) Limited 34/F United Centre No. 95 Queensway, Admiralty Hong Kong

Legal Advisers to our Company

As to Hong Kong laws:

DeHeng Law Offices (Hong Kong) LLP
28/F, Henley Building
5 Queen's Road Central
Central
Hong Kong

Room 1111, 11/F
New World Tower I
No. 16-18 Queen's Road Central
Central
Hong Kong

Room 3507, 35/F
Edinburgh Tower
The Landmark
15 Queen's Road Central
Central
Hong Kong

As to the PRC laws:

DeHeng Law Offices (Shenzhen)
Storey 11, Section B Anlian Plaza
No. 4018, Jintian Road
Shenzhen, Guangdong Province
PRC

As to Taiwan laws:

World Law Office
Location 12F-1, No. 311
Chung Hsiao E. Rd., Sec. 4
Taipei 106
Taiwan

Legal Advisers to the Sole Sponsor and the Underwriters	*As to Hong Kong laws:* **Han Kun Law Offices LLP** Rooms 4301–4310 43/F, Gloucester Tower The Landmark 15 Queen's Road Central Hong Kong *As to the PRC laws:* **Han Kun Law Offices** 9/F, Office Tower C1 Oriental Plaza 1 East Chang An Ave. Dongcheng District Beijing 100738, PRC
Auditor and Reporting Accountants	**Deloitte Touche Tohmatsu** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 35/F, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B, Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC
Receiving Bank	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong

Registered Office	801, Yizhan Business Building No. 8, Yizhan 4th Road, Shapu Community Songgang Street, Bao'an District Shenzhen PRC
Headquarters and Principal Place of Business in China	801, Yizhan Business Building No. 8, Yizhan 4th Road, Shapu Community Songgang Street, Bao'an District Shenzhen PRC
Principal Place of Business in Hong Kong	28/F, Henley Building 5 Queen's Road Central Central Hong Kong
Company's Website	**https://dahon.com** *(Note: the information on this website does not form part of this prospectus)*
Joint Company Secretaries	Ms. Yi Jiamei (易嘉美) 2C, Building 9, Caitian Village No. 1096, Lianhua Road, Futian District Shenzhen, Guangdong Province, PRC Mr. Lee Hiu Yeung (李曉陽) *Solicitor of the High Court of Hong Kong SAR* 28/F, Henley Building 5 Queen's Road Central Central Hong Kong

Authorised Representatives	Ms. Lee Hsiu-Fen (李秀芬) Room 3219, Manjinghua Talent Apartment No. 103, Yingshuo Business Building No. 8, Yizhan 4th Road Shapu Community Songgang Street Bao'an District Shenzhen, Guangdong Province, PRC Mr. Lee Hiu Yeung (李曉陽) *Solicitor of the High Court of Hong Kong SAR* 28/F, Henley Building 5 Queen's Road Central Central Hong Kong
Audit Committee	Mr. Zhao Gensheng (趙根生) (*Chairman*) Mr. Liu Xuequan (劉學權) Dr. Lee Lai Sun Peter (李勵生)
Remuneration and Appraisal Committee	Mr. Liu Xuequan (劉學權) (*Chairman*) Dr. Hon Ta-Wei (韓德瑋) Mr. Zhao Gensheng (趙根生) Dr. Lee Lai Sun Peter (李勵生)
Nomination Committee	Dr. Hon Ta-Wei (韓德瑋) (*Chairman*) Ms. Liu Guocun (劉國存) Dr. Lee Lai Sun Peter (李勵生) Mr. Zhao Gensheng (趙根生) Mr. Liu Xuequan (劉學權)
Strategic and ESG Committee	Ms. Li Guiyu (李桂玉) *(Chairlady)* Ms. Liu Guocun (劉國存) Ms. Lee Hsiu-Fen (李秀芬)
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712–1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong

Compliance Adviser	**Maxa Capital Limited** Unit 2602, 26/F, Golden Centre 188 Des Voeux Road Central Sheung Wan, Hong Kong
Principal Banks	**Agricultural Bank of China Limited** **Shenzhen Gongming Sub-branch** 101, Economic Development Building No. 118, Zhenming Road Gong Ming Community, Gong Ming Street Guangming District Shenzhen PRC
	Agricultural Bank of China Limited **Shenzhen Dongfang Sub-branch** No. 121–125, Building 1 Liantou Dongfang Huafu (Phase II) Songgang Street Bao'an District Shenzhen PRC
	Agricultural Bank of China Limited **Huizhou Huiyang Zhenlong Sub-branch** No. 3 Zhenlong River South Road Huiyang District Huizhou City Guangdong Province PRC

This section and elsewhere in this prospectus contain certain information, statistics and data which are derived from various official government publications and other publicly available publications, and a report commissioned by us and prepared by our industry consultant, CIC. We believe that the sources of the information in this section and elsewhere in this prospectus are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false in any material respect or misleading. The information, statistics and data from official government sources have not been independently verified by us, the Sole Sponsor, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, advisers or agents or any other party involved in the Global Offering, and no representation is given as to their accuracy, reliability or completeness.

SOURCES AND RELIABILITY OF INFORMATION

China Insights Consultancy is commissioned to conduct research and analysis of, and to produce a report on Global and mainland China's bicycle market (the "**CIC Report**") at a fee of RMB450,000. The report commissioned has been prepared by China Insights Consultancy independent of the influence of the Company and other interested parties. China Insights Consultancy's primary services include industry consulting, commercial due diligence, and strategic consulting to both institutional investors and corporations. Its consulting team has been tracking the latest market trends in the fields of chemicals, healthcare, consumer goods, environment, industry, energy, transportation, agriculture, e-commerce, finance, etc., and has the most relevant and insightful market intelligence in the above-mentioned industries.

China Insights Consultancy conducted both primary and secondary research using a variety of resources in the completion of this report. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analysing data from various publicly available data sources, such as National Bureau of Statistics of China, Chinese Cycling Association, Confederation of the European Bicycle Industry, UN Comtrade, World Bank, company reports, independent research reports, and the internal database of China Insights Consultancy. The market projections in the commissioned report are based on the following key assumptions: (i) the overall global social, economic, and political environment is expected to maintain a stable trend during the forecast period; (ii) the key industry drivers are likely to continue to drive the growth in each market during the forecast period, and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected either dramatically or fundamentally during the forecast period.

Our Directors confirm to the best of their knowledge, and after making reasonable enquiries, that there have been no material adverse changes in the industry since the date of the CIC Report which may qualify, contradict or have an impact on the information set out in this section.

OVERVIEW OF THE GLOBAL AND MAINLAND CHINA'S BICYCLE INDUSTRY

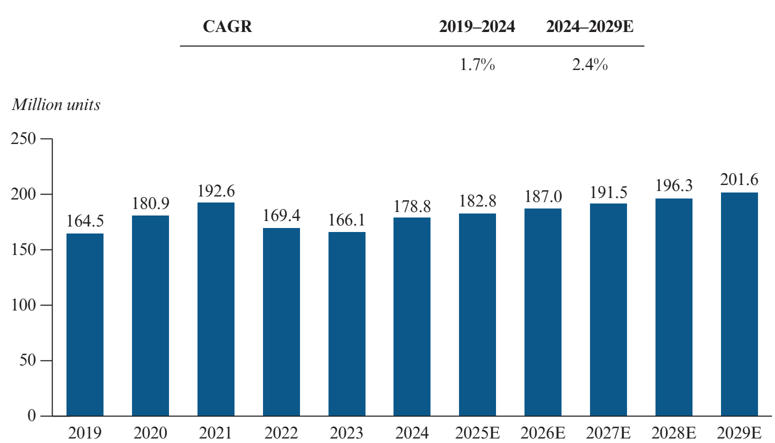
Overview

In a world increasingly focused on environmental awareness and efficient transportation, bicycles continue to stand as a reliable and enduring mode of travel, promoting eco-friendliness, efficiency, and health. Bicycles can generally be categorized into folding bicycles, electric-assisted bicycles, road bicycles, mountain bicycles, and etc.

Market Size

The market size of global bicycle industry experienced fluctuation in the last few years. The public health emergency in 2020 had triggered a global sales boom. Limited social activities and a heightened interest in outdoor physical activities significantly boosted the demand for bicycles worldwide in 2020 and 2021. Thus, such market trend and consumer behaviors had brought extra demand and growth in 2021 while the market returned to a much more moderate level in 2022 and 2023. In terms of retail sales volume, the market size of the global bicycle industry increased from 164.5 million units in 2019 to 178.8 million units in 2024, registering a CAGR of 1.7%. It is projected to grow steadily, reaching 201.6 million units by 2029, with a CAGR of 2.4% from 2024 to 2029.

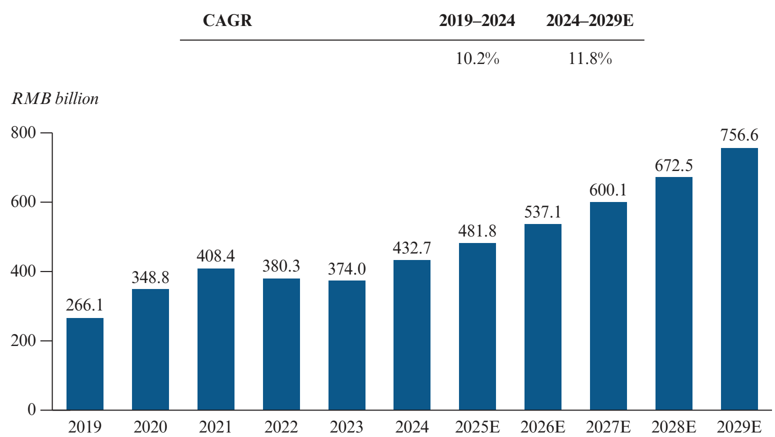
Market size of the global bicycle industry, in terms of retail sales volume, 2019–2029E



Source: China Insights Consultancy

The market size of the global bicycle industry, in terms of retail sales value, increased from RMB266.1 billion in 2019 to RMB432.7 billion in 2024, registering a CAGR of 10.2% between 2019 and 2024. Driven by increasing consumer purchasing power and higher average selling price of bicycles, the market's retail sales value recorded a faster growth than the increase in units sold. This trend is expected to continue, as consumers' willingness-to-spend per-unit is projected to rise, leading to a market size of RMB756.6 billion by 2029, indicating a CAGR of 11.8% between 2024 to 2029.

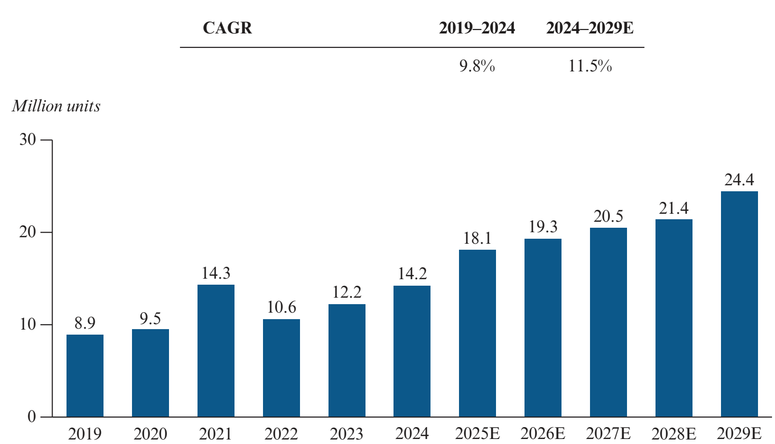
Market size of the global bicycle industry, in terms of retail sales value, 2019–2029E



Source: *China Insights Consultancy*

Mainland China, as the world's largest production base of bicycles, contributed more than 50% of the global production. Driven by increasing adoption of specialized bicycles and mid- to high-end bicycles, production volume of bicycles priced at RMB1,000 and above has achieved a CAGR of 9.8% between 2019 and 2024. Production volume of bicycles priced at RMB1,000 and above is expected to further increase to 24.4 million units in 2029, registering a CAGR of 11.5% between 2024 to 2029.

Production volume of bicycles priced at RMB1,000 and above, mainland China, 2019–2029E



Source: *China Insights Consultancy*

OVERVIEW OF THE GLOBAL AND MAINLAND CHINA'S FOLDING BICYCLE INDUSTRY

Overview

Folding bicycles have evolved from the traditional bicycle industry as a response to the growing need for convenience, urban mobility, and space-saving solutions. Folding bicycles are compact and portable bicycles designed with mechanisms that allow them to be folded into a smaller size for easy storage and transport.

Advances in lightweight materials, compact folding mechanisms, and durable designs have allowed folding bicycles to offer similar performance to traditional bicycles while providing added portability. These bikes have gained significant popularity, particularly in urban environments, where space is often limited and the need for flexible transportation solutions is high. Folding bicycles offer a practical alternative for commuters who need to combine cycling with other modes of transport, such as buses, trains, or cars, making them ideal for last-mile commuting. Folding bicycles can be categorized by use case into urban folding bicycles, sport folding bicycles, performance folding bicycles, electric-assisted folding bicycles, and other types.

Comparison of Bicycle Types and Advantages of Folding Bicycles

Folding bicycles are uniquely suited to urban life, offering unmatched portability and storage convenience. Their compact design allows easy storage in small spaces and seamless transport, whether in car trunks, public transit, or offices. They are also lightweight and require minimal setup, adding to their practicality for daily use. Unlike non-folding bicycles, folding bicycles provide versatile applications across commuting, leisure, and recreation, with a wide range of models, including electric-assisted and compact options, tailored to meet the demands of modern urban commuting.

Comparison of bicycle types

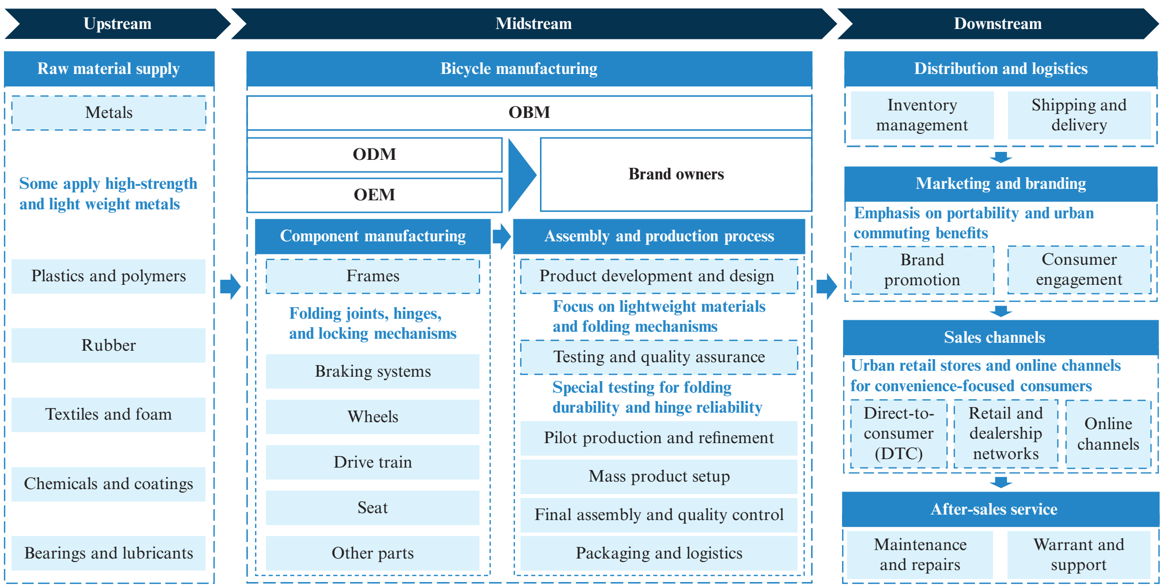
Bicycle type	Ease of riding	Ease of storage
Folding bicycles	◕ Compact size for nimble maneuvering in urban environments and multi-modal transport.	● Compact when folded; easy to store in apartments, offices, or public transport.
Non-folding bicycles	◕ Sturdier frame and better terrain adaptability when off-road.	◔ Requires more storage space; inconvenient in confined areas.

Source: China Insights Consultancy

Value Chain

The value chain of the global folding bicycle industry consists of upstream raw material and component supply, midstream manufacturing processes, and downstream distribution, marketing, and after-sales services.

Value chain of the global folding bicycle industry



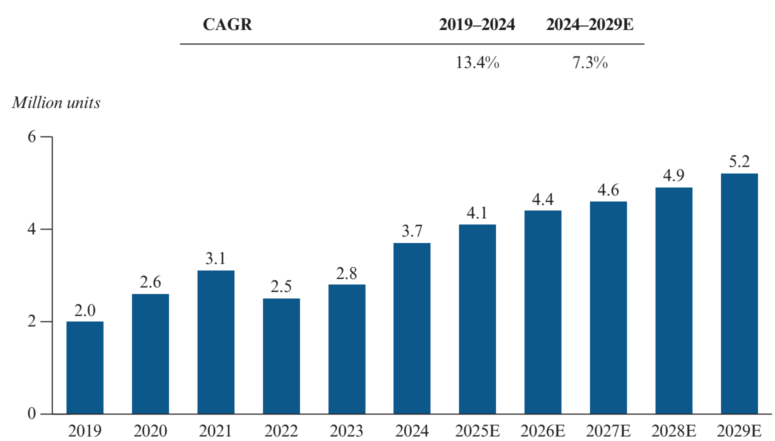
Source: China Insights Consultancy

Folding bicycles are characterized by the need for specialized components, including folding joints, hinges, and locking mechanisms, which are designed to ensure durability and meet the demands of frequent folding and unfolding. Their product design prioritizes lightweight materials and compact folding systems, catering to urban users who value portability and easy handling for daily travel. To ensure long-term reliability, these bicycles undergo stringent quality assurance processes, with a particular focus on testing the resilience of joints and hinges under repetitive stress. Marketing strategies emphasize the advantages of portability, compact storage, and adaptability to urban lifestyles, appealing to commuters and city dwellers seeking convenient mobility solutions. In the production process, folding bicycle companies prioritize R&D, proprietary technology, and branding. While component manufacturing, assembly and production process are often outsourced to specialized suppliers, strict quality control is maintained to ensure reliability and uphold brand standards. Sales channels are primarily concentrated in retail stores and online platforms. For distribution, many brands rely on extensive networks of authorized third-party distributors to expand their reach across diverse markets. This approach ensures widespread product availability and enables companies to leverage local expertise, while direct-to-consumer (DTC) channels and online platforms are increasingly adopted to strengthen brand engagement and optimize profit margins.

Market Size

Retail sales volume of the global folding bicycle industry increased from 2.0 million units in 2019 to 3.7 million units in 2024, representing a CAGR of 13.4% between 2019 and 2024. The decline in 2022 was primarily due to the public health emergency, which spurred a surge in demand for outdoor and individual activities, shifting folding bicycle consumption forward to 2020 and 2021 and resulting in more moderate consumption levels in 2022 and 2023. With the ongoing innovation in folding mechanisms, structure design, and materials, folding bicycles are expected to have better performance and comfort for urban commuters and even enthusiasts and professional cyclists. The market size of the folding bicycle industry, in terms of retail sales volume, is expected to reach 5.2 million units in 2029, indicating a CAGR of 7.3% between 2024 and 2029.

Market size of the global folding bicycle industry, in terms of retail sales volume, 2019–2029E

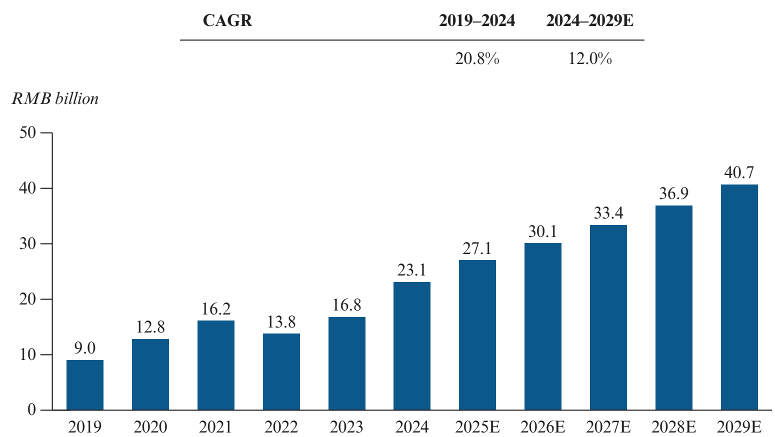


Note: Retail sales volume refers to all retail sales of folding bicycles, including electric-assisted folding bicycles.

Source: China Insights Consultancy

Driven by increasing average spending per folding bicycle, the market size of the global folding bicycle industry increased from RMB9.0 billion in 2019 to RMB23.1 billion in 2024, representing a CAGR of 20.8% between 2019 and 2024. Looking ahead, folding bicycles are expected to appeal to a wider range of consumers, including recreational and professional users, due to improvements in performance, structure design, and lightweight materials. Folding bicycles are expected to combine the benefits of compactness and flexibility with enhanced durability and stability. The market size of the global folding bicycle industry, in terms of retail value, is expected to reach RMB40.7 billion in 2029, indicating a CAGR of 12.1% between 2024 and 2029.

Market size of the global folding bicycle industry, in terms of retail sales value, 2019–2029E



Note: Retail sales value refers to all retail sales of folding bicycles, including electric-assisted folding bicycles.

Source: China Insights Consultancy

Folding bicycles can range across all price points, but they tend to be more mid end to high end compared to regular bicycles. The reason is that folding bicycles require more specialized engineering to make them compact and functional without sacrificing performance or durability. This makes them generally more expensive than traditional bicycles.

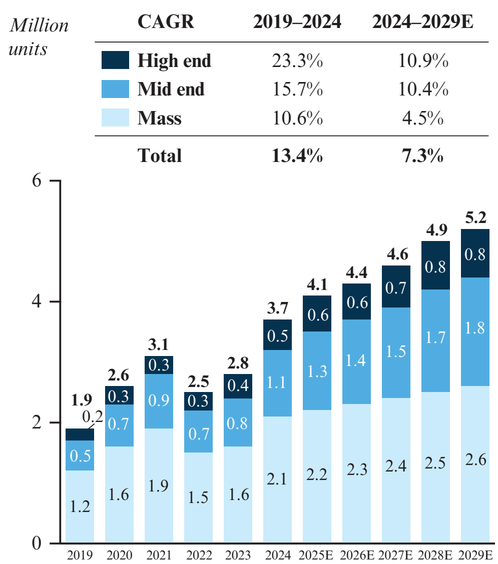
Market positions and price ranges of folding bicycles

Market position	Average retail price[1]
High end	5,000 RMB/unit or above
Mid end	Reaching 2,500 but below 5,000 RMB/unit
Mass market	Below 2,500 RMB/unit

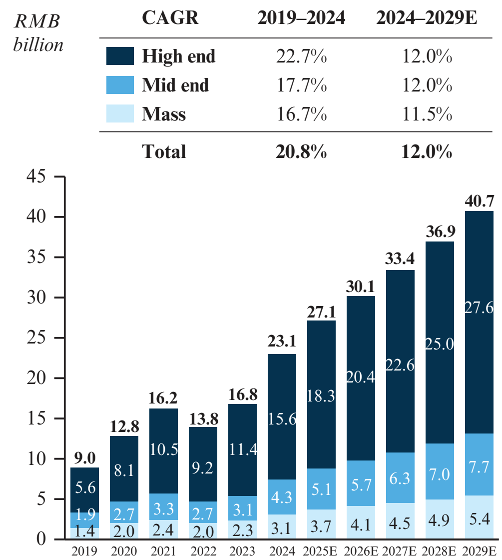
Note: Refers to the average retail selling price for the years 2022, 2023, and 2024.

In 2024, the mid end and high end segments of the global folding bicycle industry accounted for around 44.1% of the retail sales volume and 86.5% of the retail sales value. These segments have experienced faster growth due to their superior performance, durability, and comfort, appealing to consumers seeking efficient, portable transportation. Additionally, these bicycles are marketed as premium lifestyle products, emphasizing design and innovation. As folding bikes gain popularity globally, the demand for high-quality, versatile models is expected to continue rising. The mid end and high end segments of the global folding bicycle markets are expected to register a higher CAGR between 2024 and 2029 than the mass segment in both retail sales volume and value.

Market size of the global folding bicycle industry, by price range, in terms of retail sales volume, 2019–2029E



Market size of the global folding bicycle industry, by price range, in terms of retail sales value, 2019–2029E



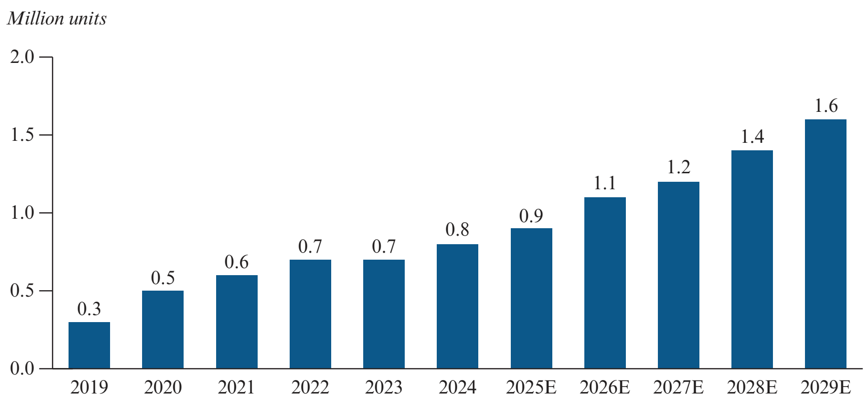
Source: China Insights Consultancy

Mainland China, the U.S., and Europe stand out as the top three sales regions in the global folding bicycle industry, each contributing 22.1%, 9.0%, and 8.6%, respectively, in terms of retail sales volume in 2024, to global demand due to unique market dynamics, consumer preferences, and regional trends. Mainland China's market is characterized by a diverse customer base, including both budget-conscious consumers and higher-end segments that prioritize advanced features and innovative designs. The U.S.'s market is characterized by a demand for versatile, high-performance models that cater to urban commuters and recreational riders. Europe's market is characterized by its strong cycling culture and well-developed infrastructure that encourages bicycle commuting.

Mainland China has been quickly emerging as a major market in the global folding bicycle industry, becoming the single largest market in terms of retail sales volume in 2024, with retail sales volume increasing from 0.3 million units in 2019 to 0.8 million units in 2024, registering a CAGR of 19.9% between 2019 and 2024. Retail sales volume of mainland China's folding bicycle industry is expected to further increase, reaching 1.6 million units in 2029, indicating a CAGR of 14.5% between 2024 and 2029.

Market size of mainland China's folding bicycle industry, in terms of retail sales volume, 2019–2029E

CAGR	2019–2024	2024–2029E
	19.9%	14.5%



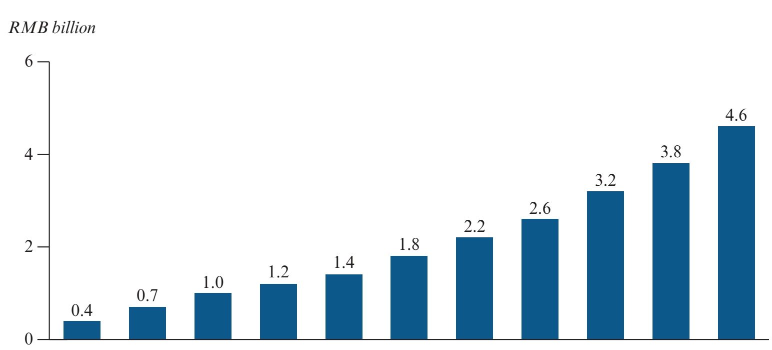
Note: Retail sales volume refers to all retail sales of folding bicycles, including electric-assisted folding bicycles.

Source: *China Insights Consultancy*

The market size of mainland China's folding bicycle industry, in terms of retail sales value, increased from RMB0.4 billion in 2019 to RMB1.8 billion in 2024, reflecting a CAGR of 31.6% over this period. Driven by innovation in folding mechanisms, structure design, and materials, rising purchasing power, and a growing preference for mid- to high-end folding bicycle products, the market size in terms of retail sales value is expected to reach RMB4.6 billion by 2029, representing a projected CAGR of 21.2% from 2024 to 2029.

Market size of mainland China's folding bicycle industry, in terms of retail sales value, 2019–2029E

CAGR	2019–2024	2024–2029E
	31.6%	21.2%



Note: Retail sales value refers to all retail sales of folding bicycles, including electric-assisted folding bicycles.

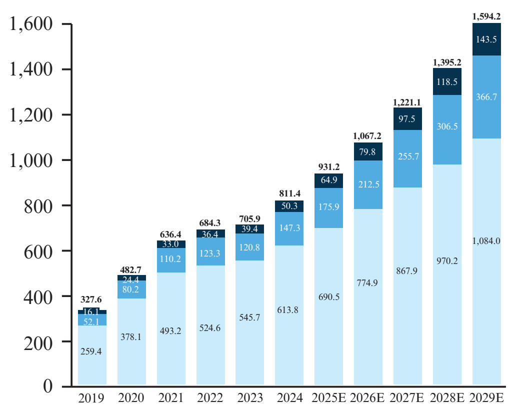
Source: *China Insights Consultancy*

In 2024, the mid end and high end segments of the mainland China's folding bicycle industry accounted for around 24.4% of the retail sales volume and 75.3% of the retail sales value. As the middle class grows and disposable incomes rise, more Chinese consumers are willing to purchase higher-end products, driving stronger growth potential for the mid and high end segments in the future.

Market size of mainland China's folding bicycle industry, by price range in terms of retail sales volume, 2019–2029E

Thousand units

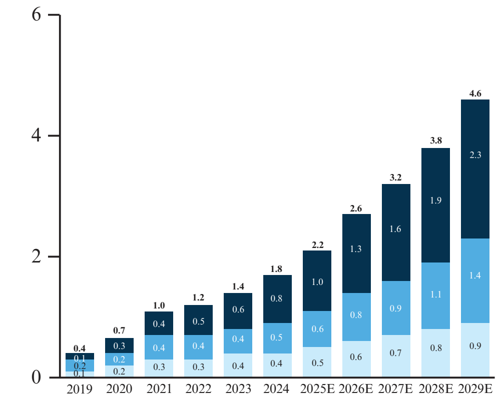
CAGR	2019–2024	2024–2029E
High end	25.5%	23.3%
Mid end	23.1%	20.0%
Mass	18.8%	12.0%
Total	**19.9%**	**14.5%**



Market size of mainland China's folding bicycle industry, by price range, in terms of retail sales value, 2019–2029E

RMB billion

CAGR	2019–2024	2024–2029E
High end	40.7%	23.7%
Mid end	27.4%	21.9%
Mass	24.5%	14.9%
Total	**31.6%**	**21.2%**



Source: China Insights Consultancy

Market Drivers

- ***Increasing urbanization and space constraints:*** The global urbanization rate has increased from 56.2% in 2019 to 58.3% in 2024, with approximately 4.9 billion people now residing in urban areas. Given that more than 80% of global GDP is generated in cities, urbanization plays a vital role in driving sustainable growth through enhanced productivity and innovation. This trend is anticipated to further accelerate urbanization in the coming years. As urban populations expand and space constraints intensify, the demand for folding bicycles has grown due to their practicality. Folding bicycles offer flexibility for commuters, as they can be easily folded and carried on public transport or stored in compact spaces, such as car trunks, making them ideal for multi-model transportation and last-mile travel. Their convenience and space-efficient design make them especially appealing to those with limited storage at home or work, supporting the continued growth of the global folding bicycle industry in the future.

- ***Innovation in folding mechanisms, structure design, and materials:*** Innovation in the folding bicycle industry has been driven by three key areas including folding mechanisms, structural design, and materials. The development of more sophisticated folding mechanisms offers faster and user-friendly folding processes, making folding bicycles an attractive option for those seeking efficient, multi-model travel solutions, therefore supporting gradual market growth. Improvements in structural design improves the performance and comfort of folding bicycles, expanding the consumer base to include not only urban commuters but also cyclists who prioritize performance and comfort on longer rides. The introduction of lightweight materials, such as carbon fibre and titanium, makes folding bicycles easier to carry while improving durability and aesthetics, increasing their practicality for daily use and recreational cycling. These innovations are expected to play a key role in driving market growth by making folding bicycles more practical, durable, and appealing to a broader range of consumers.

- ***Increasing awareness of a healthy and fitness-oriented lifestyle:*** With increasing awareness of the benefits of a healthy and fitness-oriented lifestyle, people are motivated to adopt activities that promote physical health, strength, and mental well-being. Cycling provides a holistic, low-impact exercise that aligns with these goals, while folding bicycles offer extra flexibility and convenience to the consumers. The "4 + 2" travel trend, which refers to combining four-wheeled vehicles with two-wheeled options like folding bicycles, is gaining traction as urban mobility solutions evolve. Indicators of this shift include the increasing adoption of multi-modal commuting, rising sales of folding bicycles among urban commuters and recreational users, and supportive urban mobility initiatives that promote integrated transport options. This makes folding bicycles especially appealing to health-conscious individuals seeking a bicycle that can better adapt to urban, space-limited environments, meeting both fitness and mobility needs. The rising focus on a fitness lifestyle is poised to drive substantial growth in the folding bicycle industry as more individuals prioritize physical well-being and sustainable living.

- ***Increasing consumer preference for eco-friendly products:*** As environmental awareness grows, individuals are increasingly seeking sustainable alternatives to reduce their carbon footprint. Folding bicycles, with zero emissions and significantly lower resource consumption than cars or motorbikes, perfectly align with this shift toward greener lifestyles. As concern for eco-friendly travel rises, folding bicycles present a sustainable and convenient alternative to cars, helping to reduce pollution and alleviate traffic congestion in cities worldwide. This preference for eco-conscious transportation is supporting the steady global growth of the folding bicycle industry.

- ***Government initiatives aimed at improving cycling infrastructure:*** In 2022, the Chinese government issued the Outdoor Sports Industry Development Plan (2022–2025), aiming to grow the outdoor sports industry to over RMB3 trillion by 2025 through infrastructure expansion, equipment innovation, and cross-sector integration. The plan specifically emphasizes cycling infrastructure, supporting demand for portable and folding bicycles. In April 2024, the European Council, Commission, and Parliament signed the European Declaration on Cycling, recognizing cycling as a sustainable, accessible, and affordable means of transport and committing to improve the quality and quantity of cycling infrastructure. In the United States, the Bipartisan Infrastructure Law passed by Congress in 2021 allocates funding for alternative transportation projects, including bicycle infrastructure. These initiatives are expected to drive future demand for folding bicycles.

Future Trends

- ***Further market segmentation by scenarios:*** As folding bicycles become more popular globally, one-size-fits-all approach may not fully capture the potential market. Designing bicycles for specific use cases or environments will make products more relevant to diverse consumer needs and lifestyles. By aligning product features with varied application scenarios, including urban commuting, recreational travel, off-road trails, and multi-modal transport, companies can better meet the expectations of riders in each category, ultimately driving customer satisfaction, brand loyalty, and market expansion in the folding bicycle industry.

- ***Sustainable and eco-friendly production:*** As people become more concerned with environmental impact, the industry is responding by adopting materials and manufacturing processes that minimize waste, reduce emissions, and conserve resources, ultimately contributing to a smaller carbon footprint for each bicycle produced. Manufacturers are exploring eco-friendly alternatives that not only lessen the environmental impact but also appeal to eco-conscious consumers who prioritize products made from renewable or recycled sources. As environmental awareness continues to grow, folding bicycle companies that adopt sustainable practices will likely gain competitive advantages.

- ***Increased integration of electric assistance:*** As electric-assisted bicycles become more popular due to their ease of use, ability to cover longer distance, and eco-friendly benefits, folding bicycle manufacturers are incorporating electric motors to make their models more versatile and attractive to a broader range of users. Besides, the electric-assist feature enhances the appeal of folding bicycles for individuals who may not be avid cyclists but want a sustainable and practical form of transportation. The compact nature of folding e-bikes allows for easy storage in small apartments, offices, or public transport, combining the convenience of folding with the power of an electric motor. The combination of advantages will make folding electric-assisted bicycles an increasingly popular choice.

- ***Increasing integration of online and offline channels:*** While offline stores remain the primary sales channel for folding bicycles, offering essential test-ride experiences and personalized services, online channels are becoming a complementary force. Manufacturers and retailers leverage e-commerce platforms, brand websites, and social media to expand reach and enhance customer engagement. Rather than replacing offline channels, online and offline integration creates a synergistic ecosystem, driving sales and forming a seamless purchase cycle. This fusion maximizes customer convenience, strengthens brand presence, and unlocks greater market potential for the industry.

- ***Rise of Chinese folding bicycle brands in global markets:*** Traditionally, Chinese folding bicycle manufacturers have primarily focused on ODM and OEM export models, supplying mid-to-low-end products for international brands. However, a new wave of Chinese folding bicycle companies is now establishing their own brands overseas. By emphasizing innovative design, quality control, and brand differentiation, these companies are positioning themselves in higher-value segments of the global market. This shift enables Chinese brands to build brand equity, capture more value in the international market, and reduce dependency on external partners. Leveraging China's strengths in manufacturing efficiency and digital marketing, these companies are well-poised to compete on the global stage, enhancing the perception of Chinese innovation and quality in the folding bicycle industry.

COMPETITIVE LANDSCAPE OF THE GLOBAL AND MAINLAND CHINA'S FOLDING BICYCLE INDUSTRY

Overview

The folding bicycle industry constitutes a niche segment within the overall bicycle industry. Despite competition with other traditional bicycle types in urban mobility solutions, folding bicycles have successfully carved out their market position by addressing specific urban commuting challenges that traditional bicycles cannot fully resolve, particularly for users with limited storage space or multi-modal transportation needs. The global folding bicycle market is relatively concentrated with the top five companies capturing 19.4% of the market share in 2024 in terms of retail sales volume. The Company is the world's largest folding bicycle company, achieving a retail sales volume of 226.4 thousand units, representing 6.2% of the market share in 2024.

The top five folding bicycle companies, Global, in terms of retail sales volume, 2024

Ranking	Company	Average retail price[1]	Retail sales volume, thousand[2]	Market share	Listing status
		RMB/unit			
1	The Company	3,000	226.4	6.2%	Non-Listed
2	Company A[3]	2,500	165.0	4.5%	Non-Listed
3	Company B[4]	500	148.4	4.0%	Listed
4	Company C[5]	500	93.5	2.5%	Listed
5	Company D[6]	18,000	80.0	2.2%	Non-Listed
	CR5		713.3	19.4%	
	Total		3,668.1	100.0%	

Notes:

1. Refers to the average retail selling price of folding bicycles of different companies.

2. Refers specifically to the retail sales volume of folding bicycles, excluding sales of other types of bicycles.

3. Established in 1976 in France, Company A is a non-listed company positioning at the mid-to-high end market, that designs, manufactures, and distributes a wide range of sports and outdoor equipment, including bicycles, to the global markets.

4. Established in 1993 in Shanghai, Company B is a listed company positioning at the mass market, that manufactures and distributes bicycles including various types in China and overseas.

5. Established in 1995 in Shanghai, Company C is a listed company positioning at the mass market, that manufactures and distributes bicycles including various types in China and overseas.

6. Established in 1976 in London, Company D is a non-listed company positioning at the mid-to-high end market, that designs, manufactures folding bicycles primarily in the UK and distributes them to the global market.

Source: China Insights Consultancy

Mainland China's folding bicycle market is highly concentrated with the top five companies capturing 60.4% of the market share in 2024 in terms of retail sales volume. The Company is the largest folding bicycle company in mainland China achieving a retail sales volume of 213.1 thousand units, representing 26.3% of the market share in 2024.

The top five folding bicycle companies, mainland China, in terms of retail sales volume, 2024

Ranking	Company	Average retail price[1]	Retail sales volume, thousand[2]	Market share	Listing status
		RMB/unit			
1	The Company	3,000	213.1	26.3%	Non-Listed
2	Company B	500	118.7	14.6%	Listed
3	Company C	500	93.5	11.5%	Listed
4	Company A	2,500	40.0	4.9%	Non-Listed
5	Company D	18,000	25.0	3.1%	Non-Listed
	CR5		490.3	60.4%	
	Total		811.4	100.0%	

Notes:

1. Refers to the average retail selling price of folding bicycles of different companies.

2. Refers specifically to the retail sales volume of folding bicycles, excluding sales of other types of bicycles.

Source: China Insights Consultancy

In terms of retail sales value, the top five folding bicycle companies globally accounted for 12.0% of the market share in 2024. The Company ranked second, achieving a retail sales value of RMB679.2 million, representing 2.9% of the market share.

The top five folding bicycle companies, Global, in terms of retail sales value[1], 2024

Ranking	Company	Average retail price[1]	Retail sales Value[2]	Market share	Listing status
		RMB/unit	*million RMB*		
1	Company D	18,000	1,440.3	6.2%	Non-listed
2	The Company	3,000	679.2	2.9%	Non-listed
3	Company A	2,500	412.5	1.8%	Non-listed
4	Company E[3]	15,000	176.0	0.8%	Non-listed
5	Company B	5,00	74.2	0.3%	Listed
	CR5		2,782.2	12.0%	
	Total		23,109.2	100.0%	

Notes:

1. Refers to the average retail selling price of folding bicycles of different companies.

2. Refers specifically to the retail sales value of folding bicycles, excluding sales of other types of bicycles.

3. Established in 1995 in Germany, Company E is a non-listed company positioning at the mid-to-high end market, that designs and retails folding bicycles primarily in Europe.

In terms of retail sales value, the top five folding bicycle companies in mainland China accounted for 73.7% of the market share in 2024. The Company ranked first, achieving a retail sales value of RMB639.4 million, representing 36.5% of the market share.

The top five folding bicycle companies, mainland China, in terms of retail sales value[1], 2024

Ranking	Company	Average retail price[1]	Retail sales value[2]	Market share	Listing status
		RMB/unit	*million RMB*		
1	The Company	3,000	639.4	36.5%	Non-listed
2	Company D	18,000	450.0	25.7%	Non-listed
3	Company A	2,500	100.0	5.7%	Non-listed
4	Company B	500	59.4	3.4%	Listed
5	Company C	500	42.1	2.4%	Listed
	CR5		1,290.8	73.7%	
	Total		1,752.6	100.0%	

Notes:

1. Refers to the average retail selling price of folding bicycles of different companies.

2. Refers specifically to the retail sales value of folding bicycles, excluding sales of other types of bicycles.

The above being said, since the global folding bicycle market only accounts for 5.3% of the global bicycle market by retail sales value and 2.1% by retail sales volume in 2024, the Company is not a top market player in the broader bicycle industry, despite its significant position in the folding bicycle segment.

Entry Barriers and Key Success Factors

- ***Brand recognition and trust:*** Established brands have built trust over time by consistently delivering high-quality products and customer service. Their reputations are reinforced through positive customer experiences, favourable reviews, and word-of-mouth recommendations, making them the go-to choices for new and returning customers alike. New entrants, however, face the challenge of gaining similar levels of trust without an established track record.

- ***Proprietary R&D capabilities and patented technologies:*** Folding bicycles require intricate mechanisms that enable the bicycle to fold into a compact and portable size without compromising safety, stability, or comfort. This unique requirement demands advanced technological knowledge and engineering skills. Leading companies have developed innovative solutions that set their products apart in the market by leveraging proprietary R&D capabilities and patented technologies. Their dedication to technological advancement not only ensures superior product performance but also creates significant entry barriers for competitors lacking comparable expertise or innovation capabilities.

- ***Economies of scale of production:*** Established companies can spread fixed costs, such as machinery, facilities, and R&D investments, over a large volume of units. This reduces the per-unit cost of production, enabling them to offer folding bicycles at more competitive prices while maintaining profit margins. For new entrants, achieving similar economies of scale is difficult due to lower initial production volumes, which can lead to higher costs per unit for materials, labour, and logistics. They may face higher material and component costs due to lack of buying power, putting them at a price disadvantage in the market. As a result, economies of scale serve as a substantial entry barrier, giving larger, established companies a competitive edge in pricing, supply chain efficiency, and market penetration in the folding bicycle industry.

- ***Strategic supply chain diversification:*** Leading companies strategically distribute their supply chains across multiple countries and regions to mitigate risks associated with geopolitical tensions, trade barriers, and supply disruptions. This approach ensures greater resilience, enhances operational flexibility, and safeguards production continuity. By adopting diversified supply chain strategies, they can better navigate global uncertainties and maintain a competitive edge in the market.

- ***Well-established distribution network:*** Established folding bicycle manufacturers typically have long-standing relationships with a network of distributors, retailers, and e-commerce platforms, enabling them to reach a wide customer base at both local and global levels. These relationships allow established brands to secure prime retail space, maintain consistent stock levels, and optimize shipping logistics, all of which contribute to better brand visibility and customer trust. New entrants, however, often lack these established partnerships and may face difficulty negotiating shelf space or favourable terms with retailers, limiting their market reach.

- ***Penetration-related regulatory and urban-ecosystem barriers (PRC and global):*** The penetration of folding bicycles is materially shaped by local policies and infrastructure — including metro/bus carriage rules, availability and security of public-space parking, and micro-mobility regulations — as well as safety-standards and certification regimes (e.g., PRC GB/CCC, EU EN/CE and U.S. CPSC). New entrants must localize products and operations across heterogeneous city and country rules, secure access to commuter channels and on-site assembly/demonstration, and build trained service coverage. The need for localization, certification and ecosystem building lengthens time-to-market and raises capital requirements, creating a substantive barrier to penetration in both the PRC and overseas markets.

- ***Reliable after-sale services:*** Reliable after-sale services include offering warranty repairs, providing easy access to spare parts, maintaining service centres, and ensuring customer support. In the folding bicycle industry, after-sale services are particularly critical because of the specialized nature of these bicycles, which involve complex folding mechanisms, lightweight materials, and, increasingly, electric components that may require maintenance or repair. Established brands typically have dedicated service networks and a streamlined infrastructure to handle after-sale support. These resources enable them to quickly address customer issues, perform necessary repairs, and honour warranty claims, all of which contribute to a positive customer experience. For new entrants, building a reliable after-sale service network is challenging due to the high costs and logistical complexity involved, making it difficult for new entrants to compete with existing market players.

Challenges

- ***Competition from alternative micro-mobility solutions:*** The global folding bicycle industry faces competition from alternative micro-mobility solutions, including e-scooters, shared bicycles, and electric bikes, which offer similar convenience and portability. The expansion of bike-sharing and e-scooter rental programs in urban areas also reduces the need for personal bicycle ownership, especially among commuters who prefer on-demand options. As cities invest in integrated mobility ecosystems, folding bicycles must enhance their design, affordability, and seamless compatibility with multi-modal transport networks to maintain their relevance and competitive edge in the evolving urban mobility landscape.

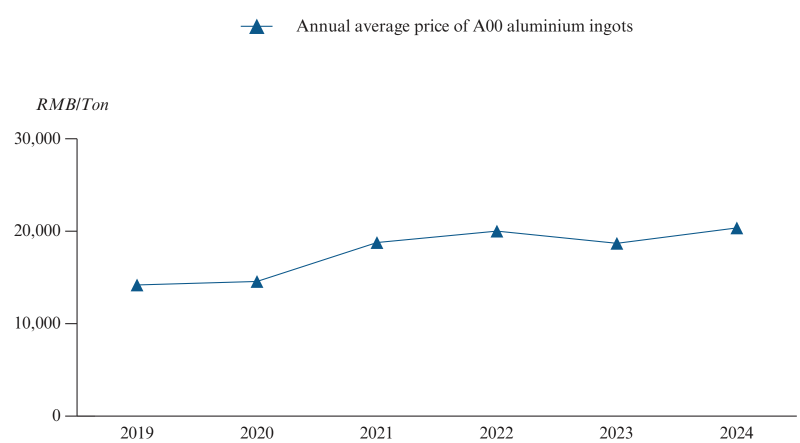
- ***Lack of bicycle-friendly infrastructure:*** The global folding bicycle industry has significant growth potential, but its expansion is influenced by the availability of bicycle-friendly infrastructure. In cities with limited bike lanes, secure parking, and integration with public transport, cyclists may face challenges in adopting bicycles for daily commuting. However, as governments increasingly prioritize sustainable urban mobility, there is growing investment in bike-friendly policies, expanded cycling networks, and improved multi-modal transport integration. By aligning with these developments and advocating for safer, more accessible cycling infrastructure, the folding bicycle industry can position itself as a key player in the future of urban, space-efficient mobility solutions.

- ***Limited awareness and adoption:*** The global folding bicycle industry holds great potential, but limited awareness and adoption remain challenges in certain markets. Many consumers are still unfamiliar with the practical benefits of folding bicycles, such as their portability, space efficiency, and compatibility with multi-modal commuting. Additionally, some perceive them as less durable or less comfortable than traditional bicycles. However, as urban mobility trends shift toward sustainable and flexible transport solutions, awareness is steadily increasing. Through effective marketing, educational campaigns, and visible adoption in public bike-sharing programs, the industry can highlight the advantages of folding bicycles, encouraging more commuters to embrace their versatility and convenience.

COST ANALYSIS

The major raw material for the industry is aluminium. The annual average price of A00 aluminium ingots has shown a CAGR of 7.5% from 2019 to 2024, reflecting an overall increase in aluminium prices over this period. Looking forward, aluminium prices are expected to remain relatively stable, with moderate fluctuations influenced by global supply and demand dynamics. The following graph illustrates the historical price trend of the key raw material, providing insights into their cost dynamics for the specified periods.

Annual average price of major raw material, mainland China, 2019–2024



Source: Price Monitoring Centre of the National Development and Reform Commission, China Insights Consultancy

Information disclosed in this section is relevant PRC laws and regulations (the "PRC Laws") in effect which have a significant impact on our Group's operations in the PRC as of the date of this Document, which are subject to change in the future, but it does not include a detailed analysis of PRC Laws related to our business activities and operations in the PRC, or serve as all PRC Laws applicable to our operations in the PRC.

LAWS AND REGULATIONS RELATING TO COMPANY AND FOREIGN INVESTMENT

The establishment, operation and management of corporate entities in the PRC are governed by *the Company Law of the PRC* (《中華人民共和國公司法》) (the "**Company Law**"), which was promulgated by the Standing Committee of National People's Congress (the "**SCNPC**") on December 29, 1993, last amended on December 29, 2023 and took effect on July 1, 2024. Foreign invested entities are also subject to the Company Law unless otherwise provided by the foreign investment laws. The Company Law generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed or the extent of their respective subscribed shares. The Company Law shall also apply to foreign invested companies in form of limited liability company or joint stock limited company.

Foreign invested entities in the PRC are also subject to the foreign investment laws and regulations including *the Foreign Investment Law of PRC* (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which was promulgated by the National People's Congress (the "**NPC**") and became effective on January 1, 2020, and *the Regulations on Implementing the Foreign Investment Law of PRC* (《中華人民共和國外商投資法實施條例》), which were promulgated by the State Council on December 26, 2019 and became effective on January 1, 2020. According to the Foreign Investment Law, the PRC adopts a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by, amended, or released upon approval by the State Council, from time to time.

On September 6, 2024, the National Development and Reform Commission (the "**NDRC**") and the Ministry of Commerce of the PRC (the "**MOFCOM**") jointly issued *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 "**Negative List**"), which came into effect on November 1, 2024. The Negative List uniformly sets forth the ownership requirements, requirements for senior executives, and other special administrative measures for the access of foreign investment. Fields not on the Negative List shall be administered under the principle of equal treatment for both domestic and foreign investment. On October 26, 2022, the MOFCOM and the NDRC promulgated *the Catalog of Industries for Encouraging Foreign Investment (2022 Version)* (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraging Catalog**"), which came into effect on January 1, 2023. The Encouraging Catalog lists the industries that encourage foreign investment. As of the Latest Practicable Date, our business does not fall within the scope of the Negative List and the Encouraging Catalog.

Pursuant to *the Measures for the Reporting of Foreign Investment Information* (《外商投資信息報告辦法》), which was jointly promulgated by the MOFCOM and the State Administration for Market Regulation (the "**SAMR**") on December 30, 2019 and became effective on January 1, 2020, where a foreign investor carries out investment activities in PRC directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information in a timely manner to the competent commerce department.

LAWS AND REGULATIONS RELATING TO CUSTOMS

According to the *Customs Law of the PRC* (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987, last amended and implemented on April 29, 2021, unless otherwise provided for, the declaration of imported or exported goods may be made by the consignors or consignees, or the entrusted customs declaration enterprises. The consignee of imported goods and the consignor of exported goods shall make an accurate declaration and submit the import or export license and relevant papers to the Customs office for examination.

Pursuant to *the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities* (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs (the "**GAC**") on November 19, 2021 and effective on January 1, 2022, the consignees or consignors of imported or exported goods as well as the customs declaration enterprises engaged in customs declaration shall carry out the record-filing procedures with the relevant customs administrative department.

According to *the Foreign Trade Law of the PRC* (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 and last amended on December 30, 2022 and *the Notice by the Department of Enterprise Management and Audit-Based Control of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods* (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) issued by the GAC on January 3, 2023, a consignee or consignor of imported or exported goods who applies for filing shall be qualified as a market entity and is not required to be filed as a foreign trade business operator.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to *the Regulations on Foreign Exchange Administration of the PRC* (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996, last amended and implemented on August 5, 2008, RMB is freely convertible into other currencies for current accounts such as trade-related income and expenses and payments of interest and dividends. While for capital items such as direct equity investment, loan and divestment, the conversion of RMB into other currencies and the remittance of the converted foreign currencies outside China shall be subject to prior approval of the State Administration of Foreign Exchange (the "**SAFE**") or its local branches.

Pursuant to *the Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration 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 issued by the SAFE on February 13, 2015, implemented on June 1, 2015 and partially abolished on December 30, 2019, banks shall, on behalf of SAFE, directly examine and handle foreign exchange registration under domestic direct investment and overseas direct investment, and SAFE and its branches shall exercise indirect supervision over foreign exchange registration of direct investment through banks.

The Circular of the SAFE on Reforming the Management Approach Regarding the Settlement of Foreign Exchange 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》) (the "**Circular 19**"), issued by the SAFE on March 30, 2015, last amended and became effective on March 23, 2023, allows foreign-invested enterprises to make equity investments by using RMB fund converted from foreign exchange capital. Under the Circular 19, the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operation needs of the enterprises. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is currently 100%. SAFE can adjust such proportion in due time based on the circumstances of the international balance of payments. Furthermore, the Circular 19 and *the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Management of the Settlement of Foreign Exchange of Capital Accounts* (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**Circular 16**") which was issued by the SAFE on June 9, 2016, last amended and implemented on December 4, 2023, stipulate that foreign-invested enterprises shall not use the RMB funds obtained from foreign exchange capital for payment outside of the business scope of the enterprises, investment in securities or financial schemes other than wealth management products and structured deposits with risk rating results not higher than Level 2, granting loans to non-connected enterprises or constructing or purchasing real estate that is not for self-use.

The Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment (《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》) which was issued by the SAFE on October 23, 2019, last amended and implemented on December 4, 2023, cancelled restrictions on the domestic equity investment by non-investment foreign-invested enterprises with their capital funds. The non-investment foreign-invested enterprises shall be allowed to use capital funds for domestic equity investment in accordance with the laws under the premise of not violating the Negative List and the authenticity and compliance of their domestic invested projects.

According to *the Circular of the State Administration of Foreign Exchange on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business* (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their income under capital accounts, such as capital funds, foreign debts and the proceeds from overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance; provided that their capital use is authentic and in line with provisions, and in compliance with the prevailing administrative regulations on the use of income under capital accounts. The bank in charge shall conduct spot checks in accordance with the relevant requirements.

Pursuant to *the Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning the Administration of Foreign Exchange for 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 on December 26, 2014 and as amended by *the Circular 16*, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

LAWS AND REGULATIONS RELATING TO LEASING

According to *the Civil Code of the PRC* (《中華人民共和國民法典》) (the "**Civil Code**") approved by the NPC on May 28, 2020 and became effective on January 1, 2021, the creation, change, transfer and cancellation of real estate rights shall be registered in accordance with the law. The creation and transfer of movable property rights shall be delivered in accordance with the law. Owners shall have the rights to possess, use, benefit from and dispose of their real estate or movable properties in accordance with the law.

Pursuant to *the Administrative Measures for Commodity House Leasing* (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and implemented on February 1, 2011, parties to house leasing shall register with the property administrative department at which the property is situated within 30 days after entering into the property leasing contract. In case of violation of the foregoing provision, the property administrative department shall order to make rectification within a time limit and enterprise may be imposed a fine of RMB1,000 to RMB10,000 per lease if it does not make such rectification within the limited time.

According to *the Civil Code*, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the ownership of the leased premises changes during the lessee's possession in accordance with the terms of the lease contract, the validity of the lease contract shall not be affected. Additionally, if the mortgaged property has been leased and transferred for occupation prior to the establishment of the mortgage right, the original tenancy shall not be affected by such mortgage right.

LAWS AND REGULATIONS RELATING TO FIRE SECURITY

Pursuant to *the Fire Protection Law of the PRC* (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, last amended and implemented on April 29, 2021, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs. According to *the Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects* (《建設工程消防設計審查驗收管理暫行規定》) promulgated on April 1, 2020 and amended on August 21, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

According to *the Administrative Measures for the Administration of Fire Safety in Leased Factory Buildings and Warehouses (for Trial Implementation)* (《租賃廠房和倉庫消防安全管理辦法(試行)》) promulgated on July 14, 2023 by the National Fire and Rescue Administration and took effect on the same day, the lessor, lessee and property service enterprise of a leased factory building or warehouse shall fulfil their relevant fire safety duties and strengthen fire safety management. In addition, the leased factory buildings and warehouses shall comply with the fire safety requirements, and the nature and functions of the use of the factory buildings and warehouses shall not be changed in violation of the provisions.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to *the Environmental Protection Law of the PRC* (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**"), which was promulgated by SCNPC on April 24, 2014 and became effective on January 1, 2015, enterprises, institutions and other manufacturing operators shall prevent and reduce environmental pollution and ecological damage, and shall be liable for damages caused by them pursuant to the law. According to the Environmental Protection Law, construction projects that have environmental impact shall be subject to environmental impact assessment.

Environment Impact Assessment

On October 28, 2002, the SCNPC promulgated *the Environmental Impact Assessment Law of PRC* (《中華人民共和國環境影響評價法》) (the "**Environmental Impact Assessment Law**"), which was latest amended on December 29, 2018. According to the Environmental Impact Assessment Law, the State Council implemented the environmental impact assessment to classify construction projects according to the impact of the construction projects on the environment.

Pursuant to *the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects* (《建設項目竣工環境保護驗收暫行辦法》) effective as of November 20, 2017 and *the Regulations on the Administration Construction Project Environmental Protection* (《建設項目環境保護管理條例》), which was revised on July 16, 2017 and implemented on October 1, 2017, after the completion of a construction project for which an environmental impact report or an environmental impact report form is required, the construction entity shall, according to standards and procedures prescribed by the environmental protection administrative authorities, conduct environmental protection completion acceptance check and compile an acceptance check report. A construction project for which an environmental impact report or an environmental impact report form is required shall not be put into production or use until the environmental protection completion acceptance check has been passed.

According to the Environmental Impact Assessment Law, where a construction entity commenced construction prior to submission of the environmental impact report and environmental impact statement of the construction project or prior to resubmission of the environmental impact report and environmental impact statement, the ecological environment authorities at the county level or above shall order it to stop the construction, impose a fine of not less than 1% but not more than 5% of the overall investment amount for such construction project according to the seriousness and consequences of such violations, and order it to restore to the original status; and the person-in-charge and responsible personnel of the construction project shall be liable to administrative sanctions in accordance with laws.

Work Safety

According to *the Work Safety Law of the PRC* (《中華人民共和國安全生產法》), which was promulgated by the SCNPC on June 29, 2002 and was latest amended in June 10, 2021, where dangerous goods are to be manufactured, sold, transported, stored, used or to be disposed of or scrapped, business operators shall abide by relevant laws and regulations, as well as the national standards or industrial specifications, establish a special system for safety control, adopt reliable safety measures, and subject themselves to supervision and control by the competent departments in accordance with law.

Pollutant Discharge Permit

Pursuant to *the Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC* (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the SCNPC in 1995 and was latest amended on April 29, 2020, entities generating hazardous waste shall store, utilise and dispose hazardous waste according to the relevant requirements of the state and environmental protection standards, and shall not dump or pile up hazardous waste without authorisation. Furthermore, it is forbidden to entrust hazardous waste to entities without a permit for disposal, or else the competent ecological and environmental authorities shall order it to make rectification, impose fines, confiscate illegal gains, and in serious circumstance, order it to suspend business or close down upon the approval of government authorities.

Pursuant to the provisions of *the Regulation on the Administration of Permitting of Pollutant Discharges* (《排污許可管理條例》) promulgated on January 24, 2021, and *the Measures for Pollutant Discharge Permitting Administration* (《排污許可管理辦法》) promulgated on April 1, 2024 and implemented on July 1, 2024, the administration on pollutant discharge units is divided into key management and simplified management pursuant to the amount of pollutant caused and discharged and the impact on the environment. Their view, decision and information disclosure of pollutant discharge licenses shall be handled through the national pollutant discharge license management information platform. The pollutant discharge license is valid for 5 years and the discharging units should apply for renewal 60 days before the expiry for continues pollutant discharge. The environmental protection authorities have the right to order to make corrections, restrict production, suspend production for rectification, and suspend business and close down, and impose a fine. If a crime is constituted, it shall be investigated for criminal liabilities in accordance with the law.

Enterprises and other producers that are included in *the Classification Administration List of Pollutant Discharge Permits for Fixed Pollution Sources* (《固定污染源排污許可分類管理名錄》) shall apply for and obtain a pollutant discharge permit within the prescribed time limit, and shall not discharge pollutants without a pollutant discharge permit.

According to the *Regulation on Urban Drainage and Sewage Treatment* (《城鎮排水與污水處理條例》), which was promulgated by the State Council in 2013, and *the Measures for the Administration of Permits for Discharging Urban Sewage into the Drainage Pipeline* (《城鎮污水排入排水管網許可管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development in 2015 with the most recent amendment becoming operative on February 1, 2023, enterprises, institutions and individually-owned businesses engaging in industry, construction, food and beverage, medical service and other activities which discharge sewage into urban drainage facilities shall apply to the competent urban drainage authorities for a permit for sewage discharge into the drainage pipe network, or the Drainage Permit. Discharging sewage into urban drainage facilities without obtaining a Drainage Permit shall be ordered by the relevant urban drainage authority to suspend illegal activities, take remedial measures within a time limit, re-apply the Drainage Permit, and may impose a fine of less than RMB500,000.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY AND PRODUCERS' LIABILITY

Pursuant to *Product Quality Law of the People's Republic of China* (《中華人民共和國產品質量法》), which was promulgated by SCNPC on February 22, 1993, last amended and implemented on December 29, 2018, producers shall be responsible for the quality of their products and product quality shall satisfy the following requirement: (1) no unreasonable danger to personal safety or the safety of property shall exist; where there are national or industry standards for protection of health, personal safety and the safety of property, such standards shall be complied with; (2) product must possess the properties for use that should be possessed by such products, except for products where flaws in their properties for use are clearly indicated; (3) products must conform to the product standards carried on the product or its packaging, and conform to the quality indicated by such means as the product description and physical samples, etc. If a defect in a product causes physical injury or damage to property other than the defective product, the producer shall bear liability for compensation.

Pursuant to *Law of the People's Republic of China on the Protection of Rights and Interests of Consumers* (《中華人民共和國消費者權益保護法》) which was promulgated by SCNPC on October 31, 1993, last amended and implemented on October 25, 2013, a consumer or any other aggrieved party whose personal safety and property security are harmed by defective goods may seek compensation from the seller, or seek compensation from the producer. Where the liability falls on the producer, upon compensation by the seller, the seller shall have the right to recover the compensation from the producer.

Pursuant to *Law of the People's Republic of China on Road Traffic Safety* (《中華人民共和國道路交通安全法》) which was promulgated by SCNPC on October 28, 2003, last amended and implemented on April 29, 2021, the external size, quality, brake, handle-bar bell and night reflectors of a non-motor vehicle shall be in conformity with the safety and technical standards for non-motor vehicles.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Trademarks

Pursuant to *the Trademark Law of the PRC* (《中華人民共和國商標法》) promulgated on August 23, 1982, last amended on April 23, 2019 and implemented on November 1, 2019 by the SCNPC, and the *Implementation Provisions of the Trademark Law of the PRC* (《中華人民共和國商標法實施條例》) promulgated on August 3, 2003, last amended on April 29, 2014 and implemented on May 1, 2014 by the State Council, registered trademarks in the PRC include commodity trademarks, service trademarks, collective trademarks and certification trademarks. The Trademark Office of China National Intellectual Property Administration handles trademark registrations and grants a term of ten years to registered trademarks, and another ten years if requested upon expiry of the first or any renewed ten-year term.

Patents

According to the *Patent Law of the PRC* (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, and latest amended on October 17, 2020 and came into effect on June 1, 2021 and the *Implementation Rules of the Patent Law of the PRC* (《中華人民共和國專利法實施細則》), promulgated by the State Council on January 19, 1985, and latest amended on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents in the PRC, which are invention patents, utility model patents and design patents. The protection period of a patent right for invention patents shall be 20 years, the protection period of a patent right for utility model patents shall be 10 years, and the protection period of design patent right is 15 years, both commencing from the filing date.

Domain Names

Pursuant to the *Administrative Measures of Internet Domain Names* (《互聯網域名管理辦法》) promulgated on August 24, 2017 and implemented on November 1, 2017 by the Ministry of Industry and Information Technology, the Ministry of Industry and Information Technology is the major regulatory body for national domain name services. The principle of "first-to-file" is adopted for domain name services The applicant of domain name registration shall provide the agency of domain name registration with the true, accurate and complete information about the domain name holder's identity for the registration purpose and sign the registration agreements. Upon completion of the domain name registration, the applicant will become the holder of such registered domain names.

REGULATIONS ON STOCK INCENTIVE PLANS

According to the *Notice of the State Administration of Foreign Exchange on Issues Relating to the Foreign Exchange Administration for Domestic Individuals' Participating in Stock Incentive Plan of Overseas Listed Company* (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), which was issued on February 15, 2012 and other regulations, directors, supervisors, senior management and other employees participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year, subject to certain exceptions, are required to register with SAFE through a domestic agency. Moreover, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests.

The income of foreign exchange PRC residents obtained by selling out the shares according to the equity incentive plan and the dividend distributed by the overseas-listed company shall be distributed to the PRC residents after being remitted to the bank account in China opened by the domestic institutions.

LAWS AND REGULATIONS RELATING TO TAX

Enterprise Income Tax

Pursuant to *the Enterprise Income Tax Law of the PRC* (《中華人民共和國企業所得稅法》) (the "**EIT Law**") promulgated by the SCNPC on March 16, 2007 and last amended and implemented on December 29, 2018, and *the Regulations on the Implementation of 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》) (the "**Regulations on the EIT Law**") promulgated by the State Council on December 6, 2007 and last amended and implemented on April 23, 2019, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a reduced EIT rate of 15%.

Value-Added Tax

Pursuant to *the Provisional Regulations on Value-added Tax of the PRC* (《中華人民共和國增值稅暫行條例》) promulgated by the State Council on December 13, 1993 and last amended and implemented on November 19, 2017, and *the Detailed Implementing Rules of the Provisional Regulations on Value-Added Tax of the PRC* (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the MOF on December 15, 1993, last amended on October 28, 2011 and implemented on November 1, 2011 (collectively, the "**VAT Law**"), all taxpayers selling goods, providing processing, repairing or replacement services, sales of services, intangible assets and immovable assets and importing goods within the PRC shall pay value-added tax. Unless provided otherwise, for general VAT taxpayers selling services and intangible assets, the value-added tax rate is 6%.

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law, which will come into effect on January 1, 2026 and replace the Provisional Regulations on Value-added Tax of the PRC. According to the Value-added Tax Law, entities and individuals (including individual businesses) engaged in the sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are VAT payers and shall pay VAT. Taxpayers that sell goods are subject to a tax rate of 13% and taxpayers that sell services or intangible assets are subject to a tax rate of 6%. Unless otherwise specified in the Value-added Tax Law, taxpayers making taxable transactions shall calculate and pay VAT by offsetting input tax against output tax according to the general tax calculation method and calculate the VAT payable.

The Notice of the MOF and the STA on Adjusting Value-added Tax Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》), which was promulgated by the MOF and STA on April 4, 2018 and came into effect on May 1, 2018, adjusts the applicable rate of VAT and stipulates that for a taxpayer who engages in a taxable sales activity for the VAT purpose or importation of goods, the previous applicable tax rates of 17.0% and 11.0% would be adjusted to 16.0% and 10.0%, respectively.

According to *the Announcement on Relevant Policies for Deepening the Value-Added Tax Reform* (《關於深化增值稅改革有關政策的公告》) promulgated by the *MOF and the STA* and the GAC on March 20, 2019 and effective from April 1, 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

Dividend Withholding Tax

Pursuant to *the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion 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 "**Double Tax Avoidance Arrangement**"), the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise.

However, based on *the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties* (《關於執行稅收協定股息條款有關問題的通知》) issued on February 20, 2009 by STA, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. *The Announcement of STA on Issues "Beneficial Owner" in Tax Treaties* (《國家稅務總局關於稅收協定中「受益所有人」有關問題的公告》) issued by STA on February 3, 2018 and came into effect on April 1, 2018, describes factors in favor of and factors not conducive to the determination of an applicant's status as a "beneficial owner". Applicants that are not recognised as beneficial owners will not be entitled to the above-mentioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL SECURITY

Labour Contract

Pursuant to *the Labour Law of the PRC* (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994 and last amended and implemented on December 29, 2018, *the Labour Contract Law of the PRC* (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012 and implemented on July 1, 2013 and *the Implementation Regulations of the Labour Contract Law of the PRC* (《中華人民共和國勞動合同法實施條例》) promulgated and implemented by the State Council on September 18, 2008, an employer shall establish and improve labour rules and regulations according to the laws, and shall strictly comply with the national standards, provide relevant training to its employees, protect their labour rights and perform its labour obligations. If an employer establishes labour relationship with an employee, they should enter into a written labour contract. Labour contracts shall be categorised into fixed-term labour contract, unfixed-term labour contract and labour contract for the completion of certain work assignments. The wages payable by an employer to its employees shall not be less than local minimum wage. In addition, an employer must establish and improve the labour safety and health system, stringently implement national protocols and standards on labour safety and health, conduct labour safety and health education for employees, so as to prevent accidents in the labour process and reduce occupational hazards.

Social Insurance and Housing Provident Fund

Pursuant to *the Social Insurance Law of the PRC* (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010 and last amended and implemented on December 29, 2018, *the Provisional Regulations on Collection and Payment of Social Insurance Premiums* (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and last amended and implemented on March 24, 2019, *the Regulations on the Administration of Housing Provident Fund* (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999 and last amended and implemented on March 24, 2019 and other applicable PRC laws and regulations relating to social insurance, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity leave insurance, and to housing provident funds, in full and in a timely manner. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and/or ordered to pay the deficit amount within a stipulated time limit.

LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

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 five related guidelines on February 17, 2023, which came into effect on March 31, 2023. The Trial Measures introduce a new filing regime which requires PRC domestic companies to register their direct and indirect overseas listings and securities offerings with the CSRC by filing materials on key compliance issues. The Trial Measures provide that overseas listing and offering are explicitly prohibited, if any of the following applies: (i) such securities offering and listing are explicitly prohibited by specific laws and regulations; (ii) the proposed securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council; (iii) the domestic company or its controlling shareholder(s) and the actual controller, have committed crimes including corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy in the past three years; (iv) the domestic company is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations which have not definitive conclusion; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller. As advised by our PRC Advisor, we do not fall within any of the aforementioned situations which would prohibit us from listing overseas.

The CSRC and other three relevant government authorities jointly promulgated *the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering 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**") on February 24, 2023, and came into effect on March 31, 2023. Pursuant to the Provision on Confidentiality, when a domestic company provides or publicly discloses the documents and materials involving state secrets and working secrets of state organs to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses such the documents and materials through its overseas listing subjects, it shall report to the competent department with the examination and approval authority for approval, and file with the same level secrecy administration department. Domestic companies providing accounting archives or copies thereof to entities and individuals such as securities companies, securities service institutions and overseas regulatory authorities shall perform the relevant procedures according to relevant regulations. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide related services for the overseas offering and listing of domestic enterprises shall be kept within the territory of the PRC. Cross-border transferring of such working papers shall go through the examination and approval formalities in accordance with the relevant regulations.

LAWS AND REGULATIONS RELATING TO FULL CIRCULATION OF H SHARES

"Full circulation" means listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC issued the *Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies* (《H股公司境內未上市股份申請"全流通"業務指引》) (the "**Guidelines for the 'Full Circulation'**"), which was amended on August 10, 2023.

According to the Guidelines for the "Full Circulation", shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to submit the filing to CSRC.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited (the "**CSDC**") and the Shenzhen Stock Exchange jointly issued the *Measures for Implementation of H-share "Full Circulation" Business* (《H股"全流通"業務實施細則》) (the "**Measures for Implementation**"). The businesses of cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share "full circulation business", are subject to the Measures for Implementation.

REGULATIONS RELATING TO COMPULSORY CERTIFICATION AND ADMISSION

According to The Safety Technical Specification for Electric Bicycle (GB17761–2018) (《電動自行車安全技術規範》(GB17761–2018)), electric bicycle are two-wheeled bicycles with the ability to pedal and the ability to be electrically assisted and/or electrically driven, using the on-board battery as an auxiliary energy source. Based on such definition electric-assisted bicycle will be classified as an electric bicycle.

On July 9, 2005, the State Council of the PRC promulgated the Regulation of the PRC on the Administration of Production License for Industrial Products (《中華人民共和國工業產品生產許可證管理條例》) (the "**Production License Regulations**"), which came into effect on September 1, 2005, latest revised and came into effect on July 20, 2023. On April 21, 2014, the General Administration of Quality Supervision, Inspection and Quarantine (the "**AQSIQ**", currently known as the SAMR), issued the Measures for the Implementation of the Regulations of the PRC Administration of Production Licenses for Industrial Products (《中華人民共和國工業產品生產許可證管理條例實施辦法》) (the "**Production License Measures**"), which came into effect on August 1, 2014, latest revised by SAMR on September 29, 2022 and came into effect on November 1, 2022. According to the Production License Regulations and the Production License Measures, any enterprise that has not obtained a production license for a product listed in the Announcement of the Product Catalogue Implementing the Production Licensing System (2012) (《實行生產許可證制度管理的產品目錄(2012)》) (the "**Production Catalogue**"), which was issued by the AQSIQ on November 20, 2012, must not produce the relevant product. An enterprise must file an application to the provincial administration of quality and technology supervision for the license of producing the products listed in the Production Catalogue. According to the Production Catalogue, electric bicycles are industrial products that fall within the scope of Production License Regulations and Production License Measures. On June 24, 2017, the State Council issued the Decision on Adjusting the Catalogue for the Administration of Production Permits for Industrial Products and on Trying out the Simplification of Approval Procedures (《國務院關於調整工業產品生產許可證管理目錄和試行簡化審批程序的決定》), pursuant to which, the production license for electric bicycle was cancelled and was changed to implement mandatory product certification management. According to Announcement on the Issuance of Administrative Arrangements for the Transformation of Electric Bicycle Products from Licensing to Compulsory Product Certification (《關於發佈電動自行車產品由許可轉為實施強制性產品認證管理安排的公告》) by the SAMR and the National Standardization Management Committee on July 2, 2018, the transition period from production license management of electric bicycle to China Compulsory Certification management was from August 1, 2018 to April 14, 2019.

China Compulsory Certification

According to the Regulations on Certification and Accreditation of the PRC (《中華人民共和國認證認可條例》) which was promulgated by the State Council on 3 September 2003, latest revised and came into effect on July 20, 2023, and the Regulations on the Administration of Compulsory Product Certification (Revised in 2022) (《強制性產品認證管理規定(2022修訂)》) which was promulgated by the AQSIQ on July 3, 2009 and implemented on September 1, 2009, latest revised by SAMR on September 29, 2022 and came into effect on November 1, 2022, products specified by the state shall not be delivered, sold, imported or used in other business activities until they are certified (the "**China Compulsory Certification**") and labelled with compulsory certification mark. For products that are subject to China Compulsory Certification, the State implements unified product catalogues, unified compulsory requirements, standards and compliance assessment procedures in technical specification, unified certification marks and unified charging standards. Producers, sellers and importers of the products listed in the catalogues shall entrust a certification body designated by the Certification and Accreditation Administration of the PRC to certify the products they produce, sell or import. If the certification requirements are met, the certification body shall issue a certificate to the client. The certificate is valid for 5 years and can be re-applied after the expiration of the validity period.

REGULATIONS RELATING TO PRODUCTION STANDARDS

According to the Standardization Law of the PRC (《中華人民共和國標準化法》) promulgated on December 29, 1988, which was last amended on November 4, 2017 and took effect on January 1, 2018, and the Implementation Rules for the Standardization Law of the PRC (《中華人民共和國標準化法實施條例》) which was last amended on March 10, 2024, the national standards are divided into mandatory standards and recommended standards. Mandatory standards are standards that are formulated for the protection of human health, personal and property safety and standards that are legally enforceable pursuant to legal and administrative regulations, while other standards are recommended standards. Certain standards which apply to electric bicycles are mandatory standards.

The Safety Technical Specification for Electric Bicycle (GB17761–2018) (《電動自行車安全技術規範》(GB17761–2018)) (the "**New National Standards**"), promulgated on May 15, 2018 and took effect on April 15, 2019, is the main national standards governing electric bicycles. According to the New National Standards, electric bicycles should meet the following requirements: (i) with the ability of pedal riding; (ii) with electric drive function and/or electric assistance function; (iii) when driving with electric drive, the maximum design speed does not exceed 25km/h, when driving with electric assistance and the top speed exceeds 25km/h, the electric motor shall not provide power output; (iv) the weight of the whole electric bicycle does not exceed 55kg; (v) the nominal voltage of the battery does not exceed 48V; and (vi) the rated continuous output power of the electric motor does not exceed 400W.

REGULATIONS RELATING TO THE LICENSING OF AND ROAD USE BY ELECTRIC TWO-WHEELED VEHICLES

The Road Traffic Safety Law (《道路交通安全法》) was adopted on October 28, 2003 and came into effect on May 1, 2004. It was last amended and with immediate effect on April 29, 2021. The Road Traffic Safety Law distinguishes "non-motorized vehicles" from "motorized vehicles." According to Article 119 of the Road Traffic Safety Law, "non-motorized vehicles" refer to such means of transport as are driven or drawn by man or animals on roads, motor wheelchairs for the disabled and electrically operated bicycles which have power sets but the designed maximum speed per hour, the light quality and the external size of which are in conformity with the relevant mainland China standards for non-motorized vehicles. As such, the electric bicycles are categorized as "non-motorized vehicles". The Road Traffic Safety Law has different requirements for non-motorized vehicles and motorized vehicles, such as regards driver qualification (motorized vehicle drivers are required to have a driver's license, while drivers of non-motorized vehicles are not), driving requirements (motorized vehicles are required to be driven in road lanes, while non-motorized vehicles and pedestrians are required to use the sides of roads), and license plate requirements (motorized vehicles are acquired to have a license plate hung in a certain way in accordance with relevant regulations, while no such requirement is imposed on non-motorized vehicles).

Also, according to the Road Traffic Safety Law, the non-motorized vehicles that are required to register can be used on the roads only after registering with the government. In addition, the scope of such non-motorized vehicles shall be specified by local governments based on local conditions, and any non-motorized vehicles should meet the technical standards in terms of overall weight, braking performance, overall size and reflector and horn device.

APPROVAL OF INVESTMENT REGULATIONS

According to the Regulations Governing the Approval of Investment or Technical Cooperation in the Mainland China Area (在大陸地區從事投資或技術合作許可辦法) (the "**Approval of Investment Regulations**"), direct or indirect investments made by each individual with Taiwan passport or Taiwan-incorporated entity in mainland China through companies under its control are subject to the approval of the Taiwan Department of Investment Review.

Article 3 of the Approval of Investment Regulations provides that a direct or indirect investment in the PRC includes the following activities conducted in the PRC (collectively, "**PRC Investment Activities**"): (i) the establishment of a new company or business; (ii) contributing to a capital increase in an existing PRC company or business; (iii) acquisition of equity in an existing PRC company or business (but excluding the purchase of publicly traded company stocks); and (iv) establishing or expanding a branch or business.

Other than investments in prohibited or conditionally permitted categories, if the total investment amount of each individual with Taiwan passport or Taiwan-incorporated entity in a single mainland China entity does not exceed US$1 million (the "**Original Quota**"), these persons can report to the Taiwan Department of Investment Review within six months after the investment was made. If such individual or entity's investment in a single mainland China exceeds US$1 million, they are required to obtain the Taiwan Department of Investment Review's prior approval before conducting such investment. In addition, individuals with Taiwan passport are also restricted by the Annual Investment Quota of US$5 million per year for investments in mainland China.

As advised by our Taiwan Legal Advisors, we understand that our Taiwan Shareholders' investment in our Company and indirect investments in our subsidiaries in mainland China is subject to the approval of the Taiwan Department of Investment Review, and the above investment shall be categorized under the general items (i.e. not businesses where investment by investors with Taiwan passport or are Taiwan-incorporated entities is prohibited or conditionally permitted) pursuant to the Approval of Investment Regulations. Any additional investment by each of our Taiwan Shareholder(s) in the future will be subject to prior approval by the Taiwan Department of Investment Review (if the total investment made by such Taiwan Shareholder in a single mainland China entity exceeded the Original Quota). Each of our Taiwan Shareholders are also subject to the Annual Investment Quota.

Based on our Taiwan Legal Advisor's interpretation, we believe that the Taiwan Department of Investment Review would likely take the position that as long as our Taiwan Shareholders are interested in our Shares, certain equity capital increase into our Company or our subsidiary(ies) in mainland China will be considered as additional investment by our Taiwan Shareholders. The amount of investment made by each Taiwan Shareholder will be determined with reference to their respective equity interests in our Company. If the Taiwan Department of Investment Review takes that position, each of our Taiwan Shareholders will be required to obtain an approval from the Taiwan Department of Investment Review for their equity capital increase. As advised by our Taiwan Legal Advisors, based on the current practice and policy of the Taiwan Department of Investment Review, we do not expect that our Taiwan Shareholders are expected to have any legal impediment in obtaining approval from the Taiwan Department of Investment Review for equity capital increase into our Company or our mainland China subsidiaries in the future so long as each of our Taiwan Shareholders complies with the Approval of Investment Regulations and the equity capital increase does not exceed the Original Quota (if applicable) or the Annual Investment Quota. However, we cannot guarantee that the current practice and policy of the Taiwan Department of Investment Review will remain the same in the future.

Based on our Taiwan Legal Advisor's interpretation of the case study provided in the Foreign and Mainland China Investment Regulations and Case Information Session (對外及對大陸投資法規與案例說明會) published by the Taiwan Department of Investment Review in 2024, equity capital increase in us or our mainland China subsidiaries as a result of the receipt or using proceeds from the Global Offering by us will not be counted towards the Original Quota or Annual Investment Quota of each Taiwan Shareholder as such proceeds represent funds received by us from third party investors. Intra-group loans or transactions (such as issuance of bonds) conducted by our Company or our group companies at the subsidiary level are also not counted towards the Original Quota or Annual Investment Quota of each Taiwan Shareholder as they are not considered as an investment act. However, equity capital increase in us or into our mainland China subsidiaries using funds such as our borrowings or internal resources, they will be counted towards our Taiwan Shareholders' Original Quota or Annual Investment Quota, because the use of our internal resources are considered as capital gain of the initial investment provided by them. When our Taiwan Shareholders report their investment in mainland China to the Taiwan Department of Investment Review to obtain its approval, they shall substantiate source of fund used for the equity capital increase if the authority enquires.

OVERVIEW

We are mainland China's largest folding bicycle company in terms of both retail sales volume and retail sales value of folding bicycles in 2024. The trademark of *DAHON* was owned by DNA, a U.S. company in our early days of development. In 2001, DH Technology was set up to expand the business of *DAHON* to the PRC market. After the establishment of DH Technology, DH Technology operated the *DAHON* brand and registered various trademark for *DAHON* under its own name. We remain supportive of environmental conscious and green transportation alternatives. Our *DAHON* brand, as one of the renowned brands in the folding bicycle industry, was founded in 1982 by Dr. Hon Ta-Wei. With over 40 years of development, our *DAHON* brand has a strong reputation of technological capabilities, innovation, craftsmanship, dedication to better performance and product quality. According to CIC, in terms of retail sales volume in 2024, we ranked first in the mainland China folding bicycle industry, representing a market share of 26.3%, and we also ranked first in the mainland China folding bicycle industry in terms of retail sales value in 2024, representing a market share of 36.5%. According to CIC, the folding bicycle industry constitutes a niche but fast growing segment within the overall bicycle industry. Over the years of development, *DAHON* has grown under Dr. Hon's leadership and garnered both domestic and international visibility and numerous awards and recognitions. See "Business — Awards and Recognitions" for details.

In 2016, our Company was established under the name of Shenzhen Meidahon Technology Co., Ltd. (深圳市美大行科技有限公司) to take up the operation and management of the *DAHON* brand. After the establishment of our Group, DNA, as the trademark holder of *DAHON* brand, licensed the *DAHON* brand to our Group for nil consideration in 2017. Since our establishment, Dr. Hon has played a pivotal role in overseeing the overall strategic planning, business direction and management of our Group. Our fast global network expansion and business growth were driven by Dr. Hon and our experienced senior management team. See "Directors, Supervisors and Senior Management" for details.

KEY MILESTONES

The key business milestones in the development of our Group are set out below:

Year	Milestone
1982	Our *DAHON* brand was founded by Dr. Hon, who started to operate the *DAHON* brand through DNA
2000	Our *DAHON* brand was cited in the Guinness Book of Records Millennium Edition as "the world's largest producer of folding bicycles"
2001	DH Technology was set up to expand the business of *DAHON* to the PRC market, after which DNA ceased operating the *DAHON* brand save for mainly serving as a sales channel of *DAHON* bicycles in the U.S.

Year	Milestone
2016	Our Company was established under the name of Shenzhen Meidahon Technology Co., Ltd. (深圳市美大行科技有限公司) to take up the operation and management of the *DAHON* brand
2019	Our *DAHON* brand was licensed to two offshore distributors in Japan which signified the commencement of our Sharing 360 Program to promote dual-brand products with domestic and global industry peers
2021	We received the National High-Tech Enterprise Certificate
2023	We were recognized as a Specialized, Refined, Unique and Innovative Enterprise (專精特新企業)
	Our Company was converted into a joint stock company and was renamed as DAHON TECH (SHENZHEN) CO., LTD. (大行科工(深圳)股份有限公司)
2024	The New York Times named our Mariner D8 model as the "Best Folding Bike"
	Our electric-assisted folding bicycle model "K-Feather" won the gold award for the "2024 CHINA CYCLE Creative Award"
	Our folding bicycle model K9X and electric-assisted folding bicycle model Fu-Com won the Good Design Award in Japan
	We passed the review of the National High-Tech Enterprise accreditation

CORPORATE DEVELOPMENT

Our Company

Our Company was established in the PRC as a limited liability company on December 13, 2016 with a registered capital of RMB10 million. At the time of incorporation, our Company was owned as to 60% by Ms. Xie Zaifan, our ex-employee, and 40% by Mr. Kuang Wenbiao, our Supervisor, both of whom agreed to hold their respective equity interests in our Company on trust for Dr. Hon. The trust arrangement had been made for administrative convenience. On November 15, 2019, due to work allocation adjustment and upon the instruction of Dr. Hon, Ms. Xie Zaifan transferred 60% equity interest of our Company to Ms. Yan Xiaoyan, our employee, while Mr. Kuang Wenbiao transferred 40% equity interest of our Company to Ms. Liu Guocun, our executive Director. Both Ms. Yan Xiaoyan and Ms. Liu Guocun agreed to hold their respective equity interests in our Company on trust for Dr. Hon. On December 4, 2020, due to work allocation adjustment and upon the instruction of Dr. Hon, Ms. Yan Xiaoyan and Ms. Liu Guocun transferred 60% and 40% equity interest of our Company to Dr. Hon, respectively, and the above shareholding entrustment arrangement was then terminated.

Our major historical changes in registered capital and shareholdings

Increase in registered capital in May 2022

On May 27, 2022, the registered capital of our Company was increased from RMB10 million to RMB10,697,900. Meidahon LP and Dahon LP, our employee shareholding platforms, subscribed for the registered capital of RMB511,200 and RMB186,700 at the consideration of RMB2,811,600 and RMB1,026,850, respectively. The considerations were determined with reference to the net asset value of the Company and were legally and irrevocably settled. See "— Employee Shareholding Platforms" for details.

The following table sets forth the shareholding structure of our Company immediately upon completion of the increase in registered capital:

Shareholder	Amount of registered capital	Percentage
	(RMB)	*(%)*
Dr. Hon	10,000,000	93.48
Meidahon LP	511,200	4.78
Dahon LP	186,700	1.75
Total	**10,697,900**	**100.00**

Conversion into a joint stock company in August 2023

On August 28, 2023, upon registration with Shenzhen Municipal Administration for Market Regulation, our Company was converted into a joint stock company with a registered capital of RMB22,500,000 and was renamed as DAHON TECH (SHENZHEN) CO., LTD. (大行科工(深圳)股份有限公司). RMB66,847,648.73 of the audited net assets of our Company as of April 30, 2023 was converted into 22,500,000 Shares of RMB1.00 per Share, and the remaining RMB44,347,648.73 was credited as our Company's capital reserve.

The following table sets forth the shareholding structure of our Company immediately upon completion of the conversion into a joint stock company:

Shareholder	Number of Shares held	Percentage
		(%)
Dr. Hon	21,032,165	93.48
Meidahon LP	1,075,164	4.78
Dahon LP	392,671	1.75
Total	**22,500,000**	**100.00**

Increase in registered capital in October 2023

On October 13, 2023, the registered capital of our Company was increased from RMB22,500,000 to RMB23,368,900. DahonTech LP and DahonInd LP, our employee shareholding platforms, subscribed for the registered capital of RMB676,050 and RMB192,850 at the consideration of RMB3,380,250 and RMB964,250, respectively. The considerations were determined with reference to, among others, the net asset value of the Company and the business performance of the Group and were legally and irrevocably settled. See "— Employee Shareholding Platforms" for details.

The following table sets forth the shareholding structure of our Company immediately upon the completion of the increase in registered capital as mentioned above:

Shareholder	**Number of Shares held**	**Percentage**
		(%)
Dr. Hon	21,032,165	90.00
Meidahon LP	1,075,164	4.60
DahonTech LP	676,050	2.89
Dahon LP	392,671	1.68
DahonInd LP	192,850	0.83
Total	**23,368,900**	**100.00**

Increase in registered capital in December 2024

On December 2, 2024, the registered capital of our Company was increased from RMB23,368,900 to RMB23,747,841. Dahon Tech Enterprise LP, our employee shareholding platform, subscribed for the registered capital of RMB378,941 at the consideration of RMB3,031,528. The consideration was determined with reference to, among others, the net asset value of the Company and the business performance of the Group and were legally and irrevocably settled. See "— Employee Shareholding Platforms" for details.

The following table sets forth the shareholding structure of our Company immediately upon the completion of the increase in registered capital as mentioned above:

Shareholder	**Number of Shares held**	**Percentage**
		(%)
Dr. Hon	21,032,165	88.56
Meidahon LP	1,075,164	4.53
DahonTech LP	676,050	2.85
Dahon LP	392,671	1.65
Dahon Tech Enterprise LP	378,941	1.60
DahonInd LP	192,850	0.81
Total	**23,747,841**	**100.00**

As advised by our PRC Legal Advisors, all the transfers and changes in registered capital and conversion into joint stock company as described above have been properly and legally completed, all necessary approvals from competent authorities have been obtained, and all applicable PRC laws and regulations have been complied with in all material aspects.

Our Principal Subsidiaries

Our Company is headquartered in the PRC. Since our establishment, we have established subsidiaries in the PRC, Hong Kong, the United States and Estonia. The following table sets forth detailed information of our subsidiaries which we consider material to us:

Name	Place of establishment	Date of establishment	Registered capital	Principal business activities	Equity interest held by our Group as of the Latest Practicable Date
					(%)
1 Huizhou Dahon Technology Co., Ltd. (惠州市美大行科技有限公司)	PRC	September 5, 2019	RMB5 million	Production of bicycles and related accessories	100
2 Shenzhen Meidahon Trading Co., Ltd. (深圳市美大行商貿有限公司)	PRC	August 24, 2021	RMB1 million	Sales of bicycles and related accessories	100
3 Shenzhen Dahon Trading Co., Ltd. (深圳市大行商貿有限公司)	PRC	August 24, 2021	RMB1 million	Sales of bicycles and related accessories	100

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to provide incentives that align the interests of our Company and employees, we have approved and adopted equity incentive schemes pursuant to which five employee shareholding platforms, namely Meidahon LP, Dahon LP, DahonTech LP, DahonInd LP and Dahon Tech Enterprise LP, have been set up.

Meidahon LP

Meidahon LP was established in the PRC as a limited partnership on May 5, 2022. As of the Latest Practicable Date, Meidahon LP held 1,075,164 Shares, representing approximately 4.53% of our total issued Shares. As of the Latest Practicable Date, the partnership interests of Meidahon LP were held by 41 employees of our Group who are Independent Third Parties, out of which Mr. Chen Wenfeng held approximately 14.20% interests, Mr. Mo Quan held approximately 12.60% interests, Ms. Yan Xiaoyan held approximately 10.56% interests, Mr. Xie Fanghui held approximately 10.56% interests, and each of the remaining 37 individuals held interests in the range of approximately 0.12% to 7.14%. As of the Latest Practicable Date, Mr. Mo Quan, our assistant deputy general manager, is the sole general partner of Meidahon LP.

Dahon LP

Dahon LP was established in the PRC as a limited partnership on May 7, 2022. As of the Latest Practicable Date, Dahon LP held 392,671 Shares, representing approximately 1.65% of our total issued Shares. As of the Latest Practicable Date, the partnership interests of Dahon LP were held by 38 employees of our Group who are Independent Third Parties, out of which Ms. Yan Xiaoyan held approximately 13.28% interests, and each of the remaining 37 individuals held interests in the range of approximately 0.48% to 9.05%. As of the Latest Practicable Date, Ms. Yan Xiaoyan, the assistant director of our marketing center, is the sole general partner of Dahon LP.

DahonTech LP

DahonTech LP was established in the PRC as a limited partnership on August 28, 2023. As of the Latest Practicable Date, DahonTech LP held 676,050 Shares, representing approximately 2.85% of our total issued Shares. As of the Latest Practicable Date, the partnership interests of DahonTech LP were held by 33 employees of our Group who are Independent Third Parties, out of which Ms. Yan Xiaoyan held approximately 22.73% interests, Mr. Song Haipeng held approximately 13.31% interests, and each of the remaining 31 individuals held interests in the range of approximately 0.18% to 8.88%. As of the Latest Practicable Date, Ms. Yan Xiaoyan, the assistant director of our marketing center, is the sole general partner of DahonTech LP.

DahonInd LP

DahonInd LP was established in the PRC as a limited partnership on August 28, 2023. As of the Latest Practicable Date, DahonInd LP held 192,850 Shares, representing approximately 0.81% of our total issued Shares. As of the Latest Practicable Date, the partnership interests of DahonInd LP were held by 28 employees of our Group who are Independent Third Parties, out of which Mr. Mo Quan held approximately 10.78% interests, and each of the remaining 27 individuals held interests in the range of approximately 0.52% to 9.21%. As of the Latest Practicable Date, Mr. Mo Quan, our assistant deputy general manager, is the sole general partner of DahonInd LP.

Dahon Tech Enterprise LP

Dahon Tech Enterprise LP was established in the PRC as a limited partnership on November 14, 2024. As of the Latest Practicable Date, Dahon Tech Enterprise LP held 378,941 Shares, representing approximately 1.60% of our total issued Shares. As of the Latest Practicable Date, the partnership interests of Dahon Tech Enterprise LP were held as to approximately (i) 36.79% by Ms. Liu Guocun, our executive Director; (ii) 36.09% by Ms. Lee Hsiu-Fen, our executive Director; (iii) 14.66% by Ms. Li Guiyu, our executive Director; (iv) 6.66% by Mr. Zhu Guocheng, our Supervisor; (v) 2.64% by Dr. Hon; (vi) 2.64% by Mr. Kuang Wenbiao, our Supervisor; and (vii) 0.53% by Ms. Huang Siqing, our Supervisor. As of the Latest Practicable Date, Dr. Hon is the sole general partner of Dahon Tech Enterprise LP.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers.

PREVIOUS A SHARE LISTING PLAN

In April 2023, we engaged a financial adviser to provide us with preliminary advice in relation to our initial public offering, including an initial public offering in the PRC. Having considered the merits of listing on the Stock Exchange including but not limited to strengthening our business profile and global presence as described in detail in "— Reasons for the Listing", we decided to issue overseas listed foreign shares (H shares) and apply for listing on the Stock Exchange instead of pursuing an initial public offering in the PRC. No tutoring registration was filed, and no listing application was submitted by us. Our Directors confirm that they are not aware of any other matters that need to be brought to the attention of the Stock Exchange and potential investors.

REASONS FOR THE LISTING

Our Company is seeking a listing of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company's business, to strengthen our Company's working capital and to further strengthen our business profile and global presence, as described in more detail in "Future Plans and Use of Proceeds". Furthermore, our Directors consider that the Listing can enhance our Group's internal control and corporate governance in view of the regulatory supervision and public scrutiny brought by the listing status, which will facilitate the continuous and stable operation and development of our Group.

PUBLIC FLOAT

Upon completion of the Global Offering, the 23,747,841 Domestic Shares held by Dr. Hon, Meidahon LP, Dahon LP, DahonTech LP, DahonInd LP and Dahon Tech Enterprise LP, representing approximately 74.99% of our total issued Shares immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), will not be counted towards the public float as such Shares are Domestic Shares which will not be converted into H Shares and listed following the completion of the Global Offering.

To the best knowledge of our Directors, save as disclosed above, upon completion of the Global Offering (assuming that the Over-allotment Option is not exercised), 7,920,000 H Shares held or controlled by our Shareholders who are not our core connected persons, representing approximately 25.01% of our total issued Shares, will be counted towards the public float, which is in compliance with the requirement under Rule 8.08 of the Listing Rules.

Taking into account the Shares to be issued to other Shareholders pursuant to the Global Offering, our Directors are of the view that our Company will be able to satisfy the public float requirement under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules.

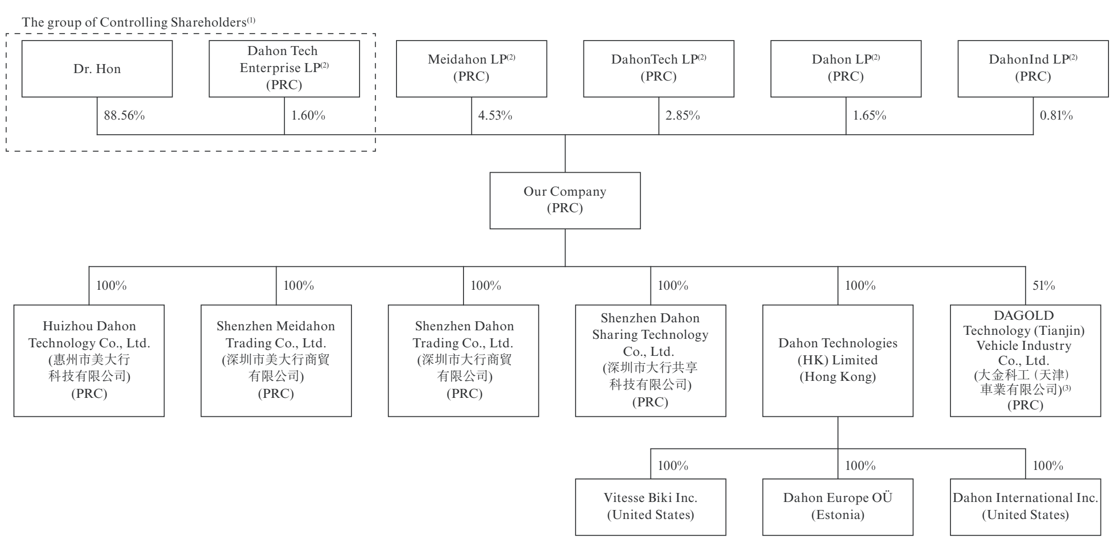
FREE FLOAT

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

The Cornerstone Investors have agreed to a lock-up period of six months following the Listing Date. As such, H Shares held by the Cornerstone Investors upon the Listing shall not be counted towards the free float of the H Shares of the Company at the time of Listing. Based on the Offer Price of HK$49.5 per H Share and assuming the maximum allocation of Offer Shares of 50% to cornerstone placing tranche permissible under the Listing Rules, our Company can still satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

CORPORATE AND SHAREHOLDING STRUCTURE

The following chart sets forth our simplified corporate and shareholding structure as of the Latest Practicable Date:



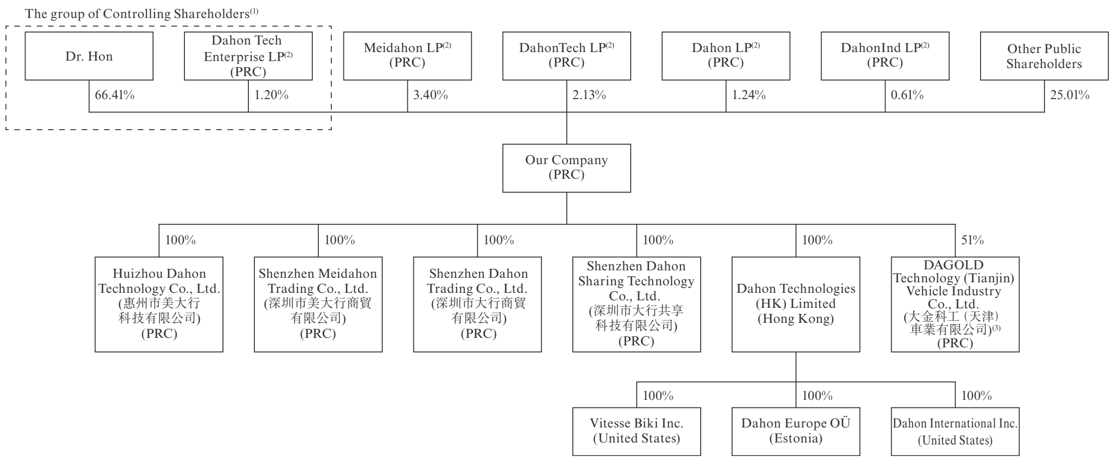
Notes:

(1) As of the Latest Practicable Date, Dr. Hon is the sole general partner of Dahon Tech Enterprise LP. Thus, Dr. Hon and Dahon Tech Enterprise LP are considered to be a group of Controlling Shareholders. For details, see "Relationship with our Controlling Shareholders".

(2) Dahon Tech Enterprise LP, Meidahon LP, DahonTech LP, Dahon LP and DahonInd LP, our employee shareholding platforms, are consolidated into the Group and are regarded as our subsidiaries based on the applicable accounting standard. For details, see Notes 31 and 34 to the Accountants' Report in Appendix I.

(3) The remaining 49% in DAGOLD Technology (Tianjin) Vehicle Industry Co., Ltd. is held by Jinhui (Tianjin) Technology Co., Ltd. (金惠(天津)科技有限公司), an Independent Third Party.

The following chart sets forth our simplified corporate and shareholding structure immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised:



Notes (1) to (3): Please refer to the notes to the corporate and shareholding structure above for details.

OVERVIEW

We are mainland China's largest folding bicycle company in terms of both retail sales volume and retail sales value of folding bicycles in 2024. Folding bicycles are compact and portable bicycles designed with mechanisms that allow them to be folded into a smaller size for easy storage and transport. We remain supportive of environmental conscious and green transportation alternatives. Our *DAHON* brand was founded in 1982 by Dr. Hon Ta-Wei. With over 40 years of development, our *DAHON* brand has garnered a strong reputation of technological capabilities, innovation, craftsmanship, dedication to better performance and product quality. According to CIC, in terms of retail sales volume in 2024, we ranked first in the mainland China folding bicycle industry, representing a market share of 26.3%, and we also ranked first in the mainland China folding bicycle industry in terms of retail sales value in 2024, representing a market share of 36.5%.

We develop, design, manufacture and market folding bicycles along with related accessories that are "easy to ride, fold, store, and use." Our diverse product portfolio is designed to meet the varied needs of modern consumers. We currently offer *DAHON* bicycles tailored to serve specific consumer segments and various scenarios, including commuting, outdoor activities, and racing scenarios. Our classic model P8, launched early this century, has stood the test of time and miles with over 150,000 units of aggregated sales during the Track Record Period and is widely recognized as a go-to choice in the folding bicycle market. Throughout our history, our portfolio has grown from folding bicycles to also encompass other bicycle types including road bicycles, mountain bicycles, children's bicycles and electric-assisted bicycles, reflecting our commitment to innovation and responsiveness towards market demand. As of April 30, 2025, we offer over 70 bicycle models.

We are dedicated to advancing folding bicycle technology through sustained research and development investments. This dedication enables us to continuously strengthen our market leadership and expand the boundaries of folding bicycle capabilities. As of April 30, 2025, we hold 113 effective patents in mainland China, making us the brand with the highest number of patents in China's folding bicycle industry according to CIC. We also hold 22 effective patents in the U.S., Europe and Japan as of the same date. These innovations span across fundamental aspects of bicycle design, from frame structure to riding dynamics allowing us to blend performance, comfort and aesthetic values in our bicycles. For example, we have equipped our products with patented technologies such as "DELTECH" and Super Down-tube and other frame-enhancing innovations (collectively referred to as the "DAHON-V" technology suite), which improve structural integrity, riding efficiency and overall performance across our product portfolio, from folding to full-sized bicycles. Moreover, we are able to deliver safe, stable and fashionable bicycles meeting consumers' demand through our comprehensive engineering capabilities and attention to design aesthetics.

We license our brand and patented technology to domestic and international industry peers through our Sharing 360 Program. As of April 30, 2025, we had in aggregate licensed our advanced components incorporating proprietary patented technologies, such as Landing Gear (易行輪) and Seatpost Pump (座管打氣筒), to 18 industry peers. Landing Gear is an accessory installed below the bottom bracket shell of bicycle frame assisting with pushing folding bicycles in folded form. Seatpost Pump serves dual purposes as both a seat post supporting bicycle saddle and a convenient pump to inflate tires when needed. Our industry influence is further evidenced by industry peers seeking to license the *DAHON* brand for their strategic development. As of April 30, 2025, we had in aggregate licensed our *DAHON* brand to 16 industry peers, the licensed product categories of which are mainly mountain bicycles and children bicycles different from our main folding bicycle products. Our Sharing 360 Program enhances our brand awareness and diversifies our revenue stream through an open and inclusive approach. The "Co-branding" partners are in charge of producing the licensed products while we implement stringent quality control measures to ensure quality and brand integrity.

As of April 30, 2025, our extensive distribution network spans both offline and online channels in mainland China. As of April 30, 2025, we partnered with 38 distributors across 30 provincial-level administrative regions in the PRC, covering 680 retail outlets. During the Track Record Period, revenue generated from our sales to PRC distributors increased from RMB155.8 million in 2022 to RMB307.1 million in 2024, representing a CAGR of 40.4%. Leveraging our strong offline presence and brand awareness, we have expanded into online channels, including major e-commerce and social media platforms in mainland China, namely JD.com, Tmall, Douyin and Pinduoduo. During the Track Record Period, revenue generated from our online direct sales surged from RMB14.1 million in 2022 to RMB100.2 million in 2024, representing a CAGR of 166.6%. In addition, as of December 31, 2024, although to a substantially lesser extent, we have also sold our products to 28 countries and regions, including Europe, the U.S., and Southeast Asia, through a network of 35 offshore distributors.

During the Track Record Period, we have achieved strong business and financial growth. Our sales volume increased from 148,956 units in 2022 to 156,877 units in 2023, and further increased to 229,525 units in 2024, representing a CAGR of 24.1%, and from 63,758 units for the four months ended April 30, 2024 to 93,398 units for the four months ended April 30, 2025, representing a growth rate of 46.5%. Our revenue increased from RMB254.2 million in 2022 to RMB300.2 million in 2023, and further increased to RMB450.7 million in 2024, representing a CAGR of 33.1%, and from RMB125.8 million for the four months ended April 30, 2024 to RMB184.7 million for the four months ended April 30, 2025, representing a growth rate of 46.8%. In addition, our net profit increased from RMB31.4 million in 2022 to RMB34.9 million in 2023, and further increased to RMB52.3 million in 2024, representing a CAGR of 29.1%, and from RMB12.7 million for the four months ended April 30, 2024 to RMB21.5 million for the four months ended April 30, 2025, representing a growth rate of 69.3%. According to CIC, among the top five folding bicycle companies in mainland China in terms of sales volume in 2024, we achieved the fastest growth rate in sales volume and revenue from 2023 to 2024.

According to CIC, the global bicycle market is poised for continued growth, driven by increasing public environmental awareness, worldwide carbon neutrality initiatives and green mobility policies. In terms of retails sales value, the global bicycle retail market is expected to reach RMB756.6 billion by 2029, representing a CAGR of 11.8% from 2024 to 2029. In terms of retail sales volume, the global bicycle industry is projected to grow steadily at a CAGR of 2.4% reaching 201.6 million units by 2029. The folding bicycle industry is still a niche but fast-growing segment within the overall bicycle industry. In terms of retail sales value and retail sales volume, the global folding bicycle segment accounted for only 5.3% and 2.1%, respectively, in 2024. In terms of retail sales value, the folding bicycle segment is projected to reach RMB40.7 billion by 2029, representing a CAGR of 12.0% from 2024 to 2029. In terms of retail sales volume, the global folding bicycle industry is projected to reach 5.2 million units in 2029, representing a CAGR of 7.3% during the same period. With our strong brand influence, market leadership position, comprehensive product coverage and proven technological innovation capabilities, we believe we are well-positioned to capture the growth opportunities in the folding bicycle market as well as the broader bicycle market and further strengthen our industry leadership.

STRENGTHS

We are a leader in the mainland China folding bicycle industry with strong brand recognition and industry influence and are well positioned to capture opportunities in the growing folding bicycle industry.

We are one of the leading and growing folding bicycle companies in mainland China, dedicated to providing consumers with folding bicycles and cycling-related products that are easy to ride, fold, store, and use. As a pioneer in the folding bicycle industry, our *DAHON* brand was founded by Dr. Hon in California in 1982. Dr. Hon has been recognized as the "Father of Modern Folding Bicycles" and according to CIC, Dr. Hon's invention brought the first commercialized modern folding bicycle brand to market, opening new possibilities for urban mobility. Building on our heritage, we have established market leadership through our comprehensive product portfolio, strong technological capabilities, and extensive multi-channel sales network.

With over 40 years of development, our *DAHON* brand has garnered both domestic and international visibility and numerous awards and recognitions. According to CIC, in terms of retail sales volume in 2024, we held a significant position in the mainland China folding bicycle industry, representing a market share of 26.3%, and we also led the mainland China folding bicycle industry in terms of retail sales value in 2024, representing a market share of 36.5%. According to the same source, we are also the fastest-growing company in terms of sales volume and revenue among the top five folding bicycle companies in mainland China. During the Track Record Period, our sales volume increased from 148,956 units in 2022 to 156,877 units in 2023, representing a growth rate of 5.3%, and from 156,877 units in 2023 to 229,525 units in 2024, representing a growth rate of 24.1%, and from 63,758 units for the four months ended April 30, 2024 to 93,398 units for the four months ended April 30, 2025, representing a growth rate of

46.5%. Our revenue increased from RMB254.2 million in 2022 to RMB300.2 million in 2023, and further increased to RMB450.7 million in 2024, representing a CAGR of 33.1%, and increased from RMB125.8 million for the four months ended April 30, 2024 to RMB184.7 million for the four months ended April 30, 2025, representing a growth rate of 46.8%. Our net profit increased from RMB31.4 million in 2022 to RMB34.9 million in 2023, and further increased to RMB52.3 million in 2024, representing a CAGR of 29.1%, and from RMB12.7 million for the four months ended April 30, 2024 to RMB21.5 million for the four months ended April 30, 2025, representing a growth rate of 69.3%.

In addition to our strong business and financial growth during the Track Record Period, our *DAHON* brand's continued dedication in developing better folding bicycle models is also evidenced by recent recognitions. For example, in 2021, we received the High-Tech Enterprise Certificate. In 2024, the New York Times has named our Mariner D8 model as the "Best Folding Bike." In both 2023 and 2024, we won first prizes at the China Bicycle & Electric Bicycle Design Competition (中國自行車電動自行車設計大賽). In 2024, our electric-assisted folding bicycle model K-Feather won the gold award for the "2024 CHINA CYCLE Creative Award." In 2024, our folding bicycle model K9X and electric-assisted folding bicycle model won the Good Design Award in Japan. In 2025, our carbon folding road bicycle model Vélodon C8 AXS won the gold award for the "2025 CHINA CYCLE Creative Award." See "— Awards and Recognitions" for details. In addition, our brand, products and technologies have been featured in many leading international media outlets including Forbes, Reuters and PR Newswire.

Our industry influence extends beyond our own brand through our Sharing 360 Program. Through this initiative, we had in aggregate licensed our advanced components incorporating proprietary technologies and our *DAHON* brand to an increasing number of industry peers, with 18 for our proprietary bicycle components and 16 for the *DAHON* brand on their products as of April 30, 2025. Notable partnerships include our collaboration with RoyalBaby (優貝), one of the world's largest children's bicycle manufacturer, enabling us to extend our reach to customers across generations while cultivating early brand familiarity among young riders.

Looking forward, with the global emphasis on climate change and green transportation, the demand for bicycles is expected to increase significantly. According to CIC, the global bicycle industry is projected to reach RMB756.6 billion by 2029, with a CAGR of 11.8% from 2024 to 2029, in terms of retail sale value. In terms of retail sales volume, the global bicycle industry is projected to grow steadily at a CAGR of 2.4% reaching 201.6 million units by 2029. The folding bicycle industry is still a niche but fast-growing segment within the overall bicycle industry. The demand for folding bicycles is expected to outpace that for regular bicycles. According to CIC, the global folding bicycle industry is projected to reach RMB40.7 billion, with a CAGR of 12.0% from 2024 to 2029 in terms of retail sales value. In terms of retail sales volume, the global folding bicycle industry is projected to reach 5.2 million units in 2029, representing a CAGR of 7.3% during the same period. Leveraging our strong brand influence, market leadership, and technological capabilities, we are well-positioned to seize these growth opportunities and solidify our position as the leader in the mainland China folding bicycle industry.

We possess established technological innovation capabilities and performance and quality-focused craftsmanship.

Technology innovation has been central to our brand since our founder Dr. Hon established *DAHON* in 1982. With over four decades of development, we have maintained our focus on advancing folding bicycle technology through continuous research and development investments. Led by Dr. Hon and two other experts with doctorate degrees, our research and development team continues to drive our technological advancement. According to CIC, we are an industry leader in folding bicycle production technology and manufacturing processes.

Drawing on deep market insights, our research and development focuses on delivering an exceptional riding experience that embodies our brand philosophy "Simply Faster" ("輕、快、美、爽") while offering a sophisticated mobility option. Our proprietary "DAHON-V" technology suite represents a significant technology breakthrough in bicycle engineering, achieving improvements in frame rigidity, riding stability, and overall performance. In developing the technology suite, we employed advanced analytical methods and developed a set of proprietary methods for measuring the rigidity of bicycles and relevant key components. These methods leverage techniques that are commonly used in the aviation industry, such as physical analysis, computer-aided Finite Element Analysis (FEA) and strain gauge testing. This comprehensive approach and achievements demonstrate our technological capabilities and our ability to set high benchmarks in folding bicycle performance while enabling our expansion into new product categories. In 2024, demonstrating our confidence in product quality and durability, we began offering lifetime warranty on the frames and front forks for our bicycles equipped with our "DELTECH" technology, which our internal testing shows can substantially extend bicycle frame life.

Our commitment to technological innovation is evidenced by our industry-leading patent portfolio. As of April 30, 2025, we had 113 effective patents in mainland China making us the brand with the highest number of patents in China's folding bicycle industry according to CIC. We also hold 22 effective patents in the U.S., Europe and Japan. In recognition of our strong technological capabilities, we were invited by relevant authorities to participate in formulating China's national standards for bicycle safety (GB/T 3565.4–2022). In 2025, we have further strengthened our research and development capabilities through initiating collaboration with Tsinghua University, focusing on optimizing bicycle frame rigidity, exploring new materials and improving structural designs.

Apart from our robust research and development capabilities, we also uphold exceptional standards of craftsmanship and rigorous quality control processes that exceed industry norms, particularly in folding precision, durability, and operational ease. Our production model combines in-house manufacturing at our Huizhou facility with carefully selected third-party OEM suppliers, all operating under comprehensive quality management systems that meet quality standards across various markets, including the PRC's Safety Requirements for Bicycles (National Standards, GB 3565–2022) (《自行車安全要求》), the European Standards EN ISO 4210 and the Japan standard JIS D9301–2019. Moreover, according to CIC, *DAHON* established mainland China's first folding bicycle testing center.

Through continuous advancement in technical capabilities and product optimization, we remain committed to elevating standards for safe, agile and durable folding bicycles, while building technical barriers that reinforce our industry leadership.

We offer a diversified and continuously evolving product portfolio tailored to diverse consumer needs.

We strategically curate our product portfolio across five distinct series to address diverse needs and preferences of different consumer segments, from urban commuters to adventure seekers and competitive racers. Our Urban Series (城市通勤系列) is the ideal mobility option for modern city residents seeking convenient, efficient and sustainable transportation, offering a seamless commute experience in busy and congested urban environments. Our Vogue Series (時尚個性系列) transcends folding bicycles from practical commuting tools to symbols of lifestyle choices, fashion tastes, and self-expressions. Our Explorer Series (戶外探索系列) unlocks new cycling experience for consumers, liberating them from daily urban life and accompanying them through their explorations on diverse terrains. Our Performance Series (卓越競速系列) redefines the possibilities of competitive cycling to fulfil riders' desire for the exhilaration of racing. Our Utility Series (實用內涵系列) expands our product portfolio to electric mobility solutions, including electric-assisted bicycles and electric scooters, which enables us to serve a broader spectrum of mobility needs.

Our portfolio is anchored by proven bestsellers, including our classic model P8. Launched in the early 2000s, we believe P8 has established itself as the go-to-choice for both folding bicycle enthusiasts and newcomers due to its excellent balance of affordability, quality, and versatility. Throughout its evolution, P8 has embodied our commitment to technological excellency, engineering technique and aesthetic design. P8 was the first model equipped with our DELTECH technology, which revitalized this classic model by enhancing its performance and driving strong sales growth. This enduring popularity stands as a testament to its blend of comfort, performance and value.

We continuously innovate and develop new bicycle types and models with distinct appearances, materials and performance features tailored to consumer demands based on market insights and consumer feedback. This user-centric approach to product design and development has resulted in a series of market-validated successes. Our Clinch C10 folding bicycle exemplifies our materials application innovation through its carbon fiber frame design blending speed performance and riding comfort. Moreover, our full-sized road bicycle model, Vélodon, showcases our "DAHON-V" technology suite's capability in enhancing speed performance and pedaling efficiency, delivering an exhilarating riding experience. While maintaining our core focus on folding bicycles, in response to emerging trends in electric propulsion technology, smart features, and lightweight materials, we have launched our K-ONE electric-assisted folding bicycle, combining our signature folding mechanisms with complementary electric propulsion devices and high-performance batteries. This expansion enables us to reach consumers who might otherwise hesitate due to physical limitations or distance considerations.

As of April 30, 2025, we offer over 70 bicycle models with new models iterated annually. Going forward, we plan to further enrich our electric-assisted bicycle offerings while expanding our traditional folding bicycle product portfolio, bringing our signature "Simply Faster" ("輕、快、美、爽") riding experience to an even broader consumer base.

We have built a multi-channel sales and distribution network and have solid marketing capability.

We manage an extensive sales and distribution network spanning both online and offline channels, enabling us to reach consumers domestically and internationally. Our diversified and broad sales and distribution network provides valuable insights into consumer feedback, needs and evolving preferences. These insights guide the continuous iteration of our technology development and marketing strategies, enhancing our brand awareness, customer loyalty, and business growth.

In the PRC, we have built a robust distribution network through long-standing partnerships with 38 distributors across 30 provincial-level administrative regions, operating 680 retail outlets as of April 30, 2025. As of the same date, the average length of our cooperation with our distributors in the PRC was over seven years. Leveraging years of experience in distribution network development and management, we have established standardized and systematic operational guidelines for our distributors, covering site selection for retail outlets, store decoration, product display, training, pricing strategies, and performance and operation monitoring, which demonstrate our sophisticated network management capabilities.

Apart from our domestic offline channel, we maintain strong partnerships with leading e-commerce platforms, namely JD.com, Tmall, Douyin and Pinduoduo. Leveraging the resources of these platforms and by deploying targeted marketing strategies such as holiday sales and live-streaming events, we have effectively enhanced our online visibility and product sales. In 2024, we achieved the highest retail value in the folding bicycle category on both JD.com and Tmall during the "618" and "Double 11" shopping festivals. During the Track Record Period, revenue generated from our online direct sales surged from RMB14.1 million in 2022 to RMB58.1 million in 2023, representing a growth rate of 312.1%, and increased from RMB58.1 million in 2023 to RMB100.2 million in 2024, representing a growth rate of 72.5%, and increased from RMB21.6 million for the four months ended April 30, 2024 to RMB39.9 million for the same period in 2025, representing a growth rate of 84.7%.

We have established a strong international presence, with our products reaching 28 countries and regions outside mainland China through with a network of 35 offshore distributors as of December 31, 2024. Since 2024, we further expanded our overseas presence by launching our online stores on major international e-commerce platforms, namely Amazon and Walmart. To optimize our supply chain efficiency and enhance our responsiveness in international markets, we have also strategically partnered with an overseas OEM supplier in Romania.

Along with the expansion of our sales and distribution network, effective brand building and marketing strategies have been critical to our success. Drawing on our industry insights and marketing experience, we have developed targeted strategies across different sales channels. Our branding and marketing activities are dedicated to enhancing consumer awareness of our brand and showcasing our products as sophisticated mobility solutions that combine performance with style to deliver a delightful riding experience. Our professional marketing team engages consumers and promotes our brand through diverse initiatives, including high-profile brand collaborations, offline activities, and digital content marketing. For example, we have launched successful co-branded models with NIO, a leading NEV company, and launched a customized model for Sam's Club, a premium retailer, to attract a broader customer base. We have also actively attended prominent domestic and international industry summits to showcase our brand and latest products and technologies, while leveraging social media platforms to create engaging content that promotes cycling culture and our product offerings. Additionally, our end users form vibrant cycling communities organizing regular cycling events to promote a green and low-carbon lifestyle.

We have a professional, experienced and internationalized management team.

Our founder, Dr. Hon, is the leader and pioneer in the global folding bicycle industry, whose invention brought the first commercialized modern folding bicycle brand to market, emphasizing portability and efficiency, which opened up new possibilities for urban mobility. Establishing the Dahon brand in California in 1982, Dr. Hon has leveraged his international experience and expertise in the industry for over 40 years. His extraordinary industry insight and experience in corporate governance are key factors in continuously driving our technological advancements and product innovations, ensuring that we maintain a competitive edge in an ever-evolving industry. Dr. Hon received the 30 years recognition award by BIKE EUROPE in 2012, the Outstanding Contribution Award for the Bicycle Industry (自行車行業卓越貢獻獎) from the Guang Dong Bicycle & Electric Vehicle Association (廣東省自行車電動車行業協會) in 2016 and the Lifetime Achievement Award from MagicCycling (美騎) in 2019. Dr. Hon was selected for China Central Television's 'Extraordinary Craftsman' programme (中央電視台非凡匠人欄目) in 2022. For details of Dr. Hon's honors and titles, see "Directors, Supervisors and Senior Management — Directors."

We have a cohesive and high-performing management team, which responds proactively to domestic and international market changes and efficiently executes business plans. The core members of our management team have extensive experience in the domestic and international bicycle industry, which have demonstrated their in-depth understanding of the folding bicycle industry and made significant contribution to our growth.

We place a strong emphasis on talent development and retention to support the sustainable growth of our Company. Our comprehensive training system is designed to nurture versatile professionals in management and operations. Additionally, we have established a highly competitive incentive mechanism that motivates employees to pursue continuous learning and grow alongside the expansion of our business.

STRATEGIES

Further enrich product portfolio and strengthen brand momentum to solidify our leading position.

Brand awareness and consumer recognition are critical to sustaining our leadership in the global folding bicycle market. We are committed to solidifying our position as an industry leader while building distinctive competitive advantages. Leveraging our strong brand awareness, we plan to enrich our product portfolio by launching new folding bicycle models and further expanding our offerings in other categories, including full-sized mountain bicycles, road bicycles, and electric-assisted bicycles that cater to consumers' preferences for quality, functionality, and design. To continuously elevate our *DAHON* brand, we plan to adopt innovative marketing strategies, including actively managing our social media presence and collaborating with internet celebrities and KOLs in the bicycle industry to review and endorse our products. We also plan to support our distributors' digital marketing efforts by offering support and guidance in content creation and event planning. These initiatives aim to enhance our brand visibility, deepen consumer connection and further solidify our market share. We intend to apply approximately 6.0%, or HK$20.5 million, of the net proceeds from the Global Offering for branding and marketing. See "Future Plans and Use of Proceeds — Use of Proceeds" for details.

Furthermore, we will advance our Sharing 360 Program by expanding our "Co-branding" partnerships across more product categories, partners, and geographic markets, further amplifying our brand influence and reach a broader base of consumers. Additionally, we intend to cultivate a new brand or sub-brand targeting the mid- and mass market segments, complementing our mid- to high-end *DAHON* brand positioning.

Further strengthen research and development and product development capabilities to consolidate our technological and product leadership.

We believe that our dedication to technological innovation and product development remains essential to delivering high-quality, stylish, and high-performance bicycles. We will continue invest in advanced technologies and engineering solutions to enhance durability, speed and overall performance across our products, reinforcing our position as an industry leader. To this end, we will continue to increase our research and development investment in our proprietary "DAHON-V" technology suite, which includes innovations such as "DELTECH" technology and Super Down-tube technology. We will also focus on developing practical innovations that enhance riding experience, such as rotatable handlebar, which enhance conveniently handling in congested environment. Through continuous innovation in core mechanisms and structural design, we strive to set new industry standards for safety, durability, and comfort. We intend to apply approximately 6.0%, or HK$20.5 million, of the net proceeds from the Global Offering for products and components development. See "Future Plans and Use of Proceeds — Use of Proceeds" for details.

Driven by our customer-centric approach, we will continuously optimize existing product designs and launch iterative upgrades to maintain our competitive edge in the folding bicycle market. Beyond folding bicycles, we plan to broaden our product portfolio by expanding into other categories, such as electric-assisted bicycles and other two-wheeled electric vehicle products. By increasing our investment in electric-assisted bicycle technologies, we aim to develop a comprehensive product line of electric-assisted folding bicycles, meeting a wider range of mobility needs with sustainable and convenient transportation solutions. We intend to apply approximately 12.0%, or HK$41.1 million, of the net proceeds from the Global Offering for establishing our presence in the electric mobility segment. See "Future Plans and Use of Proceeds — Use of Proceeds" for details.

Optimize supply chain integration and intelligent manufacturing to accelerate business growth.

To meet the growing demand for our products and solidify our market position, we will focus on supply chain integration and advancing intelligent manufacturing. As part of this strategy, we plan to establish a new production facility in Huizhou, preferably in the vicinity of our existing Huizhou facility. We plan to equip this new facility with advanced technologies including automated welding equipment, automated warehousing systems, and other cutting-edge solutions to ensure seamless material flow and precise management while boosting production efficiency and reducing costs. We intend to apply approximately 19.0%, or HK$65.0 million, of the net proceeds from the Global Offering for establishing the new production facility. See "Future Plans and Use of Proceeds — Use of Proceeds" for details. In addition, we plan to upgrade our existing Huizhou facility through introducing advanced equipment to enhance operational efficiency, quality testing capabilities and production environment. We intend to apply approximately 5.0%, or HK$17.1 million, of the net proceeds from the Global Offering for upgrading our existing Huizhou facility. See "Future Plans and Use of Proceeds — Use of Proceeds" for details.

To further strengthen our supply chain and enhance vertical integration, we also plan to invest in or acquire an established production facility or enhance collaboration with qualified OEM or component suppliers in strategic locations such as Tianjin, Jiangsu, Zhejiang or Guangdong. We intend to apply approximately 6.0%, or HK$20.5 million, of the net proceeds from the Global Offering for the investment or acquisition. See "Future Plans and Use of Proceeds — Use of Proceeds" for details.

Concurrently, we will continuously optimize our production processes and management systems to improve operational efficiency and product quality. For example, we plan to implement our self-developed multi-wheel forming equipment, which will significantly enhance production efficiency by reducing drilling time and space requirements while substantially lowering labor costs across our wheel rim production lines.

To support these production improvements, we will upgrade our information technology infrastructure to enhance efficiency across all business functions, including procurement, production planning, inventory management, sales, logistics, and administration. By strengthening our digital analytics capabilities through such efforts, we aim to gain deeper insights into consumer preferences and develop more responsive production plans, ensuring our operations remain agile and market-driven.

Further strengthen sales channel development and expand our global reach.

We have developed extensive insights in expanding our sales network, building brand awareness, and cultivating our consumer base. Moving forward, we will continue to enhance our multi-channel ecosystem to reach a broader consumer base while strengthening our channel management capabilities to sustain and optimize our existing sales channels and network.

For domestic offline channels, we will focus on developing our distributor network by fostering stronger communication and collaboration with distributors, and further optimizing our regional coverage and store layout. At the same time, we will also continue to strengthen our cooperation with corporate customers such as Sam's Club and other major retailers to enhance accessibility and visibility of our products, broaden our reach to targeted consumer groups and strengthen our market penetration through established retail chains. We intend to apply approximately 10.0%, or HK$34.1 million, of the net proceeds from the Global Offering for expanding our network of distributor retail outlets. See "Future Plans and Use of Proceeds — Use of Proceeds" for details.

For domestic online channels, we will continue to build on our established presence on leading e-commerce platforms such as JD.com, Tmall and Douyin, while capitalizing on the rapid growth opportunities of emerging sales channels such as social media platforms. We plan to further adopt marketing vehicles that effectively drive consumer engagement including targeted content marketing, promotional campaigns and strategic cooperation with KOLs, to expand our brand momentum and increase market share. We intend to apply approximately 4.0%, or HK$13.7 million, of the net proceeds from the Global Offering for enhancing our online channels. See "Future Plans and Use of Proceeds — Use of Proceeds" for details.

In offshore markets, we plan to continue expanding our presence in Southeast Asia, and Europe, where we see significant growth opportunities. To strengthen our market position, we aim to more directly serve our end consumers in offshore market by establishing local presence and deploying sales personnel, which will enhance our ability to understand local market dynamics, provide timely customer support, and build stronger relationships with regional partners. In order to support our offshore markets expansion plan, we also plan to deepen and expand our cooperation with offshore OEM suppliers which will enhance our supply capability in offshore markets. Moreover, through our Sharing 360 Program, we will partner with leading manufacturers to promote co-branded products, further enhancing our global brand influence. To tap into new customer segments and grow our market share, we will actively expand cross-border e-commerce operations and strengthen partnerships with internationally renowned platforms such as Amazon and Walmart. We intend to apply approximately 10.0%, or HK$34.1 million, of the net proceeds from the Global Offering for accelerating our international market development. See "Future Plans and Use of Proceeds — Use of Proceeds" for details. Our offshore expansion plan may face certain risks. See "Risk Factors — Our growth strategies depend substantially on our ability to successfully expand into new sales channels, to reinforce our market positions in existing markets, and to capture opportunities in international markets" for details.

Continuously attract, train, and motivate professional talent.

To support our business growth, we will prioritize the development and motivation of our workforce by providing targeted training programs that combine theoretical knowledge with practical application. These initiatives aim to nurture versatile and well-rounded professionals. At the same time, we will refine our talent management system to ensure a robust foundation for the long-term sustainable development of our Company, along with our highly competitive incentive mechanism that motivates employees to pursue continuous learning and grow alongside the expansion of our business. Furthermore, we are committed to strengthening our team with global perspective and strong cross-cultural communication skills to better serve our international clients with professionalism and efficiency.

In addition, we will actively recruit high-caliber professionals, including individuals with advanced degrees such as master's and doctoral qualifications. By bringing in fresh perspectives and innovative thinking, these experts will help propel the Company toward greater achievements in areas such as technological advancement and product innovation. We intend to apply approximately 12.0%, or HK$41.1 million, of the net proceeds from the Global Offering for strengthening our research and development team. See "Future Plans and Use of Proceeds — Use of Proceeds" for details.

OUR BRAND

DAHON stands as one of the renowned brands in the folding bicycle industry. According to CIC, in terms of retail sales volume in 2024, we held a significant position in the mainland China folding bicycle industry, representing a market share of 26.3%, and we also led the mainland China folding bicycle industry in terms of retail sales value in 2024, representing a market share of 36.5%. With a heritage dating back to 1982, we have one of the longest histories among dedicated folding bicycles brands, and our first-generation *DAHON* model is widely credited as the prototype that defined modern folding bicycles. Sparked by the 1970s oil crisis, Dr. Hon's visionary response centered on creating sustainable mobility options through engineering, and we remain supportive of environmental conscious transportation alternatives. While honoring our heritage, we continuously reinvigorate our brand through contemporary aesthetics and innovative features that resonate with nowadays urban cyclists. With over 40 years of development, our *DAHON* brand has garnered both domestic and international visibility and numerous awards and recognitions. See "— Awards and Recognitions" for details. We believe the iconic status of our brand has helped us cultivate a loyal, diverse and global fan and customer base, enabling our products to command strong market positioning based on superior engineering value compared to competitors' offerings.

OUR BUSINESS AND PRODUCTS

We are a leading developer of innovative folding bicycles, with comprehensive capabilities spanning product development and design, in-house and external manufacturing, quality control, brand marketing and global sales. Our signature folding mechanism enables swift and efficient transformation of a bicycle into a neat and compact shape that is easily portable and storable. This sophisticated engineering allows for equally seamless unfolding, delivering a full-featured bicycle that meets rigorous standards of safety, durability, and riding comfort. Our designs thoughtfully balance performance and agility with excellent aesthetics and fashion, offering consumers a refined personal mobility option.

During the Track Record Period, our revenue was primarily derived from the sale of our *DAHON* bicycles. To a much lesser extent, we also generated revenue from (i) accessories, apparel and other related products, and (ii) licensing and royalty income primarily related to our Sharing 360 Program.

The following table sets forth a breakdown of our revenue by business line.

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
DAHON bicycles	237,325	93.4	288,588	96.1	442,248	98.1	123,143	97.9	181,513	98.3
Accessories, apparel and other related products[1]	13,584	5.3	6,776	2.3	3,425	0.8	945	0.8	946	0.5
Licensing and royalty income	3,279	1.3	4,792	1.6	5,047	1.1	1,665	1.3	2,282	1.2
Total	**254,188**	**100.0**	**300,156**	**100.0**	**450,720**	**100.0**	**125,753**	**100.0**	**184,741**	**100.0**

Note:

1. Includes revenue generated from our proprietary accessories and parts sold through our Sharing 360 Program.

DAHON Bicycles

As a leading company in the mainland China folding bicycle industry, we offer *DAHON* bicycles that represent an innovative and practical solution for green urban commuting and recreational cycling. In contrast to conventional bicycles, our folding bicycles are designed to excel in both performance and practicality. Their lightweight design and optimal portability make them the ideal companions for multi-modal transportation, whether complementing public transit use, storing in a car trunk or adapting to space-constrained urban environments. While we primarily focus on folding bicycles, our product portfolio also includes electric-assisted bicycles and other conventional bicycle models to address diverse consumer preferences. The following table sets forth a breakdown of our revenue by bicycle types.

	Year ended December 31,									Four months ended April 30,					
	2022			2023			2024			2024			2025		
	Sales volume	Revenue		Sales volume	Revenue		Sales volume	Revenue		Sales volume	Revenue		Sales volume	Revenue	
	unit	*RMB'000*	*%*	*unit*	*RMB'000*	*%*	*unit*	*RMB'000*	*%*	*unit*	*RMB'000* (*unaudited*)	*%*	*unit*	*RMB'000*	*%*
Folding bicycles	144,702	229,212	96.6	153,884	281,986	97.7	224,558	430,614	97.4	62,134	119,115	96.7	91,695	178,728	98.5
Electric-assisted bicycles[(1)]	1,013	4,495	1.9	776	3,730	1.3	1,516	7,001	1.6	493	2,556	2.1	206	806	0.4
Conventional bicycles	3,241	3,618	1.5	2,217	2,872	1.0	3,451	4,633	1.0	1,131	1,472	1.2	1,497	1,979	1.1
Total	**148,956**	**237,325**	**100.0%**	**156,877**	**288,588**	**100.0%**	**229,525**	**442,248**	**100.0**	**63,758**	**123,143**	**100.0**	**93,398**	**181,513**	**100.0**

Note:

(1) Our electric-assisted bicycles are also foldable.

We currently offer *DAHON* bicycles mainly under five series, namely Urban Series (城市通勤系列), Vogue Series (時尚個性系列), Explorer Series (戶外探索系列), Performance Series (超卓競速系列), and Utility Series (實用內涵系列), each designed to serve specific consumer segments and use cases. Urban Series is designed for practicality and convenience catering to consumers with daily commuting and short distance travel needs. Vogue Series prioritizes aesthetics and personalized design elements, catering to the tastes of young users with stylish frames and vibrant colors. Explorer Series focuses on off-road capability and durability for challenging outdoor terrains, such as mountain biking and long-distance travel. Performance Series is tailored for professional racing and competitive events with ultimate speed and performance. Utility Series primarily consists of electric-assisted bicycles with durable frames and essential configurations to achieve enhanced load-carrying capabilities. During the development of our electric mobility solution, we have also designed and developed models of electric-assisted bicycles under other series. In terms of folding mechanisms, our bicycles are categorized into three types: lateral folding, vertical folding, and tool-assisted folding. Leveraging our strong technical and design capabilities, our bicycle models are typically distinguished under certain classifications, including folding capability, frame material used, wheel size, speed options and braking system, which allows us to provide a wide range of versatile products with diverse performance characteristics to generate interest and meet the preferences of our target consumer groups.

Our bicycle frames are primarily made of four types of materials, high-carbon steel, chromium steel, aluminum alloy and carbon fiber. High-carbon steel is primarily adopted in bicycle models tailored to consumers with short-distance commuting needs and limited budgets. Chromium steel made bicycles generally enable consumers to travel long distances across different terrains at moderate prices. Bicycles made of aluminum alloy suit consumers that are keen on sport cycling and willing to bear considerable costs. Carbon fiber is the most advanced and expensive bicycle frame material that supports better performance for professional riders. The price of bicycle is determined not only by the costs of frame materials but also by other factors, including bicycle design and bicycle parts used. For example, our bicycles primarily adopt two kinds of braking system, v-brake and disc-brake. The v-brake system stops bicycles with brake arms moving rubber pads toward the wheel's rim to create friction. The disc-brake system stops bicycles with hydraulic or mechanical calipers squeezing the disc to create friction. As the disc-brake system typically performs better than the v-brake system in all weather conditions and requires more maintenance, bicycles that adopt disc-brake system are usually more expensive than those adopt v-brake system.

Urban Series

Our urban series is the ideal mobility option for modern city residents seeking convenient, efficient and sustainable transportation, offering a seamless commute experience in busy and congested urban environments. With lightweight frames and a user-friendly folding mechanism, our urban series is ideal for people who need to commute through public transit, such as buses and subways. Our proprietary technologies and innovative components enhance frame strength and improve stability, ensuring safe and reliable performance despite the lightweight construction. We primarily offer our urban series at mass-market and mid-range price tiers. The following table sets forth certain models of our urban series:

Model	Key Specifications	Recommended retail price *(RMB/bicycle)*	Illustrations
P8	Frame material: chromium steel Gear system: 8-speed Braking system: v-brake	Approximately RMB3,500	

Model	Key Specifications	Recommended retail price *(RMB/bicycle)*	Illustrations
DREAM D6	Frame material: high-carbon steel Gear system: 6-speed Braking system: v-brake	Approximately RMB1,300	
Mariner D8	Frame material: aluminum alloy Gear system: 8-speed Braking system: v-brake	Approximately USD950	

Classic model: P8

Launched early 2000s, we believe our classic model, P8, has established itself as the go-to-choice for both folding bicycle enthusiasts and newcomers due to its excellent balance of affordability, quality, and versatility. Throughout its evolution, P8 has embodied our commitment to technological excellency, engineering technique and aesthetic design. P8 was the first model equipped with our DELTECH technology, which reinvigorated this classic model with enhanced performance and drove sales growth. During the Track Record Period, P8 achieved remarkable success with over 150,000 units of aggregated sales. Building on P8's market success and drawing from our market insights and experiences, we started to tailor sub-models of P8 in order to fulfill cyclists' diverse needs. In 2022, we introduced a special 40th anniversary edition of the P8 celebrating the establishment of the *DAHON* brand in 1982. This enduring popularity stands as a testament to its blend of comfort, performance and value.

Blockbuster international model: Mariner D8

Our Mariner D8 model, designed specifically for international markets, represents our ability to develop products tailored to distinct market needs. With its maritime-inspired design and superior anti-corrosion capabilities, the Mariner D8 has evolved from its original concept as a yacht companion to become a versatile choice for urban commuters worldwide. The model's exceptional quality and versatility were recognized in 2024 when the New York Times named it the "Best Folding Bike." This prestigious recognition underscores our success in international markets and validates our strategy of developing market-specific products that combine durability with practical functionality.

Vogue Series

With our commitment to designing and developing innovative folding bicycles, our folding bicycles have transcended from practical commuting tools to symbols of lifestyle choices, fashion tastes, and self-expressions. Designed for urban professionals and lifestyle enthusiasts, our Vogue series seamlessly combines functionality with trendy and retro design, offering a solution that is as elegant as it is practical. We primarily offer our Vogue series at mid-range and high-end price tiers. The following table sets forth certain models of our Vogue series:

Model	Key Specifications	Recommended retail price	Illustrations
		(RMB/bicycle)	
30th Anniversary Version	Frame material: aluminum alloy Gear system: 11-speed Braking system: v-brake	Approximately RMB7,200	
BOARDWALK D10	Frame material: chromium steel Gear system: 10-speed Braking system: v-brake	Approximately RMB3,700	
D7	Frame material: chromium steel Gear system: 7-speed Braking system: v-brake	Approximately RMB2,900	
Hit	Frame material: aluminum alloy Gear system: 6-speed Braking system: v-brake	Approximately RMB2,100	

Explorer Series

Our Explorer series unlocks new cycling experience for consumers. Designed to adapt to diverse terrains and environments, our Explorer series liberates adventurers from daily urban life and accompanies them to navigate mountain paths, coastal trails, countryside roads and etc. Our delicate craftmanship, high-performance components and advanced engineering technologies collectively ensure the Explorer series will satisfy consumers' need for safety, stability and performance. The combination of our triangle frame structure, proprietary connectors, and customized tyres provides enhanced shock resistance and stability across different terrains, allowing adventurers to explore without limits. We have also developed a hybrid tire technology which combines the speed advantages of road tires with the performance capabilities of mountain bike tires, enabling riders to seamlessly transition between different terrains without compromising performance. We primarily offer our Explorer series at mid-range and high-end price tiers. The following table sets forth certain models of our Explorer series:

Model	Key Specifications	Recommended retail price *(RMB/bicycle)*	Illustrations
SPEED P18	Frame material: chromium steel Gear system: 18-speed Braking system: v-brake	Approximately RMB6,500	
Hemingway	Frame material: aluminum alloy Gear system: 9-speed Braking system: disc-brake	Approximately USD600	

Performance Series

During the research and development of our "DAHON-V" technology suite, we realize that our folding bicycles may have the potential to exceed the speed limits of conventional bicycles. To fulfil riders' desire for the exhilaration of racing, we launched our Performance series which redefines the possibilities of competitive cycling. Powered by our "DAHON-V" technology, our Performance series has outperformed several models of conventional bicycles with wheels of the same size in test rides. Our Performance series is capable of more efficiently converting energy from cyclists' pedaling to the power of motion, which in turn achieve higher acceleration rate. For details of our "DAHON-V" technology, see "— Research and

Development — Our Technology.” We primarily offer our Performance series at mid-range and high-end price tiers. The following table sets forth certain models of our Performance series:

Model	Key Specifications	Recommended retail price *(RMB/bicycle)*	Illustrations
MU LX	Frame material: aluminum alloy Gear system: 10.5-speed Braking system: disc-brake	Approximately RMB12,000	
Vélodon A4	Frame material: aluminum alloy Gear system: 20-speed Braking system: disc-brake	Approximately RMB5,000	

Utility Series

Leveraging our strong brand equity in folding bicycles, we launched our Utility series strategically expanding our product portfolio to electric mobility solutions (including electric-assisted bicycles and electric scooters[Note]), which enables us to serve a broader spectrum of mobility needs. In our Utility series, we combine our signature folding mechanisms with complementary electric propulsion devices and long endurance and high safety batteries, delivering powerful and reliable performance. We primarily offer our Utility series at mid-range and high-end price tiers. The following table sets forth certain models of our Utility series:

Model	Key/Standard Specifications	Recommended retail price *(RMB/bicycle)*	Illustrations
K-ONE	Frame material: aluminum alloy Gear system: 7-speed Braking system: mechanical disc-brake Motor type: hub motor Battery type: seat post battery	Approximately RMB5,000	

Note: During the Track Record Period, our electric scooters were primarily sold in Turkey and had not been offered in mainland China.

Model	Key/Standard Specifications	Recommended retail price *(RMB/bicycle)*	Illustrations
UNIO E20	Frame material: aluminum alloy Gear system: 9-speed Braking system: mechanical disc-brake Motor type: mid motor Battery type: seat post battery	Approximately USD2,700	

Pricing and Sales volume

We categorize our bicycles into distinct price tiers based on their recommended retail prices to cater to various market segments. These include the high-end tier, with recommended retail prices of RMB5,000 per unit or above, the mid-range tier, with recommended retail prices reaching RMB2,500 per unit but less than RMB5,000 per unit, and the mass-market tier, with recommended retail prices less than RMB2,500 per unit. For markets outside mainland China, we generally set higher recommended retail prices than those in mainland China to reflect different market conditions. Some of our products are positioned at the premium segment, compared to the whole industry, they are priced at a premium, determined after considering factors such as our aesthetic design, technologies, product quality and brand reputation. See "Risk Factors — Risks relating to our industry and business — We face active global competition including increasing pricing pressure in a matured market with relatively low expected growth rate, and if we do not compete effectively, our business may suffer." The following table sets forth a breakdown of revenue of *DAHON* bicycles by price tier.

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000*	*%*
High-end	24,691	10.4	29,198	10.1	40,155	9.1	12,219	9.9	18,886	10.4
Mid-range	120,054	50.6	183,394	63.6	307,224	69.5	85,602	69.5	124,165	68.4
Mass-market	92,580	39.0	75,996	26.3	94,869	21.4	25,322	20.6	38,462	21.2
Total	**237,325**	**100.0**	**288,588**	**100.0**	**442,248**	**100.0**	**123,143**	**100.0**	**181,513**	**100.0**

The following table sets forth a breakdown of our gross profit and gross profit margins of *DAHON* bicycles by price tiers for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
High-end	9,846	39.9	12,435	42.6	14,817	36.9	4,685	38.3	7,593	40.2
Mid-range	38,174	31.8	59,392	32.4	97,535	31.7	26,398	30.8	38,205	30.8
Mass-market	24,187	26.1	23,545	31.0	30,175	31.8	8,036	31.7	12,537	32.6
Overall	**72,207**	**30.4**	**95,372**	**33.0**	**142,527**	**32.2**	**39,119**	**31.8**	**58,335**	**32.1**

The following table sets forth a breakdown of sales volume and average selling prices of *DAHON* bicycles by price tier.

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	Sales volume	Average selling price per unit[1]	Sales volume	Average selling price per unit[1]	Sales volume	Average selling price per unit[1]	Sales volume	Average selling price per unit[1]	Sales volume	Average selling price per unit[1]
	units	*RMB*	*units*	*RMB*	*units*	*RMB*	*units*	*RMB*	*units*	*RMB*
High-end	6,565	3,761	7,406	3,942	10,232	3,924	3,176	3,847	4,892	3,861
Mid-range	60,296	1,991	88,061	2,083	144,209	2,130	41,390	2,068	57,651	2,154
Mass-market	82,095	1,128	61,410	1,238	75,084	1,264	19,192	1,319	30,855	1,247
Overall	**148,956**	**1,593**	**156,877**	**1,840**	**229,525**	**1,927**	**63,758**	**1,931**	**93,398**	**1,943**

Note:

1. Average selling price per unit is calculated through dividing the revenue by sales volume for each price tier. Such calculated average selling prices are lower than the recommended retail price ranges as we primarily sell our products to distributors that exclude distributor markups and other downstream expenses.

Accessories, apparel and other related products

In addition to our bicycle products, we offer a comprehensive range of cycling accessories, and related products, including helmets, cycling glasses, pedals, bike lights, water bottle cages, saddle bags, front bags, gloves and others. We primarily sell such products to our distributors or through our online channels. We also offer our self-developed and proprietary bicycle parts, such as Landing Gear and Seatpost Pump, to other industry peers through our Sharing 360 Program to complement their own product offerings. Landing Gear (易行輪) is an accessory installed below the bottom bracket shell of bicycle frame assisting with pushing folding bicycles in folded form. Seatpost Pump (座管打氣筒) serves dual purposes as both a seat post supporting bicycle saddle and a convenient pump to inflate tires when needed. As of April 30, 2025, we had licensed our proprietary bicycle parts to 18 industry peers. Set forth below are examples of our accessories, apparel and other related products.

Cycling glasses

Fingerless cycling gloves

Bike helmet

Ice silk arm sleeves

Bike light

Saddle bag

Bottle cage

Pedals

Landing Gear

Seatpost Pump

Licensing and royalty income

In order to promote our patented technology and brand and industry influence, we started our Sharing 360 Program in 2019 to promote co-branded products with domestic and global industry peers, the licensed product categories of which are mainly mountain bicycles and children bicycles different from our main folding bicycle products. For the promotion of co-branded products, we receive fixed licensing fees and variable royalty fees proportional to the ex-factory prices of relevant products sold by partners under the co-branding program under the Sharing 360 Program. For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, revenue generated from licensing and royalty amounted to RMB3.3 million, RMB4.8 million, RMB5.0 million, RMB1.7 million and RMB2.3 million, respectively, representing 1.3%, 1.6%, 1.1%, 1.3% and 1.2% of our total revenue for the same periods, respectively. The "Co-branding" partners are in charge of producing the licensed products while we implement stringent quality control measures to ensure co-branding products meet our quality requirements and safeguard our brand integrity. For details for our Sharing 360 Program, see "— Branding and Marketing — Sharing 360 Program."

The table below sets forth the breakdown of our revenue generated from licensing and royalty by sales channels:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
Domestic sales	**807**	**24.6**	**1,660**	**34.6**	**2,572**	**51.0**	**1,003**	**60.2**	**1,508**	**66.1**
— Sales to distributors	133	4.0	167	3.5	178	3.5	55	3.3	133	5.8
— Offline direct sales	674	20.6	1,493	31.1	2,393	47.5	948	56.9	1,375	60.3
Offshore sales	**2,472**	**75.4**	**3,132**	**65.4**	**2,476**	**49.0**	**662**	**39.8**	**774**	**33.9**
Total	**3,279**	**100.0**	**4,792**	**100.0**	**5,047**	**100.0**	**1,665**	**100.0**	**2,282**	**100.0**

RESEARCH AND DEVELOPMENT

The four-decade heritage of engineering innovation and technical excellence of the *DAHON* brand forms the cornerstone of our business. Since Dr. Hon's pioneering work in folding bicycle mechanisms in 1982, we have maintained our focus on advancing folding bicycle technology through sustained research and development investments. This dedication enables us to continuously strengthen our market leadership and expand the boundaries of folding bicycle capabilities. According to CIC, technologies developed by Dr. Hon have been widely adopted in the folding bicycle industry. In particular, we continuously focus on breakthrough research and development in core mechanisms and structural design, such as our proprietary bicycle folders and frame designs.

Our research and development efforts have produced a number of technical achievements and also have a proven track record of generating a large amount of intellectual property and industry know-how we use in our products and operations. As of April 30, 2025, we had 113 effective patents in mainland China, including 19 invention patents, 73 utility model patents and 21 design patents and 22 effective patents in the U.S., Europe and Japan. We have also actively expanded our patent reserve for electric-assisted bicycles, seeking to extend our product lines. See "— Intellectual Property" for further details regarding our patents. In recognition of our strong technological capabilities, we were invited by relevant authorities to participate in formulating China's national standards for bicycle safety (GB/T 3565.4–2022). In addition, our continuous efforts on technological breakthroughs and innovative products in the industry have been awarded with multiple accreditations and recognition from various organizations and entities. For example, we have won the gold award in both 2024 China Cycle Creative Award Selection (2024 CHINA CYCLE創新獎評選) and 2025 China Cycle Creative Award Selection (2025 CHINA CYCLE創新獎評選). For further details of our awards and recognitions, see "— Awards and Recognitions."

Our research and development department works closely with our sales and marketing department and production department to craft development proposals for new products. The proposals take into account results from market survey of consumer needs and feedback to our products to ensure our new products meet consumer preferences and are feasible to be produced. Our sales and marketing department tracks and collects consumption data through our offline distribution network and online channels, conducts market survey to understand consumer needs and provides advice as to research and development areas based on feedback from consumers. We focus on improving the performance and user experience of our folding bicycles, including the frame strength, cycling safety and stability, comfort of cycling, product appearance and design, along with product weight and portability. Our research and development department also works closely with our production department to achieve timely production and seamless cooperation, regarding the launch of new products and the issues arising in the production process of core components.

Research and Development Department

Our professional and dedicated research and development department is led by Dr. Hon, our founder, and two experts with doctorate degree, who are committed to constantly investing into technology development. Since our inception, we have prioritized building robust teams with comprehensive talent pipeline development and cultivating talent development within our organization, particularly in our research and development department, to ensure sustainable innovation capabilities and knowledge transfer across generations of engineers.

While Dr. Hon continues to contribute significantly to our innovation efforts with multiple patent developments, our research and development department has also independently spearheaded many patent applications and technological breakthroughs, demonstrating our autonomous technical capabilities and reducing reliance on any single individual. This collaborative approach ensures continuity of our innovation pipeline and technical excellence. A prime example of our research and development team's independent innovation capabilities can be seen in the evolution of our core folding mechanisms. The folding hinge, as the core technology of folding bicycles, best demonstrates our robust and continuous internal technological evolution process. The Tyrannosaurus hinge, designed by our internal research and development engineers around 2017, represents a significant advancement over the previously invented BA hinge (which Dr. Hon led the design of in 2002 before our Company's establishment), with improved aesthetics and stronger performance. Our engineers have since developed the even more advanced double inner v-shaped hinge in 2024, which offers enhanced durability, reduced weight, and improved safety features. This progression from the BA joint to the Tyrannosaurus hinge to the double inner V-shaped hinge demonstrates our team's ability to continuously innovate and improve upon existing technologies, creating a strong foundation for sustained technological advancement and market competitiveness.

As of April 30, 2025, we have 53 employees in our research and development department. We have divided our research and development department into three primary functions, research team, verification team and sample making team. According to CIC, *DAHON* established mainland China's first dedicated folding bicycle testing center. In 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our research and development expenditure amounted to RMB9.0 million, RMB10.7 million, RMB17.6 million, RMB4.6 million and RMB6.5 million, respectively.

Product Development Process

We maintain a standard product development process to ensure that we deliver the best products with consistent product quality to consumers. Our product development process primarily consists of the following key steps:

- *Overall layout and structural design*. Our research and development department works closely with our sales and marketing department and production department to craft development proposals for new products. On the basis of market research, once a proposal is approved, our research team undertakes the overall layout and structural design for new products, specifying raw materials, components and accessories required to ensure production feasibility and user experience. Our verification team will critically review the design blueprint and optimize the design for our sample making team to produce prototype bicycles. We strictly examine the prototypes under international standards in terms of performance, safety and reliability. Prototypes will be tested with stationary bike trainer to collect actual cycling data for us to adjust the design of our new products and improve the best possible comfort of cycling.

- *Trial production and trial sales*. Once a prototype passes testing phase satisfactorily, we will commence trial production in small batches. The production department will collaborate with the research and development department to confirm production procedures, ensure production efficiency and conduct final evaluation upon confirming all the details relating to product design. Our sales and marketing department will closely monitor our sales and customer feedback and assist our research and development department in adjusting the prototype as needed.

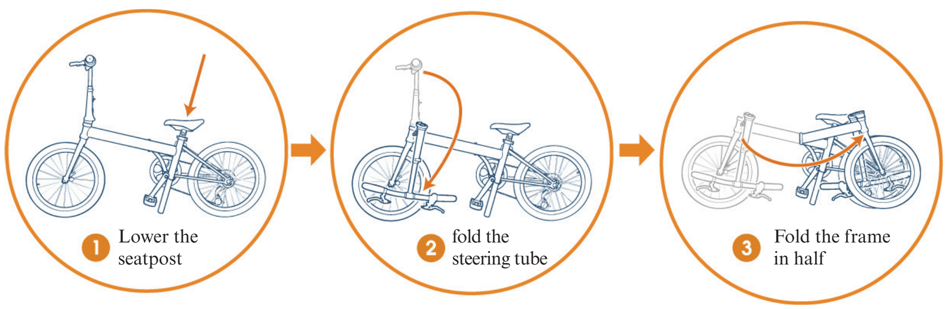
- *Mass production*. After receiving positive feedback from trial production, we commence mass production of new products.

Our Technology

We have a strong track record of technological innovation throughout our history. We continuously invest in improving our existing designs and incorporating latest technologies and develop new products to embody the results of our research in bicycle geometry and material science all aimed to enhance the performance, quality and use experience of our products. Set forth below are several of our key technological achievements.

Bicycle flat folding technologies

Today, the basic mechanism for folding bicycles primarily relies on a three-step process, known as the DFS folding technology, which *DAHON* pioneered over 40 years ago. This fundamental process involves (a) lowering the seatpost, (b) folding the steering tube, and (c) folding the frame in half. Building upon this foundation, we have continuously innovated and improved handlebar steering adjustment and positioning technologies. Our innovations enable precise multi-directional folding and steering of the handlebars, achieving significant compactness in the folded state. When combined with a landing gear, our folding bicycles in the folded state can be pushed around like luggage instead of needing to be carried, making transportation more convenient.

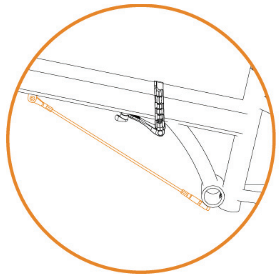


"DAHON-V" technology suite (快車道技術)

In recognition of inherent challenges in structural stability and sturdiness of folding bicycles, we developed several technologies that have significantly enhanced the structural integrity and riding performance of our folding bicycles, setting them apart from traditional folding bicycle designs. Our "DELTECH" technology and Super Down-tube technology are at the core of our technology breakthroughs.

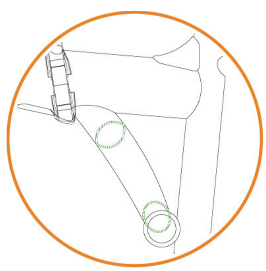
"DELTECH" technology

Traditional folding bicycles typically adopt a single-beam front frame structure. First launched in 2016, our proprietary "*DELTECH*" technology transforms the single-beam front frame structure into a triangle front frame structure through a reinforcement system featuring a lower tube and an adjustable tensioning cable, while maintaining optimal weight and compactness. The triangle front frame structure is more stable and rigid than the traditional single-beam front frame structure, which allows our folding bicycles to fulfill different consumers' cycling needs in diverse terrains. This proprietary design combines manufacturing efficiency, with effortless folding action, delivering enhanced riding stability without compromising essential folding characteristics. We have optimized the angle between the adjustable tensioning cable and the single-beam front frame structure, as well as the pre-tension of the steel cable, to increase the overall bicycle frame rigidity.



Super Down-tube technology

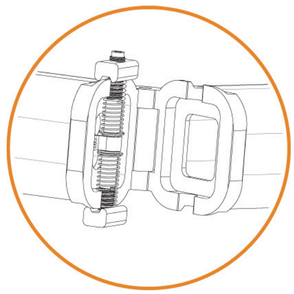
First launched in 2021, our Super Down-tube technology provides enhanced structural integrity with a flattened down tube connecting the main beam and the bottom bracket shell of a bicycle frame. The down tube design reinforces bicycle frame rigidity vertically and horizontally and improves pedaling efficiency for cyclists. We have continuously refine the force carrying structure formed by our super down-tubes, main beams and the bottom bracket shells of bicycle frames.



In our continuous pursuit of superior folding bicycle structure, we discovered that our enhanced folding bicycle designs could sometimes outperform traditional bicycles in terms of speed in test rides. This led us to identify inherent structural limitations in traditional bicycle designs that hinder riding performance. Building on this insight, we have applied our "DAHON-V" technology suite to optimize bicycle design and improve the riding speed of regular bicycles. In developing these technologies, we employed advanced analytical methods including physical analysis, computer-aided Finite Element Analysis (FEA), strain gauge testing, and developed a set of proprietary methods for measuring the rigidity of bicycles and relevant key components. This comprehensive approach and achievements demonstrate the versatility of our technological capabilities while enabling our expansion into new product categories.

Folding hinge technologies

Frame connection safety is paramount in folding bicycle design. We have developed multiple innovative hinge technologies that define our commitment to riding stability and safety and serve to elevate cyclists' confidence in our products. The connecting plates of our hinge are designed with matching protrusions and concavely shaped clamping blocks. When our bicycles are unfolded, the clamping blocks will firmly capture the protrusions and securely hold the connecting plates, ensuring safe and stable riding experience. Recently, we developed our double inner v-shaped hinge, featuring enhanced joint strength and aesthetics.



External Research and Development Cooperation

In 2024, we started to collaborate with Tsinghua University to conduct the research and development of optimizing bicycle frame rigidity. Under our agreement with Tsinghua University, we are responsible for preparing three design blueprints of bicycles, relevant testing methods and testing materials, including carbon fiber tubes, and we pay Tsinghua University a fixed fee of RMB480,000 during the year ended December 31, 2024 for developing a model evaluating the strength of carbon fiber material and optimizing the design blueprints prepared by us according to testing data. The carbon fiber strength evaluation model is expected to be developed by August 2025, and the testing and validation of the model is expected to be finished by the end of 2025. For the optimization of our design blueprints, we expect to conduct frame deformation simulation studies to identify weakness of our frame design from April to August 2025 and finish the optimization by the end of 2025. Both parties agreed that any intellectual property designed and developed under this agreement will be jointly owned by the parties.

PRODUCTION

During the Track Record Period, we employed a production model combining in-house production at our Huizhou facility with carefully selected third-party OEM suppliers. This hybrid approach provides us with operational flexibility and scalability to efficiently manage demand fluctuations, optimize production capacity utilization, and maintain cost effectiveness across our production. Our Huizhou facility serves as our manufacturing center for excellence, enabling us to maintain strict quality control standards and refine production processes. During the Track Record Period, our high-end products were primarily produced and assembled at our Huizhou facility. These insights and standards are then effectively implemented across our OEM supplier network. For further details of our OEM suppliers, see "— Suppliers and Subcontractors" below.

Production and Procurement Planning

We typically prepare production and procurement plans taking reference to production forecasts and seasonality. In order to maintain a suitable inventory level and increase our production and procurement efficiency, we regularly adjust production forecasts taking reference to actual orders received and industry and market insights from our procurement, and sales and marketing departments.

Production and assembly Process

We implement standard production and assembly processes for our folding bicycles to ensure consistent high quality and timely delivery to meet consumer demands. Production and assembly processes of OEM suppliers are largely the same as ours. The typical production cycle of our *DAHON* bicycles ranges from three to seven days. Set forth below are the key steps of our folding bicycle production process:

- *Preproduction quality control*. We conduct quality inspection over raw materials and components provided by suppliers against our internal and industry standards.

- *Building bicycle frame*. Frame tubes are cut, bent flattened, drilled, polished and welded into bicycle frames, and our proprietary folders are installed. We apply advanced welding techniques to ensure frame strength.

- *Surface treatment of bicycle frame and parts*. Bicycle frames and other parts are treated and painted according to different designs.

- *Processing and assembly of components*. We assemble handlebars, bicycle chainrings, safety disc brakes, bicycle hubs, gear systems, hinges and wheels onto bicycle frames forming complete folding bicycles.

- *Post-production quality control*. We conduct sample quality inspection and test ride for each batch of complete bicycle.

In-house Production Facility and Capacity

As of April 30, 2025, our Huizhou facility covered a GFA of approximately 14,000 square meters and had approximately 130 production personnel. The following table sets forth a summary of our annual production capacity in terms of designed production capacity and utilization rates of our production facility for the years and periods indicated.

	Year ended December 31,									Four months ended April 30,		
	2022			2023			2024			2025		
	Production capacity	Production volume	Utilization rate[(1)]	Production capacity	Production volume	Utilization rate[(1)]	Production capacity	Production volume	Utilization rate[(1)]	Production capacity	Production volume	Utilization rate[(1)]
	(units)		*(%)*	*(units)*		*(%)*	*(units)*		*(%)*	*(units)*		*(%)*
Huizhou Plant	100,000	105,445	105.5	100,000	92,948	93.0	100,000	103,848	103.9	30,432	34,725	114.1%

Notes:

(1) Production capacity is calculated based on daily production capacity (i.e. production capacity per hour multiplied by daily hours) multiplied by production days per month and production months per year and based on the following assumptions: (i) all production lines are functioning in its full capacity; (ii) our production lines operate 11.0 hours per day; and (iii) 322 working days for 2022, 2023 and 2024, respectively, and 98 working days for the four months ended April 30, 2025.

(2) The utilization rate is calculated based on the production volume for the relevant year/period divided by the production capacity for the relevant year/period.

During the Track Record Period, our utilization rate exceeded 100% in 2022, 2024 and the four months ended April 30, 2025 primarily because we increased working hours to cope with the strong demand for our products. While remaining at an exceptionally high 93.0%, our utilization rate was relatively lower in 2023 primarily due to the necessary destocking period of offshore markets following the significant surge in global bicycles sales during the public health emergency.

Critical Machinery and Equipment

We procure equipment and machinery which we believe is essential to promoting product quality and cost competitiveness for our folding bicycles. We procure and own the majority of the critical production equipment and machinery used in the production process. We source our critical production machinery and equipment from domestic and international industrial players. We conduct maintenance and overhaul of our critical production machineries and equipment to extend their service life.

The following table sets forth certain details of the critical machinery and equipment used in the production of our folding bicycles as of April 30, 2025:

Critical machinery and equipment	Number of units/sets	Function
Welding Machine	10	Welding frames, tubes and joints
Frame Assembly Station	2	Assembling the parts of bicycle frames
Heat Treatment Furnace	2	Heat treatment for alloy
Cutting Machine	2	Cutting metals
Milling Machine	5	Flattening, slotting, and milling arcs on metal parts
Correction Machine	5	Applying appropriate pressure or tension to correct the shape of workpieces

Maintenance

We carry out inspections and maintenance at our production facility. Our critical equipment or machinery will be periodically maintained and serviced based on pre-defined schedules to ensure they function properly. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material or prolonged suspension of operations due to failures of our machinery or equipment at our production facility.

SUPPLIERS AND SUBCONTRACTORS

Our Suppliers

Our suppliers primarily include our OEM suppliers and raw material suppliers. Raw material suppliers primarily include suppliers of bicycle frames, wheelsets, chainrings and chains, gear systems, brake systems, other bicycle parts and accessories.

Raw material suppliers

We strategically source our principal raw materials both domestically and internationally according to our production requirements. As of April 30, 2025, we had over 100 raw material suppliers, with most of whom we have long-term and stable relationships. In 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, we had cost of raw materials and consumables used of RMB103.6 million, RMB95.3 million, RMB121.4 million, RMB33.4 million and RMB49.4 million, respectively, accounting for 58.8%, 48.0%, 40.2%, 39.5% and 39.9% of our cost of sales in the same periods.

We strive to obtain high quality supplies from reliable sources at reasonable prices and select our suppliers with stringent standards. Before we engage a new supplier, our team evaluates various aspects of a supplier, including its production process, expertise, product quality and quality control effectiveness, price competitiveness, production capacity and ability to meet our delivery timeline. We require strict compliance with applicable laws and regulations and inspect their licenses, certifications and other accreditations. We also conduct regular evaluations on our suppliers and may cease to procure from those suppliers who (i) continuously deliver off-standard products; (ii) fail to address product defects; (iii) fail to pass our annual evaluation; and (iv) perform any actions which significantly affect our business interests. During the Track Record Period and up to the Latest Practicable Date, we did not terminate any raw material suppliers that materially and adversely affected our results of operations, nor did we experience any material breach of contracts by our raw material suppliers.

We typically enter into framework agreements with our raw material and component suppliers, setting forth general terms that will be used in each purchase order. Set forth below are key terms of our framework agreements with our raw material suppliers:

- Product description: Specifications of the raw material, quantity, price, delivery mode and schedule are provided by orders.
- Term: The duration of our framework agreements with our raw material suppliers typically is around three years.

•	Quality	Raw material suppliers shall provide us with quality test report along with the delivery of goods.
•	Credit periods	We generally settle with raw material suppliers after receiving monthly statements and invoices according to conditions prescribed in purchase orders.
•	Delivery details	Raw material suppliers shall deliver goods to destinations designated by us.
•	Liability	Raw material suppliers shall compensate us for quality defects.
•	Termination	The framework agreements can be terminated by mutual agreement in writing.

Prices of certain raw materials of our products are subject to fluctuations driven by global supply and demand dynamics, particularly that of aluminum. We do not engage in hedging using derivative instruments relating to the risk exposures in connection with our raw materials. We typically take into account such fluctuation in raw material costs when pricing our products. Before making a purchase order, we require our procurement department to obtain multiple offers from suppliers and compare key terms including price, quality, production capacity, and payment methods to optimize our procurement costs. We have not experienced any shortage of raw materials or quality issues with our raw materials during the Track Record Period and up to the Latest Practicable Date that materially affected our operations and did not experience any material dispute with our raw material suppliers.

OEM Suppliers

Due to the limited production capacity of our Huizhou facility, we engage OEM suppliers for order fulfilment. During the Track Record Period, OEM suppliers mainly produced mid-range and mass market products for us. According to our agreements with our OEM suppliers, they manufacture bicycles with raw materials and components purchased by themselves and proprietary parts provided by us. The proprietary parts provided include bicycle folders, standpipes and "DELTECH" cables. During the Track Record Period, we had five OEM suppliers, with four located in mainland China and one located in Romania. All of the OEM suppliers are Independent Third Parties. The OEM suppliers in Romania was engaged for our offshore purchase orders. As of April 30, 2025, our OEM suppliers have cooperated with us from three to seven years.

We carefully select OEM suppliers according to their product and service quality, technical capabilities, production capacities, prices and ability to meet our delivery timeline. We implement stringent quality control measures and provide technological consultations to our OEM suppliers to ensure consistent product quality whether produced in-house or externally by OEM suppliers. See "— Quality Control" below for details. In 2022, 2023 and 2024 and the four months ended April 30, 2025, we procured 44,037, 76,476, 136,690 and 65,964 bicycles from OEM suppliers, respectively, representing approximately 29.5%, 45.1%, 56.8% and 65.5% of the total units of bicycle produced in-house and procured from OEM suppliers, respectively. In

2022, 2023, 2024 and the four months ended April 30, 2024 and 2025, we incurred outsourcing production costs of approximately RMB35.6 million, RMB68.6 million, RMB138.9 million, RMB40.2 million and RMB58.3 million, respectively, representing approximately 20.2%, 34.5%, 48.3%, 47.5% and 47.1% of our cost of sales for the same periods. During the Track Record Period, we generated higher gross profit margin for products produced in-house compared to products produced by OEM suppliers, as our OEM suppliers typically charge us a management fee, typically ranging from five to six percent of the raw material costs of each bicycle produced. The table below sets forth a breakdown of gross profit and gross profit margin by bicycles produced in-house and by OEM suppliers:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Bicycles produced in-house	57,359	31.9	59,340	36.0	63,851	36.5	24,691	35.0	40,286	34.9
Bicycles produced by OEM suppliers	14,848	25.8	36,032	29.1	78,676	29.4	14,428	27.5	18,049	27.3
Total	**72,207**	**30.4**	**95,372**	**33.0**	**142,527**	**32.2**	**39,119**	**31.8**	**58,335**	**32.1**

We have implemented internal control procedures to monitor and review the order volumes placed with each OEM supplier, thereby ensuring timely fulfillment and effective supply chain management. Based on site visits conducted to our OEM suppliers, we observed that each OEM supplier appears to have sufficient production capacity to support our current procurement levels and anticipated increased requirements, providing reasonable assurance of supply adequacy.

Given our increasing procurement from OEM suppliers, we are negotiating with two qualified OEM suppliers candidates to fulfill our further needs for production capacities. Moreover, based on capacity discussions and agreements, three of our OEM suppliers have already entered into contractual arrangements designed to support a mutually agreed projected 40% increase in order volumes for 2025, including commitments to accept orders within specified tolerance ranges and compensation mechanisms to manage volume fluctuations. In particular, we provide monthly forecasts for our orders based on annual targets representing a 40% increase over 2024 production volumes, and adjustments to these forecasts can be made up to 3 months in advance. We have established a compensation mechanism with these OEM suppliers who have agreed to expand their production capacity. Under this arrangement, if our actual monthly orders fall more than 15% below our forecasted targets, we compensate the affected suppliers at a predetermined rate per unit for the shortfall, with an annual cap of RMB1 million per supplier. Conversely, if suppliers' qualified deliveries exceed our monthly forecast by more than 15%, we pay them an uncapped bonus at the same rate per unit for the excess. Additionally, suppliers have committed not to reject our orders that fall within the 15% upward tolerance range of our forecasts. If suppliers do reject such orders, they shall compensate us at the predetermined rate per unit, with an annual cap of RMB1 million per supplier. We believe these arrangements provide our suppliers with financial certainty to justify capacity expansion investments while ensuring we have committed capacity available within the agreed parameters.

We enter into framework agreements with our OEM suppliers, setting forth general terms that will be used in each production order. Set forth below are key terms of our framework agreements with our OEM suppliers:

- Product description — Specifications of the product, labelling, packaging, quantity, delivery mode and schedule are provided by orders.
- Term — The duration of our framework agreements with our OEM suppliers typically ranges from one to five years.
- Product quality — OEM suppliers shall deliver quality reports along with finished products to us for inspection. OEM suppliers are also obligated to provide a certain warranty period for the components used in the folding bicycles manufactured by them.
- Credit terms — Subject to terms and conditions of purchase orders, OEM suppliers generally grant us credit period up to 30 to 60 days after issuing invoice to us.
- Delivery details — Delivery methods of finished bicycles is determined on an order-by-order basis.
- Termination — If the OEM suppliers fail to deliver products on time, we are entitled to terminate the agreement. If one party breaches the agreement, the non-breaching party entitled to terminate the agreement.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not experience any material breach of contracts by our OEM suppliers, (ii) we did not encounter any material quality issues with respect to products supplied by OEM suppliers and (iii) there were no instances where the OEM suppliers were unable to fulfill our procurement orders that had a material adverse impact on our business operations.

Major Suppliers

During the Track Record Period, our major suppliers are OEM suppliers and suppliers of bicycle frames and other parts. In 2022, 2023 and 2024 and the four months ended April 30, 2025, purchase from our largest supplier in each year/period accounted for 15.6%, 15.9%, 16.8% and 17.6%, respectively, of our total purchase amount for the respective periods. For the same periods, purchase from our five largest suppliers in each year/period during the Track Record Period accounted for 32.7%, 42.7%, 46.2% and 52.1%, respectively, of our total purchase amount for the respective periods.

The following tables set forth the details of our five largest suppliers in each year/period during the Track Record Period.

For the year ended December 31, 2022

Supplier	Principal business	Supply type	Year of commencement of business relationship with us	Credit terms	Purchase amount	Percentage of total purchase
					(RMB'000)	
Supplier A	An OEM supplier in Dongguan, Guangdong	Finished bicycles	2017	30 days upon invoice	24,555.2	15.6%
Supplier B	An OEM supplier in Huizhou, Guangdong	Finished bicycles	2019	30 days upon invoice	8,703.6	5.5%
Supplier C	A raw material supplier in Kunshan, Jiangsu	Wheel sets	2017	60 days upon invoice	7,122.7	4.5%
Shenzhen Xiejin Hardware Products Co., Ltd ("**Shenzhen Xiejin**")[1]	A raw material supplier in Shenzhen, Guangdong	Bicycle parts	2017	30 days upon invoice	5,785.0	3.7%
Supplier D	An OEM supplier in Changzhou, Jiangsu	Finished bicycles	2017	60 days upon invoice	5,113.8	3.3%
					51,280.3	32.7%

Note:

1. Shenzhen Xiejin was controlled as to 40% by Dr. Hon through Dahon Technology before June 2022. As Dr. Hon would like to focus on the business of folding bicycles, he disposed of all his interests in Shenzhen Xiejin in June 2022 to Ms. Li Jie, an existing shareholder of Shenzhen Xiejin. Since then, Shenzhen Xiejin has been an Independent Third Party. In 2023 and 2024, our purchase from Shenzhen Xiejin amounted to RMB5.1 million and RMB9.1 million, respectively, accounted for 2.6% and 2.9%, respectively, of our total purchase amount for the respective periods.

For the year ended December 31, 2023

Supplier	Principal business	Supply type	Year of commencement of business relationship with us	Credit terms	Purchase amount	Percentage of total purchase
					(RMB'000)	
Supplier A	An OEM supplier in Dongguan, Guangdong	Finished bicycles	2017	30 days upon invoice	31,851.6	15.9%
Supplier E	An OEM supplier in Dongguan, Guangdong	Finished bicycles	2022	30 days upon invoice	21,650.4	10.8%
Supplier B	An OEM supplier in Huizhou, Guangdong	Finished bicycles	2019	30 days upon invoice	13,723.9	6.9%
Supplier F	A raw material supplier in China's Taiwan region	Gearing systems and free wheel	2017	100% Prepayment	12,764.9	6.4%
Supplier G	A raw material supplier in Shanghai	Chainrings	2017	60 days upon invoice	5,194.3	2.6%
					85,185.1	42.6%

For the year ended December 31, 2024

Supplier	Principal business	Supply type	Year of commencement of business relationship with us	Credit terms	Purchase amount	Percentage of total purchase
					(RMB'000)	
Supplier A	An OEM supplier in Dongguan, Guangdong	Finished bicycles	2017	30 days upon invoice	52,767.6	16.8%
Supplier B	An OEM supplier in Huizhou, Guangdong	Finished bicycles	2019	30 days upon invoice	39,471.3	12.5%
Supplier E	An OEM supplier in Dongguan, Guangdong	Finished bicycles	2022	30 days upon invoice	28,600.8	9.1%
Supplier F	A raw material supplier in China's Taiwan region	Gearing systems, free wheel, chain plate	2017	100% Prepayment	15,455.3	4.9%
Shenzhen Xiejin	A raw material supplier in Shenzhen, Guangdong	Bicycle parts	2017	90 days upon invoice	9,054.0	2.9%
					145,349.0	46.2%

For the four months ended April 30, 2025

Supplier	Principal business	Supply type	Year of commencement of business relationship with us	Credit terms	Purchase amount	Percentage of total purchase
					(RMB'000)	
Supplier A	An OEM supplier in Dongguan, Guangdong	Finished bicycles	2017	50% after 45 days of invoice, and 100% after 60 days of invoice	26,293.1	17.6%
Supplier B	An OEM supplier in Huizhou, Guangdong	Finished bicycles	2019	60 days upon invoice	19,595.4	13.1%
Supplier E	An OEM supplier in Dongguan, Guangdong	Finished bicycles	2022	30 days upon invoice	14,041.6	9.4%
Supplier F	A raw material supplier in China's Taiwan region	Gearing systems, free wheel, chain plate	2017	100% Prepayment	9,300.4	6.2%
Supplier H	A raw material supplier in Singapore	Break, gearing systems, free wheel, chain plate	2022	100% Prepayment	8,515.8	5.8%
					77,746.3	52.1%

Save for Shenzhen Xiejin, during the Track Record Period and as of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

QUALITY CONTROL

Product quality is vital to our business, since any potential quality defect may cause significant risks to consumers. We have devoted substantial resources to quality control since the founding of our business and have obtained ISO9001 certification for our quality management system. Our quality control system encompasses all aspects of our operations, including product design and development, sample production, procurement, production (both in-house and OEM), packaging, inventory storage, delivery and after-sales services. We believe highly reliable products foster consumer satisfaction and confidence in our brand name which in turn encourages brand loyalty. As of April 30, 2025, we had 18 quality control personnel.

Our quality control department is responsible for formulating and implementing our quality control policies across our production network, conducting inspections, and maintaining consistent quality standards for both in-house and OEM production. We formulate our quality control policies strictly following the Safety Requirements for Bicycles (National Standards, GB 3565–2022) (《自行車安全要求》) of the PRC, the European Standards EN ISO 4210 and the Japan standard JIS D9301–2019. These policies are regularly updated to accommodate new products and manufacturing processes. Our quality control personnel conducts site visits to both our Huizhou facility and that of our OEM suppliers to ensure consistent implementation of our quality standards. Moreover, according to CIC, *DAHON* established the first folding bicycle testing center in mainland China. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material quality control issues that would have a significant adverse impact on our business, financial condition or reputation.

Quality Control of Procurement

We only purchase raw materials and components from qualified suppliers who have passed our quality and reliability assessment. In accordance with our internal guidelines, our quality control personnel inspect all incoming shipments from our suppliers according to the technical standards of our product design, including appearance, specifications and functionality, to identify and address defects early in the production process as possible.

Quality Control of Production

In order to ensure consistent quality of our products, we have implemented comprehensive operating procedures covering the entire production process across both our in-house facility and OEM suppliers' operations. For in-house production, we conduct regular inspections and maintenance to our equipment and machinery to ensure proper functioning. For OEM production, we dispatch our quality control personnel to OEM production facilities to provide training regarding our technological standards and product specifications, and oversee the implementation of our quality standards. We set quality checkpoints for key production steps and conduct quality inspections on semi-finished products to ensure consistent quality of our products. Inspection procedures include (i) bicycle frame and pedal durability testing using automated stationary bicycle trainers (100,000 rotations at 100 revolutions per minute); (ii) corrosion resistance testing of parts.

Quality Control of Finished Products

Our quality control procedures also cover storage, delivery and sales stages to ensure customers receive our products in good condition. Our finished products are carefully packaged and stored. We conduct random out-of-box inspection on our finished products. Additionally, we take safety measures to minimize water damage and other similar risks to our finished products.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics and Warehouses

We primarily utilize warehouses leased from third parties, warehouses of our OEM suppliers and intermediate warehousing facilities of e-commerce platforms for storage and timely and efficient delivery of our products across our distribution network. As of April 30, 2025, we had three warehouses located in Huizhou.

We procure delivery services from third-party logistics service providers. As of April 30, 2025, we collaborated with two third-party logistics service providers. We select logistics service providers based on their track record, delivery efficiency, management ability and price. Our arrangements with third-party logistics service providers allow us to efficiently deliver our products, reduce our capital investment and reduce the risk of incurring liability for traffic accidents, delivery delays or loss. Once our logistics service providers confirm receipt of the products to be delivered, the risks relating to the transportation and delivery of our products are transferred to the logistics service providers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption in the delivery of our products or suffer any loss as a result of delays in delivery or poor handling of goods.

Inventory Management

Our inventories primarily consist of raw materials, work in progress and finished goods. In 2022, 2023, 2024 and the four months ended April 30, 2025, our inventory turnover days were 118 days, 126 days, 116 days and 124 days, respectively. See "Financial Information — Selected Key Items of Consolidated Statement of Financial Position — Current Assets and Current Liabilities — Inventories" for details.

We use our SAP system to track our inventory level, which enables our production department to timely monitor our inventory, proactively coordinate with our procurement department and sales and marketing departments and maintain suitable levels of raw materials and components, finished and semi-finished products. We typically prepare production and procurement plans taking reference to production forecasts and seasonality. In order to maintain a suitable inventory level and increase our production and procurement efficiency, we regularly adjust of production forecasts taking reference to actual orders received and industry and market insights from our procurement and sales and marketing departments. Moreover, when formulating the annual upgrading plans of our bicycle designs, we would consider to utilize the current raw materials and components we hold as inventory without compromising our advanced bicycle designs.

SALES AND DISTRIBUTION

Overview

We have a broad sales and distribution network for our products, covering both offline and online channels. We not only engage distributors to distribute our products through their online and offline stores but also sell directly to consumers and retailers. The following table sets forth a breakdown of our revenue by sales channel.

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000*	*%*
Domestic sales	**198,030**	**77.9**	**279,821**	**93.2**	**420,895**	**93.4**	**114,835**	**91.3**	**174,336**	**94.4**
— Sales to distributors[(1)]	155,778	61.3	211,501	70.5	307,123	68.2	90,255	71.8	128,441	69.5
— Offline direct sales	28,107	11.0	10,251	3.4	13,610	3.0	3,005	2.4	6,022	3.3
— Online direct sales	14,145	5.6	58,069	19.3	100,162	22.2	21,575	17.1	39,873	21.6
Offshore sales	**56,158**	**22.1**	**20,335**	**6.8**	**29,825**	**6.6**	**10,918**	**8.7**	**10,405**	**5.6**
Total	**254,188**	**100.0**	**300,156**	**100.0**	**450,720**	**100.0**	**125,753**	**100.0**	**184,741**	**100.0**

Note:

(1) Includes sales of certain distributors through their online stores. See "Domestic Sales — Sales to distributors — Major terms of distribution agreements" below for details.

The following table sets forth a breakdown of our revenue by geographic regions.

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Mainland China	**198,029**	**77.9**	**279,821**	**93.2**	**420,895**	**93.4**	**114,835**	**91.3**	**174,337**	**94.4**
Asia	**40,121**	**15.8**	**15,939**	**5.3**	**24,339**	**5.4**	**8,299**	**6.6**	**8,565**	**4.6**
— Japan	20,839	8.2	10,444	3.5	14,923	3.3	5,540	4.4	4,577	2.5
— Korea	1,954	0.8	557	0.2	2,803	0.6	10	0.0	2,212	1.2
— Other Asia countries	17,328	6.8	4,938	1.6	6,613	1.5	2,749	2.2	1,776	0.9
Northern America	**7,607**	**3.0**	**860**	**0.3**	**678**	**0.2**	**184**	**0.2**	**851**	**0.5**
— United States	7,607	3.0	633	0.2	678	0.2	184	0.2	851	0.5
— Other Northern America countries	—	—	227	0.1	—	—	—	—	—	—
Europe	**6,092**	**2.4**	**3,295**	**1.1**	**4,236**	**0.9**	**2,430**	**1.9**	**786**	**0.4**
Oceania	**2,151**	**0.8**	**237**	**0.1**	**422**	**0.1**	**1**	**0.0**	**202**	**0.1**
Other	**188**	**0.1**	**4**	**0.0**	**150**	**0.0**	**4**	**0.0**	**—**	**—**
Total	**254,188**	**100.0**	**300,156**	**100.0**	**450,720**	**100.0**	**125,753**	**100.0**	**184,741**	**100.0**

According to CIC, adoption of folding bicycles is highest in mainland China and other Asian origins, where smaller dwelling sizes, limited parking and permissive public-transport carriage make portability a core purchase criterion. Supported by an established cycling culture and the first/last-mile integration with rail networks, Europe shows medium-to-high penetration with demand tilting towards lightweight/performance and e-folding models. Northern America has lower but rising penetration concentrated in urban cores cities and recreational niches, with higher price elasticity and emphasis on comfort features. Oceania exhibits niche yet stable urban demand. Consistent with these patterns and as reflected in the revenue breakdown set out above, Mainland China accounts for the majority of revenue, while offshore sales are primarily derived from other Asian markets with smaller contributions from North America, Europe and Oceania.

Domestic Sales

Sales to distributors

In line with industry norm, we primarily sell our products through our network of distributors to effectively cover the mainland China market. BICYCLE brands in mainland China generally adopt the distribution model as it enables broader geographic coverage, leverages local market expertise, and optimizes logistical efficiency. This model allows brands like ours to focus on product development and brand building while distributors, with their established regional networks and customer relationships, handle the complexities of regional sales, after-sales service, and inventory management across China's diverse markets.

We typically sell our products to domestic distributors who further sell our products directly to end consumers through their self-operated retail outlets or through their network of sub-distributors who operate physical retail outlets. As of April 30, 2025, we cooperated with 38 domestic distributors in the PRC which controlled 680 retail outlets across 30 provincial-level administrative regions in the PRC. To the best knowledge of our Directors, as of the Latest Practicable Date, substantially all the distributors were primarily engaged in the bicycles distributing business in the PRC. In 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, revenue generated from sales to domestic distributors was RMB155.8 million, RMB211.5 million, RMB307.1 million, RMB90.3 million and RMB128.4 million, respectively, representing 61.3%, 70.5%, 68.2%, 71.8% and 69.5% of our revenue from sales of products for the same periods.

The following map is an illustration of the geographic coverage and the number of retail outlets as of April 30, 2025.

During the Track Record Period and up to the Latest Practicable Date, we have maintained good business relationships with our domestic distributors. The table below sets forth the movement in number of our domestic distributors during the periods indicated:

	For the year ended December 31,			For the four months ended April 30,
	2022	2023	2024	2025
Number of domestic distributors at the beginning of the period	35	38	37	38
Number of new domestic distributors[(1)]	3	1	1	—
Number of terminated domestic distributors[(2)]	—	2	—	—
Number of domestic distributors at the end of the period	**38**	**37**	**38**	**38**

Notes:

1. Number of new distributors represents those distributors that made purchases from us for the year/period indicated but did not purchase from us for the year immediately preceding the year/period indicated.

2. Number of terminated distributors represents those distributors that we directly terminated during the year/period indicated and those distributors that made purchases from us for the year/period preceding the year/period indicated but did not purchase from us for the year/period indicated.

During the Track Record Period, we terminated distribution relationship with two distributors due to (i) subpar performance and (ii) violation of our distributor management policies. Our relationship with our distributors is a buyer and seller relationship. Our distributors typically place five to ten orders for various bicycle models per month depending on their sales volume. The typical lead time of the our sales to distributors ranges from five days to ten days. We deliver our products to distributors after they make relevant purchase payments, and they acquire ownership of the products when delivered. Revenue is recognized at a point in time upon the receipts of the goods by the distributors. We generally do not allow return or exchange unless relevant products are defective. According to CIC, our product return and exchange policy for distributors is common in the industry. During the Track Record Period, the number of returned products from distributors was nil, which reflects the quality and generally strong consumer demand for our products. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material disputes or legal proceedings with our distributors.

To the best of our knowledge, all of our distributors during the Track Record Period were Independent Third Parties.

Selection of New Distributors

We select distributors with stringent standards and conduct annual assessment of existing distributors to ensure our distributors are well equipped to represent our brand and promote our products. Set forth below are major considerations of our distributor selection standards:

- *Business qualification*. We require distributor candidates to obtain all requisite business licenses and permits to sell our products.

- *Industry insight and marketing experience*. Distributor candidates with relevant industry insight and marketing experience that can help promote the sales of our products are strongly preferred.

- *Financial resources*. As we require payment before delivery of our products, distributor candidates shall demonstrate sufficient financial resources to operate retail outlets and distribution networks and maintain sustainable inventory levels for their business operations.

- *Management ability and sales force*. We assess distributor candidates' operational and management capabilities and the abilities of their sales forces through previous or current business experience.

We conduct stringent annual assessments of our business relationships with existing distributors. We evaluate distributors based on several key criteria including, among others, their annual purchase volume, distribution network expansion and advertising and marketing activities. We may terminate our business relationship with distributors who engage in unauthorized practices, violate our distribution agreements, infringe our intellectual property rights, or conduct other improper behaviors that could damage our brand, and we will take prompt and appropriate action to safeguard our brand.

Major Terms of Distribution Agreements

We typically enter into standard distribution agreements with our distributors. Major terms of our standard distribution agreements include:

- *Duration*. The duration of distribution agreements typically ranges from one to three years.

- *Right to use our trademark*. We authorize our distributors to use our trademarks within the duration and scope of distribution agreements.

- *Retail outlets operations*. Distributors shall establish retail outlets according to our decoration plans. We will provide decoration materials once relevant purchase requirements have been fulfilled.

- *Sales target*. We generally do not set annual or monthly minimum purchase requirements. Instead, we work with our distributors to establish mutually agreed annual sales targets based on market trends and historical performance. Distributors who achieve these targets may qualify for incentive discounts on future orders. In addition, the distribution agreement also specifies the number and level of retail outlets to be opened by distributors. According to our distributor management policy, the prescribed incentive discounts would be up to two percent of future purchase amount, depending on the actual sales amounts achieved, retail outlets opened and other contractual obligations performed by a distributor.

- *Distribution area*. Distributors are only allowed to sell our products in a designated geographic area and are prohibited from distributing our products through any online channels without our authorization. As of the Latest Practicable Date, we authorized four of our distributors, which we believe having suitable sales network, service capability and financial resources, to operate online stores to grasp more consumer traffic and further promote our brand online. Our distributors are also prohibited from distributing any products that may compete with our products.

- *Sub-distribution*. We authorize our distributors to engage sub-distributors within their designated geographic area. We generally do not enter into direct agreements with sub-distributors but require our distributors to provide us with copies of their sub-distribution agreements.

- *Recommended wholesale and retail price*. We provide uniform pricing guidance for wholesale and retail prices for sales to sub-distributors and end customers across all distribution areas. While distributors are expected to generally follow our recommended pricing structure, they may make reasonable adjustments based on local market conditions and regional factors when selling our products.

- *Payment*. We require distributors to make payment before the delivery of our products.

- *Delivery*. We arrange delivery of our products according to the time and method specified in purchase orders from distributors.

- *Return or exchange*. We typically do not allow return or exchange of products from distributors unless relevant products are defective.

- *Termination*. We are entitled to terminate the distribution agreement if the distributor materially breaches the contract.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any of our distributors committing any material breach of their distribution agreements.

Sub-distributors

In line with industry practice in mainland China, we allow distributors to engage sub-distributors within their designated distribution area. To the best knowledge of our Directors, as of the Latest Practicable Date, substantially all the sub-distributors were individuals or private enterprises primarily engaged in distributing bicycles in mainland China. We do not have contractual relationships with sub-distributors but require our distributors to submit their contracts with sub-distributors to us. In 2022, 2023, 2024 and the four months ended April 30, 2025, our domestic distributors engaged 750, 663, 648 and 640 sub-distributors. The sub-distributors that stopped distributing our products during the Track Record Periods primarily operated dealer stores (經銷店), which only requires them to maintain a minimum number of *DAHON* bicycle models in their product portfolio. Such sub-distributors may lack sufficient financial resources or long-term commitment to operate under our distribution network, and we are more inclined to compose our distribution network with sub-distributors that are more resourceful and capable of focusing on distributing our products. For details of the level of our distributor retail outlets, see "— Distributor Retail Outlets." To the best knowledge of our Directors, all of the sub-distributors were Independent Third Parties.

Generally, our distributors are responsible for managing their sub-distributors, including ensuring the sub-distributors comply with our overall sales and distribution policies. Under our standardized distribution agreement, our distributors are responsible for managing their sub-distributors including limiting them to resell our products within the designated distribution areas. If we become aware of any non-compliance or misconduct of a sub-distributor, we will notify the relevant distributor and sub-distributor accordingly and request them to take rectification and improvement measures. In case of any material breach or that any sub-distributor's activity disrupts the market of our products, we are entitled to terminate the distribution agreement with the relevant distributor in accordance with the distribution agreement. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material violation of our sales policies by sub-distributors.

Distributor Retail Outlets

Distributor retail outlets of the domestic distributors and their sub-distributors are categorized into three levels: flagship stores (直營店), shop-in-shop stores (店中店) and dealer stores (經銷店). Flagship stores exclusively sell *DAHON* bicycles. Shop-in-shop stores may carry other bicycle brands but are only permitted to sell *DAHON* folding bicycles. Dealer stores are required to maintain a minimum number of *DAHON* bicycle models in their product portfolio. This tiered retail structure aligns with common industry practice in the bicycle sector and enables efficient market penetration while maintaining appropriate levels of brand presence across different retail environments. Generally each tier follows specific store decoration and display guidelines, with flagship stores adhering to the most comprehensive standards, ensuring consistent brand presentation across our retail network. We will provide certain amount of decoration materials for free to distributor retail outlets that have satisfied purchase requirements. The purchase requirements and the worth of decoration materials provided are determined based on the levels of retail outlets. As of December 31, 2022, 2023, 2024 and April 30, 2025 , we had 779, 691, 688 and 680 distributor retail outlets, respectively. The decline in the number of our distributor retail outlets was in line with the decrease in the number of our sub-distributors. Our current strategic direction focuses on increasing the composition of higher-level flagship and shop-in-shop stores to boost and consolidate brand image, while strategically reducing reliance on dealer stores (which typically are only required to shelve a few our *DAHON* bicycles). This quality-oriented approach is evident in the significant increase in the number of flagship stores in 2024, alongside the steady reduction in the number of dealer stores. Our flagship stores are primarily located in first-tier cities and our dealer stores are primarily located in other lower-tier cities. For details, see "— Sales and Distribution — Domestic Sales — Sales to distributors — sub-distributors". The table below sets forth the breakdown of our distributor retail outlets by store level as of December 31, 2022, 2023, 2024 and April 30, 2025:

	As of December 31,			**As of April 30,**
	2022	**2023**	**2024**	**2025**
Flagship store	101	105	232	229
Shop-in-shop store	144	154	219	219
Dealer store	534	432	237	232
Total	779	691	688	680

Distributor management

Our sales and marketing department manages our distribution network. As of April 30, 2025, the department includes a team of eleven persons who are responsible for conducting on-site visits across our distribution network. To minimize the risk of cannibalization, we have adopted the following measures: (i) we provide recommended wholesale and retail prices to our distributors to ensure consistent pricing of our products across different markets; (ii) we typically designate one domestic distributor for a specific geographic area which are usually provinces or highly populated and economically developed cities, and our distributors and their respective sub-distributors are prohibited from selling products outside the area; (iii) distributors are required to maintain a minimum distance, typically ranging from three to seven kilometers, between each store within their designated areas; (iv) we assign a unique bar code to each of our product that allows us to trace the designated area that product was delivered to; (v) our sales and marketing department will conduct regular on-site visits of retail outlets to manage possible cannibalization incidents, including sales over designated areas and violation of our pricing policy. Any non-compliant activities will be reported to us in a timely manner, and we will mandate immediate rectification by non-compliance distributors or respective sub-distributors; and (vi) we also engaged a third-party inspection company to monitor unauthorized online stores selling our bicycles and identify non-compliant distributors.

Moreover, we strive to provide our distributors with operational supports to boost their development and have adopted several measures to prevent channel stuffing, which primarily include (i) our sales and marketing personnel review distributors' sales plan and sales target, giving them advice to further improve sales performance and avoid inventory build-up; (ii) we contact our distributors from time to time to understand their sales performance, to estimate their inventory levels and to provide marketing advice accordingly, and therefore help them avoid overstocking. Feedback from distributors informs us of the actual market demand of our products and facilitates us in preparing our sales and production forecasts to maintain optimal levels of inventory at our end; (iii) our on-site inspection team conducts regular inspections of the retail outlets operated by our distributors and sub-distributors to monitor their sales, storage conditions, quality control and inventory levels; and (iv) each of our bicycles is assigned a unique bar code that, when scanned, enables us to track which retail outlet the bicycle was delivered to. We are in the process of strengthening our channel management capabilities through analyzing multiple data sources, including cross-checking distributor reports, site visit observations, and bar code scanning data, to better understand our distributors' sales performance and inventory positions. Starting from September 30, 2024, we have enhanced our inventory monitoring practices by implementing more comprehensive and regular collection of inventory information from our distributors. We believe this multi-dimensional approach, once more extensively adopted across our network, would allow us to better support our distributors in maintaining appropriate inventory levels while providing valuable insights into market demand patterns to optimize sales opportunities. Based on information provided by our distributors, we estimate that as of December 31, 2022, 2023, 2024 and April 30, 2025, the aggregate inventory of our bicycle products held by distributors and their respective sub-distributors was approximately 26,000 units, 35,000 units, 46,000 units and 46,000 units (taking sample bicycles for exhibition and test ride purposes into account), respectively, and the estimated corresponding inventory turnover days in 2022, 2023, 2024 and the four months ended April 30, 2025 was 83 days, 94 days, 89 days and 80 days, respectively. The aggregated inventory of our bicycle products held by distributors and their respective sub-distributors as of April 30, 2025 represented approximately 57.8% of our total sales volume to distributors for the four months ended April 30, 2025. As of July 31, 2025, the estimated unsold inventory of our bicycle products held by distributors and their respective sub-distributors was approximately 41,000 units.

If we discover any non-compliant issues during the inspections, we will notify the relevant distributors and sub-distributors in writing and require them to rectify within a specified period of time. For material non-compliance, we are entitled to terminate the distribution agreements with the non-compliant distributors who are also liable for breaches by their respective sub-distributors. For sales outside designated areas and violation of our pricing policy, we may (i) fine non-compliant distributors for such breaches; and/or (ii) increase the prices of their future purchase orders. Furthermore, we generally only allow return or exchange of products for quality defects. We believe that this product return policy, coupled with our general requirement of payment-before-delivery, discourages distributors from over-ordering and prompts them to purchase our products based on actual demands and avoid large inventory accumulation which helps us avoid channel stuffing.

Offline Direct Sales

To a substantially lesser extent, we also sold our products offline in mainland China primarily through (i) a self-operated offline store in Shenzhen and (ii) a mass-market retailer, Sam's Club. The self-operated offline store showcases our brand positioning, serves as a direct channel for obtaining face-to-face valuable consumer feedback and provides guidance and best practices for the operation and management of our distributors' and sub-distributors' retail outlets. We began our collaboration with Sam's Club in September 2023, and as of April 30, 2025, our products were available in 46 Sam's Club locations across mainland China. We believe collaboration with Sam's Club complements our distribution network by expanding our product reach to a broader consumer base and boosting our brand visibility. We sell customized model of folding bicycles to Sam's club, which are different from the products we sell through other channels. We have a seller-buyer relationship with Sam's Club and set a uniform retail price for the customized model. We do not set any sales target or minimum purchase requirements for Sam's Club. After relevant products have been delivered to Sam's Club, we would issue an invoice for payment, and Sam's Club is required to settled outstanding payments within 60 days of the invoice date. Revenue is recognized at a point in time when control of the goods has transferred to Sam's Club, upon the receipt of the goods. As a matter of return policy, we allow Sam's Club to return defective products and products with unsatisfactory sales. Since the beginning of our cooperation with Sam's Club, the average sales return rate of products sold to Sam's Club during the Track Record Period was approximately 1.2%. Our agreement with Sam's Club has a term of one year and will automatically renew for extension for one year each time upon the expiration of the term if neither Sam's Club nor we refuse to renew.

We believe the cannibalization risk between our distributors and Sam's club is low, primarily because (i) Sam's club is a membership store which only serves its members, while our distributors serve the general public who are interested in *DAHON* bicycles; (ii) Sam's club only sells one out of more than 70 bicycle models offered by us. Our distributors usually offer more diversified product portfolio of *DAHON* bicycles; (iii) the retail outlets controlled by our distributors, located in more than 200 cities, cover a broader geographic scope than Sam's Club does, as Sam's Club only offers our products at 46 locations; and (iv) our distributors and sub-distributors provide comprehensive and professional after-sale and maintenance services to all consumers of *DAHON* bicycles, including those who purchase through Sam's club.

Online Direct Sales

Our online sales network consists of our self-operated online stores and sales to JD.com's store, an e-commerce platform. As of April 30, 2025, we have four self-operated online stores on mainstream e-commerce or social media platforms, namely JD.com, Tmall, Douyin and Pinduoduo. In addition, we engage JD.com to distribute our products through its own online stores to further expand our online presence under a consignment model. Under this consignment model, revenue is recognized at a point in time upon the receipts of the goods by consumers.

Online Channel Management

Store management. All self-operated online stores are managed and operated by our domestic sales and marketing department. JD.com manages and operates its own online stores, while we require our brand image to be presented in a consistent manner and will provide guidance on promotional materials used.

Order and delivery. For our self-operated online stores, we handle customer orders and payments and deliver products to customers directly. For JD.com's stores, we deliver products sold to JD.com to its designated addresses or intermediate warehouses.

Payment. Retail customers of our self-operated online stores generally make payment through corresponding e-commerce platforms. For JD.com's store, we settle payment with them according to our framework agreement and typically on a 35-day basis.

Product return and exchange. In accordance with relevant rules and regulations, all the domestic e-commerce platforms we work with impose a seven-day return/exchange policy, allowing consumers to return or exchange our products within seven days after the delivery for no cause, and we abide by the return or exchange policies imposed by e-commerce platforms. For sales to JD.com's store, we allow unconditional product return. We agreed to grant the unconditional product return to JD.com's store due to commercial considerations, such as its leading position and consumer traffic, which allow us to reach a vast number and broad customer base. According to CIC, unconditional product return is a standard practice of major e-commerce platform to attract consumer traffic. In 2022, 2023, 2024 and the four months ended April 30, 2025, the return rates of our products sold under the unconditional seven-day return policy were 2.0%, 2.3%, 2.9% and 2.3%, respectively.

Our online sales experienced significant growth during the Track Record Period. Revenue from online direct sales increased by 312.1% from RMB14.1 million in 2022 to RMB58.1 million in 2023 and increased by 72.5% from RMB58.1 million in 2023 to RMB100.2 million in 2024, and increased by 84.7% from RMB21.6 million for the four months ended April 30, 2024 to RMB39.9 million for the same period of 2025. However, we believe our online channels do not pose significant risk of cannibalization to our offline distribution network. On-site experience and test riding provide consumers with direct understanding of the performance and riding comfort of bicycles, and therefore offline channels are still important factors of customers' decision-making process when purchasing bicycles. Our offline sales also experienced significant growth during the Track Record Period. Revenue from sales to distributors and offline direct sales increased by 20.6% from RMB183.9 million in 2022 to RMB221.8 million in 2023 and further increased by 44.6% to RMB320.7 million in 2024, and increased by 44.2% from RMB93.3 million for the four months ended April 30, 2024 to RMB134.5 million for the same period of 2025. In addition, we have implemented a number of internal control measures to prevent cannibalization between our online and offline channels, including (i) offering different products exclusively in online channels to differentiate from product offerings in offline channels, (ii) designing different marketing themes for online and offline channels, and (iii) during major e-commerce events (such as 618 Shopping Festival and Double 11 Shopping Festival) where online stores on e-commerce platforms typically offer discounts and incentives, which are generally ranged from three to seven percent, we coordinate online and offline promotional campaigns to maintain channel harmony by providing non-cash incentives to our domestic distributors in the form of discounts on their purchases for the preparation of such peak sales seasons.

Moreover, we believe our direct sales to Sam's Club and JD.com pose no risk of channel stuffing despite their product return policies that allow them to return our products upon request. Both retailers are reputable Independent Third Parties with sophisticated procurement and inventory management systems that effectively maintain healthy inventory levels. According to CIC, the relatively favorable product return policy granted to these retailers is standard practice among major retailers of their scale in the industry due to their strong bargaining power. Nevertheless, we did not experience any material product return requests from Sam's Club and JD.com during the Track Record Period. We believe their reputation, market position and independence from our Group eliminates any commercial incentive for them to engage in channel stuffing against their own financial interests and efficient operation. The consignment selling model with JD.com further mitigates our risk from channel stuffing, as we recognize revenue at a point in time upon the receipts of the goods by consumers. In addition, sales to Sam's Club and JD.com represented a relatively small percentage of our overall sales during the Track Record Period, further mitigating channel stuffing concerns. Furthermore, we have not experienced any recoverability issues with trade receivables from Sam's Club and JD.com throughout the Track Record Period. Given their established reputations, substantial financial strength, and long-standing market positions, we anticipate continued strong payment performance from these key retail partners going forward.

Offshore Sales

During the Track Record Period, our products, including *DAHON* bicycles and accessories, apparel and other related products, were sold in 28 countries and regions outside mainland China, including Japan, Thailand, the U.S. and the EU.

The following table sets forth a breakdown of the revenue, sales volume and average selling prices of our *DAHON* bicycles under our offshore sales by geographic regions.

	Year ended December 31,									Four months ended April 30,					
	2022			2023			2024			2024			2025		
	Revenue	Sales volume	Average selling price per unit	Revenue	Sales volume	Average selling price per unit	Revenue	Sales volume	Average selling price per unit	Revenue	Sales volume	Average selling price per unit	Revenue	Sales volume	Average selling price per unit
	RMB'000	*unit*	*RMB*	*RMB'000*	*unit*	*RMB*	*RMB'000*	*unit*	*RMB*	*RMB'000* (unaudited)	*unit*	*RMB*	*RMB'000*	*unit*	*RMB*
Asia	34,627	21,652	1,599	10,907	5,668	1,924	21,535	11,299	1,906	7,562	4,121	1,835	7,698	4,608	1,671
North America	6,973	2,325	2,999	573	221	2,592	678	282	2,405	184	40	4,600	851	255	3,337
Europe	1,614	1,015	1,590	3,010	1,647	1,828	4,131	1,285	3,214	2,394	829	2,888	785	242	3,244
Oceania	2,146	1,220	1,759	233	109	2,142	410	310	1,322	—	—	—	202	155	1,303
Other	185	160	1,154	4	3	1,357	141	102	1,379	4	2	2,000	—	—	—
Overall	**45,544**	**26,372**	**1,727**	**14,728**	**7,648**	**1,926**	**26,894**	**13,278**	**2,024**	**10,144**	**4,992**	**2,032**	**9,536**	**5,260**	**1,813**

Our offshore sales are primarily carried out through offshore distributors, including trading companies or importer with local experience and sales channels in their respective markets. To a lesser extent, we also sell our products through e-commerce platforms, including Amazon and Walmart to offshore markets. As of April 30, 2025, we engaged 13 offshore distributors.

	For the year ended December 31,			For the four months ended April 30,
	2022	2023	2024	2025
Number of offshore distributors at the beginning of the period	47	37	26	35
Number of new offshore distributors[(1)]	7	11	19	2
Number of terminated offshore distributors[(2)]	17	22	10	24
Number of offshore distributors at the end of the period	37	26	35	13

Notes:

1. Number of new offshore distributors represents those partners that made purchases from us for the year/period indicated but did not purchase from us for the year immediately preceding the year/period indicated.

2. Number of terminated offshore distributors represents those partners that we directly terminated during the year/period indicated and those partners that made purchases from us for the year preceding the year/period indicated but had not purchased from us for the year/period indicated. Such distributors may purchase from us in a subsequent period.

In 2022, 2023, 2024 and the four months ended April 30, 2024 and 2025, revenue generated from sales to offshore distributors was RMB54.5 million, RMB19.7 million, RMB29.4 million, RMB10.7 million and RMB9.6 million, respectively, representing 97.0%, 97.0%, 98.7%, 98.3% and 92.7% of our revenue generated from offshore sales of the same periods. In 2022, 2023, 2024 and the four months ended April 30, 2024 and 2025, revenue generated from our sales through international e-commerce platforms was RMB1.7 million, RMB0.6 million, RMB0.4 million, RMB0.2 million and RMB0.8 million, respectively, representing 3.0%, 3.0%, 1.3%, 1.7% and 7.3% of our revenue generated from offshore sales of the same periods. Products sold through offshore sales are produced and designed according to local laws, regulations and quality standards. The number of our offshore distributors fluctuated during the Track Record Period, and our revenue generated from our offshore sales decreased from RMB56.2 million in 2022 to RMB20.3 million in 2023 primarily because (i) some of our offshore distributors stopped making purchase from us due to their own financial conditions; and (ii) the significant surge in global bicycles sales during the public health emergency was followed by a necessary destocking period. Our revenue generated from our offshore sales then increased to RMB29.8 million in 2024 primarily reflecting gradual normalization of international business activities during the year.

During the Track Record Period, we did not enter into framework distribution agreements with most of our offshore distributors. To our best knowledge, offshore distributors normally make purchase orders with us according to their own anticipation of market demand or actual orders received from their customers. Therefore, we generally do not set minimum purchase targets or sales goal, nor do we generally offer incentives to offshore distributors. Moreover, while our offshore distributors are naturally limited to operating within their respective countries or regions, we generally do not impose additional geographic restrictions within their respective markets because each of our offshore markets have not been sufficiently covered with enough untapped regions for offshore distributors to expand, and our current stage of offshore market development is mainly focused on establishing strong local partnerships and building brand awareness in each market. Based on the above, we believe we are at low risks of cannibalization and channel stuffing with respect to our offshore sales.

PRODUCT PRICING

The retail prices of our products are determined based on various factors, including market positioning for the specific product model, procurement and production costs, market conditions, the price of comparable products in the market, and the expected profit margins for us. For products with the same specifications, we generally implement a consistent overall pricing strategy and recommended retail prices across all channels. With respect to sales to distributors, our products are generally sold at discounts to retail prices, ranging from approximately 20% to 30%, with such discounts taking into account distributors' operational costs and profit margin, procurement volumes, geographical locations and the overall prices of our products across the market. Distributors may make reasonable adjustments to our recommended retail prices based on local market conditions and regional factors when selling our products. For sales through e-commerce platforms we also consider the service fees and commission fees charged by e-commerce platforms. We categorize our bicycles into distinct price tiers to cater to various market segments. These include the high-end tier, which is priced above RMB5,000, the mid-range tier, typically ranging from RMB2,500 to RMB4,999, and the mass-market tier, which is generally priced below RMB2,500. For markets outside mainland China, we generally set higher recommended retail prices than those in mainland China to reflect different market conditions. See "— Our Business and Products" for details of the prices of our products. Some of our products are positioned at the premium segment, compared to the whole industry, they are priced at a premium, determined after considering factors such as our aesthetic design, technologies, product quality and brand reputation. See "Risk Factors — Risks relating to our industry and business — We face active global competition including increasing pricing pressure in a matured market with relatively low expected growth rate, and if we do not compete effectively, our business may suffer."

SEASONALITY

Our financial performance and results of operations are subject to seasonal fluctuations. Sales are relatively lower during the first two months of each year primarily due to winter weather conditions that limit outdoor cycling activities, whether for general commuting or recreational purposes, and the Chinese New Year holiday period. Sales of our products can also fluctuate throughout the year for other reasons, including the timing of new product launches and promotional campaigns.

CUSTOMERS AND CUSTOMER SERVICES

Our Customers

Our customers primarily include distributors, e-commerce platform and retail consumers of our online and offline self-operated stores. In 2022, 2023, 2024 and the four months ended April 30, 2025, the aggregate revenue generated from our five largest customers in each year/period during the Track Record Period accounted for 35.3%, 37.2%, 36.8% and 35.0%, respectively, of our total revenue for the respective periods. For the same periods, revenue generated from our largest customer in each year/period during the Track Record Period accounted for 12.0%, 16.0%, 15.5% and 14.7%, respectively, of our total revenue for the respective periods.

The following tables set out details of our five largest customers in each year of during the Track Record Period:

For the year ended December 31, 2022

Customer	Principal business	Credit terms	Year of commencement of business relationship with us	Revenue	Percentage of total revenue
				(RMB'000)	
Customer A	A distributor based in Beijing	N/A	2017	30,621.9	12.0%
Riding Sports[1]	Principally engaged in e-commerce business	N/A	2017	20,137.4	7.9%
Customer B	A distributor based in Japan	N/A	2017	15,061.9	5.9%
Customer C	A distributor based in Changzhou	N/A	2017	12,367.9	4.9%
Customer D	A distributor based in Wuhan	N/A	2017	11,705.0	4.6%
				89,894.1	35.3%

Note:

Riding Sports was previously controlled by Dr. Hon, which resold products purchased from us through online channels. To streamline our sales network management and build our own online sales channels, we have launched our self-operated online stores on mainstream domestic and international e-commerce or social media platforms. Consequently, we have gradually reduced transactions with Riding Sports. Riding Sports was deregistered in May 2024.

For the year ended December 31, 2023

Customer	Principal business	Credit terms	Year of commencement of business relationship with us	Revenue	Percentage of total revenue
				(RMB'000)	
Customer A	A distributor based in Beijing	N/A	2017	47,912.5	16.0%
Customer E	A distributor based in Shanghai	N/A	2017	20,201.5	6.7%
Customer C	A distributor based in Changzhou	N/A	2017	17,306.2	5.8%
Customer D	A distributor based in Wuhan	N/A	2017	14,130.9	4.7%
Customer F	Principally engaged in the e-commerce platform business	Seven business days after settlement statement	2022	11,897.8	4.0%
				111,448.9	37.2%

For the year ended December 31, 2024

Customer	Principal business	Credit terms	Year of commencement of business relationship with us	Revenue	Percentage of total revenue
				(RMB'000)	
Customer A	A distributor based in Beijing	N/A	2017	69,698.2	15.5%
Customer E	A distributor based in Shanghai	N/A	2017	31,080.2	6.9%
Customer C	A distributor based in Changzhou	N/A	2017	27,084.7	6.0%
Customer F	Principally engaged in the e-commerce platform business	Seven business days after settlement statement	2022	21,835.5	4.8%
Customer G	A distributor based in Hangzhou	N/A	2017	16,340.3	3.6%
				166,038.9	36.8%

For the four months ended April 30, 2025

Customer	Principal business	Credit terms	Year of commencement of business relationship with us	Revenue	Percentage of total revenue
				(RMB'000)	
Customer A	A distributor based in Beijing	N/A	2017	27,155.6	14.7%
Customer F	Principally engaged in the e-commerce platform business	Seven business days after settlement statement	2022	10,653.7	5.8%
Customer E	A distributor based in Shanghai	N/A	2017	10,608.6	5.7%
Customer C	A distributor based in Changzhou	N/A	2017	9,261.5	5.0%
Customer H	A distributor based in Ji'nan	N/A	2017	6,942.7	3.8%
				64,622.1	35.0%

Save for Riding Sports disclosed above, during the Track Record Period and as of the Latest Practicable Date, none of our Directors, their associates or any other Shareholder which, to the best knowledge of our Directors, owns more than 5% of our share capital had any interest in any of our five largest customers during each year/period of the Track Record Period.

Overlapping customers and suppliers

In 2022, one of our five largest customers, Customer B, was also one of our suppliers. As our international sales partner in Japan, Customer B distributes our bicycles in the Japanese market. Additionally, Customer B is a distributor of premium bicycle components from numerous renowned Japanese brands. Given its access to high-quality components, we procured specific bicycle parts from Customer B during the Track Record Period, including derailleurs and other transmission components. To a substantially lesser extent, we also generated revenue from licensing our *DAHON* brand to Customer B during the Track Record Period, under our Sharing 360 Program. In 2022, 2023, 2024 and the four months ended April 30, 2025, revenue generated from Customer B amounted to RMB15.1 million, RMB4.6 million, RMB9.0 million and RMB3.9 million, respectively, representing 5.9%, 1.5%, 2.0% and 2.1% of our total revenue during the respective periods. In 2022, 2023, 2024 and the four months ended April 30, 2025, purchases from Customer B amounted to RMB0.2 million, RMB3.6 million, RMB6.9 million and RMB4.0 million, respectively, representing approximately 0.1%, 1.8%, 2.2% and 2.7% of our total purchases during the respective periods.

One of our five largest suppliers in 2022, Supplier D, was also our customer. Supplier D is one of our OEM suppliers in the PRC. We primarily purchase finished bicycles from Supplier D as OEM suppliers, while we also supply Supplier D with bicycle components (either our proprietary parts including hinges and handle post set, or those sourced from other suppliers) for its production processes. Supplier D procured bicycle components, including stand pipes and hinges, from us to fulfill orders from its customers other than us. We did not generate revenue under our outsourcing arrangements and did not recognize Supplier D as our customer for providing proprietary parts with them to manufacture bicycles for us. In contrast, in connection with sales of the aforementioned components to Supplier D which it used to fulfill orders of other customers, we recognized Supplier D as our customer and corresponding revenue was recognized on a gross basis. In 2022, 2023, 2024 and the four months ended April 30, 2025, purchases from Supplier D amounted to RMB5.1 million, nil, nil and nil, respectively, representing 3.3%, nil, nil and nil of our total purchases during the respective periods. In 2022, 2023, 2024 and the four months ended April 30, 2025, revenue generated from Supplier D amounted to RMB1.5 million, RMB0.3 million, RMB0.2 million and nil, respectively, representing 0.6%, 0.1%, 0.04% and nil of our total revenue during the respective periods.

Our Directors have confirmed that all of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms. During the Track Record Period, our sales and purchases with the overlapping customers and suppliers were not inter-connected with each other, except where we supplied components to OEM suppliers for use in manufacturing our products, which is inherent to the OEM business model. The terms of our agreements with these overlapping customers and suppliers are substantially the same as those with our other suppliers and customers. As of the Latest Practicable Date, to the best information and knowledge of our Directors, all of these overlapping customers and suppliers were Independent Third Parties.

Customer Services

We believe timely and quality customer service is significant to overall customer satisfaction, which affect customers' purchase decision. Our after-sales services cover repair and return and exchange of defective products. We primarily rely on our distributors to provide end-customers after-sales services through their retail outlets. In order to ensure quality of after-sales services provided by distributors, we implemented a standardized after-sales service criteria. We maintain a support and customer service team dedicated to supporting and providing prompt response to distributor enquiries or suggestions. We will directly provide after-sales services for highly complicated repair requests beyond distributors' technical capabilities. We also actively and directly interact with end-customers through our customer service hotline, and, increasingly, over online channels such as our official social media accounts and self-operated online stores.

Product Warranties and Recall

Our product warranties policies are in line with relevant laws and regulations and industry practice. We offer differentiated warranty coverage depending on the type of product and specific product component. For example, the warranty period for bicycle standpipes is five years, while the warranty period for high-wear components, such as brake discs, handlers and gear systems is three months. In addition, demonstrating our confidence in our core structural technologies, production techniques and stringent quality control, we generally provide lifetime warranty on our bicycle frames and front forks, subject to certain limitation including proper usage and maintenance conditions.

Our extensive quality control measures ensure that our products are properly tested and checked before being sold to customers. As a result, warranty expenses remained at a low level during the Track Record Period, amounting to RMB0.2 million, RMB0.3 million, RMB0.6 million and RMB0.2 million in 2022, 2023, 2024 and the four months ended April 30, 2025, respectively.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product return or replacement claim, nor did we receive any material warranty claim. During the Track Record Period and up to the Latest Practicable Date, we did not conduct any product recalls. During the Track Record Period and up to the Latest Practicable Date, we did not receive complaints from customers that materially and adversely affected our results of operations.

BRANDING AND MARKETING

Our *DAHON* brand has over 40 years of history. As one of the most prominent brands of folding bicycles in the world, we continuously pursue a high-end branding strategy and deliver high-quality products to our customers. Our branding and marketing activities are dedicated to enhancing consumer awareness of our products fulfilling their needs for an agile, beautiful, cheerful and delightful riding experience and offering a sophisticated and stylish mobility option. In order to present our brand image in a consistent manner, we require our distributors to decorate their retail outlets according to our decoration plans or display our products according to our policy.

Our sales and marketing department is in charge of our branding and marketing. We conduct market research, review online sales records and regularly contact our distributors to accurately grasp consumer preferences and market changes to update our branding and marketing strategies.

We have attended industry summit, sponsored cycling campaigns and events, organized regular cycling activities, and run advertisements through certain bicycle industry media. Our products such as P8 and/or Vélodon have been promoted and introduced by domestic and international media including Wheel Giant (輪彥國際), BIKE EUROPE, PR Newswire (美通社), and Biketo.com (美騎網). We also provide support for our distributors to create vlogs introducing and promoting our products, where we will review relevant content to ensure the promoting materials align with our marketing strategies. We actively run our social media accounts on major social media platforms to interact with customers, addressing their questions while promoting our bicycles. Moreover, we invite internet celebrities/KOLs in the bicycle vertical domain to examine and evaluate our products, providing third-party reviews for consumers' references and endorsing our product quality. Professional cyclists were also invited to participate in real-world road tests to examine the performance of our road bicycles.

In 2022, 2023, 2024 and the four months ended April 30, 2024 and 2025, our offline promotional expenses amounted to RMB2.5 million, RMB6.4 million, RMB11.6 million, RMB2.9 million and RMB3.4 million, respectively, representing 1.0%, 2.1%, 2.6%, 2.3% and 1.9% of our total revenue, respectively, and our online promotional expenses amounted to RMB1.5 million, RMB5.7 million, RMB9.8 million, RMB2.2 million and RMB5.4 million, respectively, representing 0.6%, 1.9%, 2.2%, 1.7% and 2.9% of our total revenue, respectively.

Sharing 360 Program

In addition to conventional marketing strategies, we launched our Sharing 360 Program in 2019 to (i) promote co-branded products with prominent domestic and global industry peers, where we take stringent quality control methods to ensure relevant products meet our quality requirements; and (ii) sell our self-developed and proprietary bicycle parts, such as Landing Gear (易行輪) and Seatpost Pump (座管打氣筒), to other industry peers.

Our Sharing 360 Program has successfully facilitated several strategic partnerships with industry leaders. For example, to reach the children's bicycle market, we have partnered with RoyalBaby (優貝), one of the largest children's bicycle manufacturers in the world, to jointly develop our *DAHON*-branded children's folding bicycles. Such collaboration enables us to extend our reach to customers across generations while cultivating early brand familiarity among young riders. We engage potential "Co-branding" partners through industry summits and social media platforms and screen such candidates based on their brand image, sales volume and internal management capabilities. Our Sharing 360 partners are primarily located in the industrial hubs for bicycle manufacturing, including Tianjin municipality, Guangdong province and Fujian province. As of April 30, 2025, we had 16 "Co-branding" partners and 18 partners for our self-developed and proprietary bicycle parts. We implement stringent quality control measures to ensure co-branding products meet our quality requirements and safeguard our brand integrity. We will provide guidance on our quality requirements, product designs and pricing policy for our "Co-branding" partners' reference, and they are required to submit the qualification and assessment of selected OEM and raw material suppliers, product design blueprints, the business qualification of relevant distribution partners and their pricing strategy of the co-branded products for our preemptive review. Moreover, we are entitled to supervise and monitor the specification and quality, actual price sold, sales records and marketing materials of the co-branded products at sell.

Our "Co-branding" partnerships typically generate revenue through a licensing fee structure where partners are required to pay us the higher of (i) a basic royalty fee plus an uncapped floating licensing fee ranging from 5% to 7.5% of the ex-factory prices of relevant products sold by the Co-branding partners or (ii) a guaranteed minimum royalty fee. Such licensing and royalty fees are determined on a case-by-case basis. Our agreements with "Co-branding" partners clearly specify the licensed trademarks and selling restrictions. Before selling any co-branded products, partners must obtain our quality approval on product samples and maintain strict compliance with our quality standards. Moreover, we also generate revenue through offering our self-developed and proprietary bicycle parts, the prices of which are typically decided based on the product specification and quantity ordered by industry peers.

The table below sets forth the movement in number of our partners in the Sharing 360 Program during the Track Record Period:

	For the year ended December 31,			For the four months ended April 30,
	2022	2023	2024	2025
Number of Sharing 360 Program partners at the beginning of the period	10[(1)]	5	9	20
Number of new Sharing 360 Program partners[(2)]	2	7	12	3
Number of terminated Sharing 360 Program partners[(3)]	7	3	1	1
Number of Sharing 360 Program partners at the end of the period	5	9	20	22

Notes:

1. Represents the number of our Sharing 360 Program partners since 2019.

2. Number of new Sharing 360 Program partners represents those partners who entered into cooperation agreements with us for the year/period indicated but did not have cooperation agreements with us under the Sharing 360 Program for the year immediately preceding the year/period indicated.

3. Number of terminated Sharing 360 Program partners represents those partners whose cooperation agreements expired without renewal during the year/period indicated.

We do not believe the co-branded products pose significant cannibalization risks because (i) the number of co-branded bicycles sold by our "Co-branding" partners was limited during the Track Record Period, amounting to only 600, 10,082 and 5,694 and 2,600 units, respectively, which is insignificant as compared to our sales volume for the corresponding periods; (ii) we generally license our brand to products categories that are different from our folding bicycles, such as mountain bicycles and children bicycles, where we offer self-branded and co-branded products under the same category. This strategy not only brings us additional revenue streams but also helps us tap into new markets, enhance our brand influence, and there is low risk of cannibalization due to limited sales amount; (iii) our cooperation agreements with our "Co-branding" partners typically specify the designated channels or designated areas where the partners can sell their co-branded products; (iv) we require our "Co-branding" partners to submit their pricing strategies and promotional plans for co-branded products for our prior approvals; and (v) we are entitled to access the quarterly sales records of co-branded products.

EMPLOYEES

As of April 30, 2025, we had 326 full-time employees, all of whom were stationed in mainland China. The following table sets forth the number of our full-time employees by function as of April 30, 2025:

	Number of employees
Production	131
Supply chain management	12
Sales and marketing	82
Product Design, research and development	53
General and administration	48
Total	**326**

Our employees are important assets for our development and our success depends heavily upon our employees' provision of consistent, quality and reliable services. In order to attract, retain and develop the knowledge, skills and quality of our employees, we place a strong emphasis on recruitment, training and development. We recruit our employees primarily through online recruitment, on-campus recruitment, job fairs and internal and external referrals. We also provide training periodically and across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training.

We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, confidentiality, safety and sanitary conditions in the workplace, and termination. As required by PRC Law, we participate in various social security plans for our employees including housing provident fund, pension insurance, medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance.

Besides our full-time employees, we also recruited part-time staff and engaged consultants to meet our increased staffing needs during peak production periods and our needs for domestic and international market expansion. We have not experienced any significant difficulty in recruiting employees, nor have we experienced any labor shortages during the Track Record Period and up to the Latest Practicable Date that materially affected our operations.

Our Company has established labor union that represent the relevant employees with respect to labor disputes and other employee matters. We believe we have maintained a good relationship with our employees, and we did not have any material labor dispute during the Track Record Period.

PROPERTIES

Our corporate headquarter is in Shenzhen. As of April 30, 2025, we did not own any properties but leased eleven properties from third parties in Shenzhen and Huizhou with an aggregate area of approximately 27,489.0 sq.m. Properties in Shenzhen are mainly used for administrative and research and development functions as well as a store front for the retail outlet we operate ourselves. Properties in Huizhou are mainly for production and warehousing.

As of April 30, 2025, nine lease agreements of our leased properties with an aggregate gross floor area of approximately 24,649.6 sq.m. had not been registered and filed with relevant land and real estate management departments in China, primarily due to the difficulty of procuring our lessors' cooperation to register such leases as the registration of such leases will require the cooperation of our lessors. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities, and therefore would not result in us being required to vacate the leased properties. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease and the aggregate maximum potential penalty for the non-registration of the foregoing nine leased properties would be RMB90,000. As of the Latest Practicable Date, we did not receive any order from the relevant government authorities requiring us to register these lease agreements. Therefore, we believe that the failure to register these lease agreements will not have any material adverse effect on our financial condition or results of operations. We will actively liaise with the respective lessors to complete the registration of all such lease agreements and will take all practicable and reasonable steps to register the unregistered leases.

As of April 30, 2025, (i) each of our property interests for non-property activities (as defined under Rule 5.01(2) of the Listing Rules) had a carrying amount less than 15% of our total assets, and (ii) we did not have any property interests relating to property activities (as defined under Rule 5.01(2) of the Listing Rules). 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 (Cap. 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 our interests in land or buildings.

COMPETITION

According to CIC, the global bicycle market is highly fragmented, with numerous established manufacturers competing across various segments including among others traditional, mountain, road and folding bicycles. Driven by societal needs and technological advancements, bicycles have transformed significantly from leisure items to a popular mode of personal transportation. In recent years, environmental concerns and urban congestion have revitalized the bicycle market. In particular, folding bicycles have surged in popularity due to their compactness and portability. Despite competition with other traditional bicycle types in urban mobility solutions, folding bicycles have successfully carved out their market position by addressing specific urban commuting challenges that traditional bicycles cannot fully resolve, particularly for users with limited storage space or multi-modal transportation needs. According to CIC, the global folding bicycle market, as one of the niche segments in the overall bicycle market, accounts for 5.3% of the global bicycle market by retail sales value and 2.1% by retail sales volume in 2024. Mainland China, the U.S. and Europe are the three largest sales regions in the global folding bicycle industry, contributing 22.1%, 9.0% and 8.6% of global demand, respectively, in terms of retail sales volume in 2024.

According to CIC, the global folding bicycle market in itself is also characterized by intense competition, with the top five companies capturing a notable market share of 19.4%, while mainland China's folding bicycle market is highly concentrated with the top five companies capturing 60.4% of the market share in 2024, both in terms of retail sales volume in 2024. According to CIC, in terms of retail sales volume in 2024, we held a significant position in the mainland China folding bicycle industry, representing a market share of 26.3%.

There are certain barriers to entry into the folding bicycle market, including (i) specialized engineering and design expertise; (ii) economies of scale of production; (iii) established distribution network; (iv) reliable after-sale services and (v) brand recognition and trust. We believe we are competitively positioned due to our first mover advantage, strong research and development capabilities, well-established brand name and extensive sales channels. In addition, we are committed to enhancing our competitiveness against traditional bicycles while maintaining our folding functionality by developing proprietary design features, incorporating new materials and enhancing riding performance.

AWARDS AND RECOGNITIONS

We have received numerous awards and recognitions in respect of our brands, products, research and development capabilities and etc., including:

Award/Recognition	Issuing Entity	Awarding Year
Cited in the Guinness Book of Records Millennium Edition as "the world's largest producer of folding bicycles"	Guinness World Records	2000
Eurobike Silver Design Award: Glide P7/P8	EUROBIKE	2006
Guangdong Provincial Famous Trademarks (廣東省著名商標)	Guangdong Provincial Administration for Industry and Commerce (廣東省工商行政管理局)	2008
Famous Chinese Brand (中國著名品牌)	CHC National High-Tech Quality Supervision and Promotion Work Committee (CHC全國高科技質量監督促進工作委員)	2010
CHINA CYCLE 2021: Creative Award Selection: Creative Award	China Bicycle Association (中國自行車協會)	2021
	China International Bicycle & Motor Fair (中國國際自行車展覽會組委會)	
Specialized, Refined, Unique and Innovative Enterprise (專精特新企業)	Shenzhen Small and Medium Enterprises Service Bureau (深圳市中小企業服務局)	2023
Excellent Company in fulfilling Social Responsibility (履行社會責任優秀企業)	Federation of Shenzhen Industries	2023

Award/Recognition	Issuing Entity	Awarding Year
National High-tech Enterprise Certification (國家級高新技術證書)	Shenzhen Science and Technology Innovation Commission (深圳市科技創新委員會) Finance Bureau of Shenzhen Municipality (深圳市財政局) Shenzhen Tax Service, State Taxation Administration (國家稅務總局深圳市稅務局)	2024
2024 CHINA CYCLE: Creative Award Selection: Gold Award	China International Bicycle & Motor Fair (中國國際自行車展覽會組委會)	2024
China Bicycle and Electric Bicycle Design Competition: Gold Award	China Bicycle Electric Bicycle Design Competition Organizing Committee (中國自行車電動自行車設計大賽組委會)	2025
2025 CHINA CYCLE: Creative Award Selection: Gold Award	China International Bicycle & Motor Fair (中國國際自行車展覽會組委會)	2025

INFORMATION TECHNOLOGY AND DATA POLICY

We utilize various information technology systems to manage almost all aspects of our operations. Our information technology systems enable us to quickly retrieve and analyze our operational data and information, including procurement, sales, inventory, logistics, production, customer and financial data. We use our information technology systems to assist us in planning, managing and standardizing our production, quality control, inventory control, sales and distribution, budgeting, human resources and financial reporting functions, thereby improving our management and operational efficiency. Our main information technology systems include the following:

- ***ERP system.*** We utilize the enterprise resource planning (ERP) system to retrieve and analyze our operational data to support decision-making and increase productivity and profitability. The ERP system covers various aspects of our operations, including manufacturing, financial accounting, forecast and planning, purchasing, order management, enterprise performance management and human capital management.

- ***E-commerce business management system.*** In addition to the ERP system, we utilize a separate business management system for our e-commerce operations. This system is specifically tailored to efficiently handle tasks such as retrieving order information from various e-commerce platforms and coordinating the shipment process. It enables us to streamline our e-commerce logistics, ensuring that customer data is managed effectively and that deliveries are orchestrated smoothly, thereby maintaining high service levels and operational efficiency.

- ***CRM system.*** We utilize the customer relationship management (CRM) system for marketing management system establishment and multichannel marketing coordination to increase the efficiency of our sales and marketing activities. With the CRM system, our sales team can also plan tasks ahead of time and discover upselling or cross-selling opportunities based on historical sales data.

- ***PLM system.*** We utilize the product lifecycle management (PLM) system to manage our product design and research and development process. The PLM system will automate the management of product-related data and information collected from our research and development projects, which will help to reduce the cost in new product development process and to improve our management capability and efficiency.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations.

DATA PRIVACY AND PROTECTION

In the ordinary course of our business, we mainly collect, store and use certain personal information of our members from time to time. Personal information of our members are collected when our members fill out the relevant registration requests on our membership system on WeChat. Such information primarily include their names, mobile phone numbers and order information. In addition to the personal information of our members, we also collect personal information of our customers when they use our WeChat mini-program or purchase our products though e-commerce or social media platforms. Such information primarily includes the address, phone number, name, location, and order information of our customers. Personal information is collected with the consent of our members and customers and stored on the server located in the PRC provided by our PRC-based cloud service provider or employ a variety of technical solutions to prevent and detect risks and vulnerabilities in data privacy and security, such as firewall, encryption, vulnerability scanning, data backup system and database audit. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we had not experienced any material hacking incident or data leakage. During the Track Record Period and as of the Latest Practicable Date, we had complied with applicable laws and regulations relating to data security and privacy in all material aspects and have not received any penalty due to breach of data privacy.

INTELLECTUAL PROPERTY

Our intellectual property rights are fundamental to our success and competitiveness. We rely on a combination of trademark, trade secrets and other intellectual property laws as well as confidentiality agreements with our employees, suppliers, customers and others to protect our intellectual property. We also take a proactive approach in managing our intellectual property. For example, we have established behavior management guidelines for our research and development department, including a policy where employees are required to safekeep their mobile phones during working hours. In order to mitigate infringement risks, we engaged external professional third-party agencies to perform infringement searches. Moreover, our agreements with our OEM suppliers strictly forbid them from producing any products that are similar to ours for other customers and from using our patented technologies without our written consent. We are entitled to terminate the agreement and request for liquidated damages if our OEM suppliers violate such requirements. Internally, our marketing department conducts trademark searches to verify whether the products sold through stores on third-party e-commerce platforms are authenticate and to identify any counterfeit activities.

As of April 30, 2025, we had 113 effective patents in mainland China and 22 effective patents in the U.S., Europe and Japan, and also had 63 trademarks domestically and 79 trademarks internationally. As of April 30, 2025, we had 12 overlapping patents in mainland China and overseas jurisdictions. For details of our material intellectual property rights, see "Statutory and General Information — B. Further Information about our Business — 2. Our material intellectual property rights" in Appendix VI to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes, litigation, or legal proceedings for any material violation of intellectual property rights of any person which would have a material adverse effect on our business. See "Risk Factors — Our business depends in part on our ability to protect our intellectual property rights and operating without infringing on the rights of third parties" for further details.

INSURANCE

Besides statutory social insurances as required under relevant PRC Law including pension insurance, medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance, we also maintain product liability insurance for our products and property insurance for our inventories and equipment.

We review our insurance policies from time to time for adequacy in the breadth of coverage. We believe our existing insurance coverage is adequate for our existing operations and is in line with industry standards. During the Track Record Period and up to the Latest Practicable Date, we had not made, neither had we been the subject of, any insurance claims which are of a material nature to us.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental, Social and Governance Matters

Vision and ESG Strategy

ESG responsibilities are recognized as a long-term core strategy and are critical to our ability to create sustainable value for our stakeholders. We are committed to promoting sustainable corporate goals by integrating the concept of sustainable development into our decisions and daily operations. Accordingly, we've established an internal "**ESG Policy**" that outlines our environmental protection and social responsibility goals, offering guidance for their integration into our daily operations.

ESG Governance

We advocate sustainable development and place significant emphasis on the impact of our activities on ESG issues. In daily operation, we are dedicated to operating ethically and with environmental stewardship and supporting green initiatives. We plan to implement a green development strategy and to allocate sufficient resources to address social and governance concerns, prioritizing employee growth, supporting vulnerable groups, and actively engaging in social responsibility initiatives.

Our Board is well aware of the critical importance of ESG measures at the operational level. In pursuit of business objectives, the Board prioritizes and oversees our Group's efforts to balance business growth and requirements with ESG responsibilities. The Board supervises our Group's ESG performance management, including regular assessment of ESG risks, ensuring prompt and effective actions across all departments to significantly enhance our Group's ESG performance. The Board is responsible for formulating our Group's ESG development strategy, setting the strategic direction for sustainable development, and supervising the implementation of ESG measures by various departments in accordance with the strategic direction set by the Board. The Board identifies ESG-related issues through procedures such as analyzing the impact of business activities on the environment and society, evaluating stakeholder concerns, identifying important issues from the industry, developing reporting policies, and formulating corresponding plans.

Under the ESG Policy, we will form a strategy and ESG committee led by Dr. Hon, the chairman of the company, and two other directors. The committee will be responsible for (i) researching and suggesting on the company's long-term strategy, major investment decisions, and ESG-related matters; (ii) developing ESG governance vision, strategic planning, and management policies (iii) reviewing and supervising the implementation of strategic and ESG plans; (iv) ensuring the completeness and accuracy of ESG-related disclosures; and (v) other matters authorized by the Board.

We will also establish an ESG working group under the committee to support ESG-related works. The ESG working group comprises mid-level or senior personnel from our company's department and is responsible for (i) monitoring the latest ESG regulations and informing the Audit Committee of any updates; (ii) identifying key stakeholders, addressing their concerns, and updating ESG policies accordingly; (iii) ensuring departmental heads assess and manage risks within their functions and report regularly; (iv) and integrating ESG principles into business processes, formulating ESG strategies and objectives, and evaluating the effectiveness of ESG policies.

After listing, we confirm that we conduct ESG risk assessment and performance analysis on an annual basis and proposes more effective measures based on the results to promote the sustainable development of our Group. We will evaluate ESG-related risks ourselves or consult with a third-party expert as needed to review our current ESG Policy. Necessary improvements will be made to address and reduce any identified risks.

Environment

We recognize our pivotal role in promoting the long-term sustainability of the environment and prioritize efforts to manage emissions, enhance resource efficiency and maintain strict compliance with pertinent environmental laws and regulations. We are devoted to incorporating environmental consciousness into our internal management processes, inspiring employees to take green initiatives, and delivering sustainable transportation options to our customers.

Waste management

Given the nature of our business, our Group did not generate significant wastewater and only generates small amounts of hazardous waste during operation. The table below set forth details of our hazardous wasted during the Track Record Period. Using 2024 as the baseline, we are targeting to further minimize hazardous waste generation by 10% by 2027, with annual reductions of 3% in 2025, 3% in 2026, and 4% in 2027. Given that our hazardous waste generation has always been minimal and stable (totaling only 0.10 tonne annually), the waste reduction targets are modest in absolute terms (from 0.10 to 0.09 tonnes by 2027) and considered achievable. Despite the expected increase in in-house production, we aim to achieve these targets through improved waste segregation, reuse of packaging materials, and supplier collaboration to reduce upstream hazardous input materials. These initiatives reflect our ongoing commitment to sustainable waste management.

		Year ended December 31,			Four months ended April 30,
	Unit	**2022**	**2023**	**2024**	**2025**[1]
Lubricating oil	tonne	0.08	0.08	0.08	0.027
Activated carbon	tonne	0.005	0.005	0.005	0.002
Packaging drums	tonne	0.01	0.01	0.01	0.003
Rag gloves	tonne	0.005	0.005	0.005	0.002
Total	**tonne**	**0.10**	**0.10**	**0.10**	**0.03**

Note:

1. As hazardous waste is disposed of annually due to its immaterial volume, the figure for the four months ended 30 April 2025 is an estimate derived from production data rather than an actual disposal record.

We are committed to environmental sustainability across our operations. This commitment includes (i) selecting high-quality materials for key components including frames, wheel sets, and transmission systems, (ii) using non-toxic, low-carbon, and environmentally friendly materials in our bicycle painting process, (iii) ensuring all plastic components meet environmental protection standards, (iv) improving raw material traceability to ensure sustainable sourcing, and (v) avoiding controversial materials in our manufacturing process. Furthermore, we continuously strive to enhance product durability and recyclability while minimizing environmental impact. In 2024, demonstrating our confidence in product quality and durability, we began offering lifetime warranty on the frames and front forks for our bicycles equipped with our "DELTECH" technology. These efforts reflect our broader commitment to promoting healthy living and environmental stewardship through our business practices.

Resources management

Resource consumption of our Group mainly includes gasoline used by our vehicles, electricity and natural water. The table below sets forth details of our resource consumption during the Track Record Period.

		Year ended December 31,			Four months ended April 30,
	Unit	**2022**	**2023**	**2024**	**2025**
Gasoline	L	5,569.72	5,829.72	5,754.93	835.54
Gasoline Intensity	L/thousand of RMB revenue	0.02	0.02	0.01	0.005
Electricity	kWh	808,346.40	851,221.43	859,342.01	502,519.33
Electricity Intensity	kWh/thousand of RMB revenue	3.18	2.84	1.91	2.72
Natural Water	tons	11,132.50	18,423.11	12,925.00	12,124.00
Natural Water Intensity	tons/thousand of RMB revenue	0.04	0.06	0.03	0.07

We have set measurable targets to improve energy efficiency and resource utilization. Considering the nature of our business and our performance among industry peers, using 2024 as the baseline, we aim to reduce gasoline, electricity, and natural water intensity by 10% by 2027, with annual reductions of 3% in 2025, 3% in 2026, and 4% in 2027. These targets are supported by a clear downward trend in intensity metrics over the Track Record Period. Achieving them will lower costs, improve efficiency, and strengthen ESG performance.

We are committed to becoming a resource-efficient and environmentally conscious corporation and implement comprehensive measures that demonstrate our ongoing commitment to environmental stewardship and sustainable business practices. In our office operations, we implement paperless practices and employ smart energy management solutions, including automatic and motion-sensor switches for ventilation and public lighting. We maintain air conditioning temperature at or above 26 degrees and enforce strict lights-off policies when spaces are unoccupied. To promote water conservation, we conduct regular awareness campaigns and display conservation reminders throughout our facilities. These efforts are complemented by implementing water-saving practices across all operations. Additionally, we actively promote resource recycling and reuse practices among our employees, providing training on proper waste reduction methods.

Greenhouse gas emissions

Our greenhouse gas emissions ("**GHG emissions**") primarily stem from direct GHG emissions related to fossil fuel consumption by vehicles (Scope 1) and indirect GHG emissions associated with mainly electricity, water and paper consumption in daily operations (Scope 2). The table below sets forth the total amount and intensity of our GHG emissions during the Track Record Period.

		Year ended December 31,			Four months ended April 30,
	Unit	**2022**	**2023**	**2024**	**2025**
Scope 1	tons of CO2-e	13.14	13.76	13.58	1.97
Scope 2	tons of CO2-e	469.65	494.56	499.28	291.96
Total	**tons of CO2-e**	**482.79**	**508.32**	**512.86**	**293.94**
Total Intensity	kg of CO2-e/ thousand of RMB revenue	1.90	1.69	1.14	1.59

With respect to Scope 3 greenhouse gas emissions, which primarily stem from employee business travel, we are in the process of establishing more detailed metrics and targets after consulting with relevant professional ESG consultants and taking reference to the results of our carbon mapping and relevant data of industry peers. We have achieved a significant reduction in GHG emissions intensity over the Track Record Period and are committed to further controlling GHG emissions, targeting to further reduction of 10% by 2027, with annual reductions of 3% in 2025, 3% in 2026, and 4% in 2027, using 2024 as the baseline. These targets align with industry best practices and international standards. To achieve this, we are optimizing fuel use, enhancing energy efficiency, and improving resource management while adopting low-carbon practices and aligning with industry benchmarks.

Supply Chain Management

We extend our environmental and social responsibility commitments throughout our supply chain. Our supplier selection and evaluation process incorporates ESG criteria, including environmental compliance, labor practices, and quality management systems. We require our suppliers to comply with relevant environmental regulations and maintain necessary permits and certifications. We assess their environmental management practices, workplace conditions, and compliance with our sustainability standards during on-site visits. We also work closely with our suppliers to optimize packaging materials and reduce waste in the transportation process. To enhance supply chain transparency, we have implemented a traceability system for key materials and components. Additionally, we provide guidance to suppliers on improving their environmental performance and encourage them to adopt sustainable practices in their operations. Through these efforts, we aim to build a responsible and environmentally conscious supply chain that aligns with our corporate values.

Social responsibilities

We have established comprehensive employment policies that clearly define the rights and obligations of employees. Our policies in addressing different social issues in relation to our Group are set out below:

Equal opportunities and labor standards

During the recruitment process, we adhere to the principles of fairness and impartiality by selecting qualified candidates and refrain from discriminatory practices. Committed to fostering a diverse and inclusive workplace, we ensure equal opportunities for all employees and make employment decisions based solely on work-related factors such as skills, achievements, qualifications, and experience.

Training and development

We recognize the significance of offering ample training and development opportunities to our employees. To support this, we have implemented a training mechanism across operational functions, including introductory training for new employees, technical training, product training, management training and work safety training. These initiatives are designed to foster employee growth and maintain the quality of our products and services.

Health and safety

We pay great attention to the health and safety of our employees and strictly comply with applicable laws and regulations. We strive to create a safe working environment for employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any incidents of non-compliance related to health and workplace safety in our operations. Additionally, we did not incur significant costs for compliance with health, social, or workplace safety requirements, nor were we subject to any fines or penalties for violations of relevant PRC laws and regulations. Nevertheless, we remain dedicated to maintaining workplace safety and safeguarding the occupational health of our employees in accordance with applicable PRC laws and regulations.

Community investment

With a strong sense of social responsibility, we are committed to helping people in need and enhancing social welfare. We actively engage in organizing and participating in diverse volunteer activities to foster mutual growth for our group and society.

- *"The Hope for Pearl Program":* We participated in the "Hope for Pearl Program" established by the Xinhua Love Education Foundation, and set up the "Dahon Pearl Class" to solve the problem of living expenses for poor students. So far, we have helped hundreds of high school students to complete their studies, allowing more people to realize their dreams.

- *"Shenzhen Bao'an Marathon":* On December 31, 2023, at the Shenzhen Bao'an Marathon, we led a cycling team to cheer on the participants. Our team members rode a variety of our Dahon bicycles during the event. Our products offer travelers a green mobility option. As a renowned folding bicycle brand, we have always been committed to promoting green travel and low-carbon living. This aligns perfectly with the marathon's advocacy for a healthy, eco-friendly, and positive lifestyle. Our public appearance at the Bao'an Marathon aims to inspire more people to integrate the concepts of health, sustainability, and environmental consciousness into their daily lives, embracing low-carbon travel and contributing to building a better future.

ESG Risk and Opportunities

To address ESG-related risks effectively, we plan to implement a range of strategies and actions, such as:

- Regularly assessing our ESG performance against established targets and considering the global risk landscape to enhance our overall ESG outcomes;

- Keeping our ESG Policy updated by staying informed about the latest legal developments and regulatory changes to ensure compliance;

- Maintaining open communication with management to promptly address and report critical ESG issues;

- Seeking guidance from professional advisors to ensure adherence to ESG compliance standards.

In addition to mitigating ESG-related risks, we also identify opportunities to drive sustainable growth, such as enhancing operational efficiency, improving stakeholder engagement, and creating long-term value through the adoption of innovative and environmentally friendly practices.

LICENSES, PERMITS AND REGULATORY APPROVALS

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits and approvals from relevant government authorities that are material to our business operations in mainland China. Such licenses, permits and approvals remained in full effect, and no circumstances existed that would render their revocation or cancelation. We will also apply for the renewal of all our material licenses and permits prior to their expiry. Our Directors are of the view, there is no material legal impediment to renewing relevant licences or permits.

The following table sets forth the material licenses and permits currently held by us:

Licenses/Permits	Holder	Issuing Authority	Issuance Date	Expiry Date
Receipt of Fixed Pollution Source Emission Registration (固定污染源排污登記回執)	Huizhou Dahon Technology Co., Ltd. (惠州市美大行科技有限公司)	Huizhou Municipal Bureau of Ecology and Environment (惠州市生態環境局)	2020/10/13	2025/10/12

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitration or administrative proceedings arising in the ordinary course of our business, such as labor disputes. During the Track Record Period and up to the Latest Practicable Date, there was no litigation, arbitration or administrative proceedings pending or threatened against our Group or any of our Directors which could have a material adverse effect on our Group's financial condition or results of operations.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities in China. During the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, and we did not experience any material non-compliance incident, which taken as a whole, in the opinion of our Directors, is likely to have a material and adverse effect on our business, financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, we had also complied with the relevant laws and regulations for our overseas operation in all material respects. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations in all material respects in mainland China.

Social Insurance and Housing Provident Funds

Background and Reasons for Non-compliance

Pursuant to the PRC laws and regulations, we are required to participate in the social insurance and housing provident fund contributions administered by competent government authorities. During the Track Record Period and up to the Latest Practicable Date, we failed to make full contributions to social insurance and housing provident fund for certain of our employees in accordance with the relevant PRC laws and regulations. In 2022, 2023, 2024 and the four months ended April 30, 2025, the shortfall amounts were approximately RMB1.5 million, RMB1.6 million, RMB2.7 million and RMB0.8 million, respectively. We have made full provisions for the shortfall of contribution to social insurance and housing provident fund in 2022, 2023, 2024 and the four months ended April 30, 2025, respectively.

We were unable to make full social insurance and housing provident funds contributions for such employees primarily because (i) a certain number of our employees were not cooperative and refused to make full contributions to social insurance and/or housing provident funds mainly for personal reasons; and (ii) a certain number of our employees are migrant workers who were not willing to make full contributions to the social welfare schemes of the city where they temporarily reside as such contributions cannot be easily transferred among cities.

Potential Legal Consequences

In respect of the legal consequences and potential maximum penalties for our failure to make full contributions to social insurance and housing provident fund, according to the relevant PRC laws and regulations, the relevant PRC authorities may (i) demand us to pay the outstanding social insurance contributions within a prescribed period and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. If we fail to make such payments, we may be liable to a penalty of one to three times the amount of the outstanding contributions to social insurance, the maximum of which would be RMB1.2 million, RMB0.6 million, RMB2.1 million and RMB1.7 million, in 2022, 2023, 2024 and the four months ended April 30, 2025, respectively. Our Directors believe that the incident above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, nor did we receive any employee complaint concerning their payment of social insurance and housing provident funds; (ii) we were not subject to any administrative penalties with respect to the payment of social insurance and housing provident funds, and we have obtained certain confirmation issued by the relevant authorities confirming that no administrative penalty was imposed on us in this regard; (iii) we have obtained indemnity from our Controlling Shareholders to indemnify our Group against any claims, fines and other liabilities which may arise from the incident above;

and (iv) pursuant to the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知) promulgated on September 21, 2018 by the Ministry of Human Resources and Social Security, administrative enforcement authorities are prohibited from organizing and conducting centralized collection of enterprises' historical social insurance arrears. Based on the foregoing, our PRC Legal Advisors is of the view that the risk we would be subject to material administrative penalties by the competent authorities regarding our contribution to the social insurance and housing provident funds during the Track Record Period is remote, provided that there are no material adverse changes in the current regulatory policies and environment and no employee complaints occur.

Ratification

We will take the following internal control measures to ensure compliance with the social insurance and housing provident fund contribution requirements under the relevant laws and regulations to the extent practicable:

- To strengthen the training of our personnel, including training on various compliance-related topics for our employees;
- To designate specific personnel to monitor our ongoing compliance with the social insurance and housing provident fund contributions regulations and oversee the implementation of any necessary measures;
- To regularly keep abreast of the latest developments in PRC laws and regulations relating to social insurance and housing provident funds; and
- To consult external legal counsel for advice on relevant PRC laws and regulations.

Going forward, we will ensure we are in compliance with the social insurance and housing provident fund contributions requirements under the relevant laws and regulations. We undertake to fully comply with the relevant laws and regulations as soon as practicable, subject to the cooperation of each of our employees to make full contributions of social insurance and housing provident funds going forward. If the relevant authorities order us to fully contribute the social insurance and/or housing provident funds, we would make full contributions and rectification measures as soon as possible within the specified period. In addition, we will proactively communicate with relevant local authorities to keep up to date with the applicable laws and regulations concerning social insurance and housing provident funds. We will also communicate such updates with our employees to allow them to better understand the relevant laws and regulations, increasing their understanding of the regulatory requirements so as to enhance our compliance with the applicable laws and regulations.

RISK MANAGEMENT AND INTERNAL CONTROL

Our management has designed and implemented a risk management policy to address various potential risks identified in relation to day-to-day operations of our self-operated and distributor-operated stores, including strategic risks, operational risks, financial risks and legal risks. Our risk management policy sets forth procedures to identify, analyze, categorize, mitigate and monitor various risks, with clearly defined roles and responsibilities across different levels of the organization. The Board oversees the overall risk management framework, including setting objectives, risk appetite, and approving major strategies, while senior management is responsible for implementing these mechanisms and ensuring their effectiveness. The business department of the Company identifies and address risks at the operational level, while the compliance department and finance department of the Company focus on financial and regulatory risks. Lastly, the audit department of the Company is responsible for providing independent oversight and monitoring the effectiveness of risk controls and processes.

Our internal control system is primarily based on the ISO9001 framework, extending beyond quality-related controls to encompass internal management controls. For example, regarding contract approval, the process typically begins with a project initiation application, followed by a tailor-made written application procedure. After business negotiations are concluded, a contract number is systematically assigned through our office automation system. This is followed by a detailed review and subsequent signing of the contract after further negotiations and consultations. Finally, the signed contract is processed for archival management, ensuring that all documentation is securely stored and readily accessible for future reference.

To ensure compliance with our internal control and internal process protocols, the audit department will conduct regular review and examination of our compliance with the ISO9001 standards. In the event of any identified non-compliance, the audit department will notify the relevant department and require a response within three working days, with rectification of the non-compliance to be completed within ten working days. For non-compliance issues that can be prevented, precautionary measures must be implemented within 30 working days. In any event, the rectification of the non-compliance and the implementation of precautionary measures must be completed within 60 working days. The audit department will closely monitor the entire process and, only upon its confirmation that all non-compliance issues have been fully resolved, will the non-compliance issues be deemed resolved.

Furthermore, to monitor the implementation of our risk management policies and corporate governance measures after the Global Offering, we have adopted and will continue to adopt, among others, the following risk management measures:

- establish the audit committee to review our financial reporting process and internal control system, set up the risk management and internal audit procedures, provide advice and comments to our Board and perform other duties and responsibilities as may be assigned by the Board. The audit committee will consist of three Directors, being Mr. Zhao Gensheng, Mr. Liu Xuequan and Dr. Lee Lai Sun Peter. For details of the qualification and experience of these members, see "Directors, Supervisors and Senior Management;"

- establish whistle-blowing procedures to encourage our employees to bring those conducts to the attention of our senior management and Board of Directors and ensure the protection of whistle-blowers;

- adopt various policies to ensure our compliance with the Listing Rules, including but not limited to policies in respect of risk management, connected transactions and information disclosures;

- engage accounting firms to provide professional advice and consultations with respect to our risk management; and

- arrange for our Directors and senior management to attend training seminars on the Listing Rules' requirements and the responsibilities of a director of a Hong Kong listed company.

Our Board is responsible for overseeing our overall risk management and internal control system, such as determining risk management objectives and policies. The Board has authorized the senior management to design and implement procedures that ensure the effective implementation of risk management and internal control objectives and policies. The senior management review the effectiveness of implemented procedures and the rationality of risk management objects and policies through monthly reports submitted by functional department. After due consideration, our Directors are of the view that our current risk management and internal control measures are adequate and effective. For further details of our risk management measures, see "Directors, Supervisors and Senior Management — Board Committees — Audit Committee."

OVERVIEW

Our Board of Directors consists of seven Directors, including four executive Directors and three independent non-executive Directors. Our Board is responsible, and has general authority for, the management and operation of our Group. Our Directors are appointed for a term of three years and shall be subject to re-election upon expiry of their term of office.

Our supervisory committee consists of three Supervisors, including two shareholder representative Supervisors and one employee representative Supervisor. The shareholder representative Supervisors were elected at the Shareholders' meetings, while the employee representative Supervisor was elected by our employees. Our Supervisors are appointed for a term of three years and shall be subject to re-election upon expiry of their term of office.

Our senior management consists of three members who are responsible for the day-to-day management of our Group's business.

The following table sets forth the key information about our Directors, Supervisors and senior management members:

DIRECTORS

Name	Age	Date of joining our Group	Date of Appointment as Director	Position(s)	Roles and responsibilities	Relationship with other Director(s), Supervisor(s) and/ or senior management
Dr. Hon Ta-Wei (alias Hon David Tak Wei) (韓德瑋)	83	December 13, 2016	August 16, 2023	Executive Director, chairman of our Board and general manager	Overseeing and managing the overall strategic planning, business direction and daily operation of our Group	Nil
Ms. Li Guiyu (李桂玉)	41	December 18, 2017	November 11, 2019	Executive Director and deputy general manager	Managing the overall strategic planning, business direction and daily operation of our Group	Nil
Ms. Liu Guocun (劉國存)	36	December 25, 2017	August 16, 2023	Executive Director, assistant deputy general manager and director of the Board office	Managing the overall strategic planning, business direction and human resources and administration of our Group	Nil

Name	Age	Date of joining our Group	Date of Appointment as Director	Position(s)	Roles and responsibilities	Relationship with other Director(s), Supervisor(s) and/ or senior management
Ms. Lee Hsiu-Fen (李秀芬)	60	October 11, 2019	January 10, 2025	Executive Director and chief financial officer	Managing the strategic planning of integration of business and finance, and finances of our Group	Nil
Dr. Lee Lai Sun Peter (李勵生)	83	Listing Date	January 10, 2025 (effective from the Listing Date)	Independent non-executive Director	Supervising and providing independent judgment to the Board	Nil
Mr. Liu Xuequan (劉學權)	67	Listing Date	January 10, 2025 (effective from the Listing Date)	Independent non-executive Director	Supervising and providing independent judgment to the Board	Nil
Mr. Zhao Gensheng (趙根生)	51	Listing Date	January 10, 2025 (effective from the Listing Date)	Independent non-executive Director	Supervising and providing independent judgment to the Board	Nil

Executive Directors

Dr. Hon Ta-Wei (alias Hon David Tak Wei) (韓德瑋), aged 83, is the founder of the *DAHON* brand, our executive Director, the chairman of our Board and the general manager of our Company. He has been serving as our senior management and has been responsible for overseeing and managing the overall strategic planning, business direction and daily operation of our Group since our establishment. He was appointed as our Director in August 2023, and was re-designated as our executive Director in January 2025. Dr. Hon is also the director of Dahon Technologies (HK) Limited, Dahon International Inc. and DAGOLD Technology (Tianjin) Vehicle Industry Co., Ltd. (大金科工(天津)車業有限公司), the president of Vitesse Biki Inc., and the management board member of Dahon Europe OÜ, our subsidiaries.

Before starting the business in the folding bicycle industry, Dr. Hon focused on the research and development of lasers, and he was the co-author of "Laser Handbook", a book published in 1979 containing articles on laser technology and applications by authors active in the field from academic, industrial and government laboratory organizations.

Dr. Hon has over 40 years of experience in business management in the bicycles manufacturing industry. The following table sets out Dr. Hon's major professional experience:

Name of company	Principal business activities	Last position held	Roles and responsibilities	Period of services
DNA	Distribution of bicycles in the United States	Director and chief executive officer	Overall strategic planning and management	From February 1982 to January 2023
Dahon Global Co., Limited	Office administration, office support and other business support activities	Director	Overall strategic planning and management	From May 2013 to present
DH Technology	Sales of hardware products and spare parts	Executive director and general manager	Overall strategic planning and management	From November 2001 to present
Shenzhen Riding Sports Technology Co., Ltd. (深圳市騎吧運動科技有限公司)	Sales of bicycles and related accessories	Executive director and general manager	Overall strategic planning and management	From May 2014 to February 2022

Dr. Hon pursued his tertiary education in the United States in the 1960s and obtained his Ph.D. degree in physics from the University of Southern California in the U.S. in February 1973.

Dr. Hon has been recognized as the "Father of Modern Folding Bicycles" and according to CIC, Dr. Hon's invention brought the first commercialized modern folding bicycle brand to market, opening new possibilities for urban mobility. Dr. Hon is well recognized in the bicycles manufacturing industry and honored with various awards. He was awarded the Good Product Design Award by, among others, the Industrial Development Bureau, Ministry of Economic Affairs of Taiwan in 1993 for his excellent design of folding bicycle. He received the 30 years recognition award by BIKE EUROPE in 2012. He further received the Outstanding Contribution Award for the Bicycle Industry (自行車行業卓越貢獻獎) from the Guang Dong Bicycle & Electric Vehicle Association (廣東省自行車電動車行業協會) in 2016. He was awarded the Lifetime Achievement Award (終身成就獎) by MagicCycling (美騎) in 2019, and was recognized as the Outstanding Contributor (傑出貢獻人物) by the Guang Dong Bicycle & Electric Vehicle Association (廣東省自行車電動車行業協會) in January 2020. He was selected for China Central Television's 'Extraordinary Craftsman' programme (中央電視台非凡匠人欄目) in 2022.

Ms. Li Guiyu (李桂玉), aged 41, is our executive Director and deputy general manager, and is mainly responsible for the overall strategic planning, business direction and management of our Group. She joined our Group in December 2017 as the director of the Board office, and was appointed as our deputy general manager in October 2018. She was appointed as our Director in November 2019, and was re-designated as our executive Director in January 2025. Ms. Li is also a director of Shenzhen Meidahon Trading Co., Ltd. (深圳市美大行商貿有限公司), Shenzhen Dahon Trading Co., Ltd. (深圳市大行商貿有限公司), Huizhou Dahon Technology Co., Ltd. (惠州市美大行科技有限公司), Shenzhen Dahon Sharing Technology Co., Ltd. (深圳大行共享科技有限公司) and DAGOLD Technology (Tianjin) Vehicle Industry Co., Ltd. (大金科工(天津)車業有限公司), our subsidiaries.

Ms. Li has over 22 years of experience in bicycle manufacturing industry. Prior to joining our Group, Ms. Li served successively as a technician, an assistant to the production director, a sales manager, a procurement manager and the director of the board office at DH Technology from December 2002 to December 2017 and was mainly responsible for management and administration of the board office in her last position at the company.

Ms. Li obtained her bachelor's degree in management from Sun Yat-sen University (中山大學) in the PRC in December 2016.

Ms. Liu Guocun (劉國存), aged 36, is our executive Director, assistant deputy general manager and director of the Board office and is responsible for the overall strategic planning, business direction and human resources and administration management of our Group. She joined our Group in December 2017, and has then served as our deputy director of the Board office, director of the Board office, manager of the management department, deputy director of the management department, chief administrative officer and assistant deputy general manager. She served as our Supervisor from November 2019 to August 2023. She was appointed as our Director in August 2023 and was re-designated as our executive Director in January 2025. Ms. Liu is also a supervisor of Shenzhen Meidahon Trading Co., Ltd. (深圳市美大行商貿有限公司), Shenzhen Dahon Trading Co., Ltd. (深圳市大行商貿有限公司) and Huizhou Dahon Technology Co., Ltd. (惠州市美大行科技有限公司), our subsidiaries.

Ms. Liu has over 17 years of experience in the electronics and bicycle manufacturing industry. Prior to joining our Group, Ms. Liu served as ISO System Engineer and assistant to the quality manager Shenzhen Fushun Electronics Co., Ltd. (深圳市百亨電子有限公司), a company principally engaged in the manufacturing and sales of electronic components, from July 2007 to December 2013, and was mainly responsible for document control, maintaining the company's ISO system, and assisting in the establishment of the company's quality management system. Ms. Liu then served as ISO specialist, secretary of general manager, assistant of the audit director and company secretary at DH Technology from January 2014 to December 2017, where she was responsible for managing the company's ISO system, and assisting the general manager and chairman.

Ms. Liu obtained her undergraduate degree in business administration from the National Open University (國家開放大學) in PRC in January 2024.

Ms. Lee Hsiu-Fen (李秀芬), aged 60, is our Director and chief financial officer, and is responsible for the strategic planning of integration of business and finance, and financial management of our Group. She joined our Group in October 2019 and has served successively as the deputy director of the finance department and the chief financial officer of our Company. Ms. Lee is also a supervisor of DAGOLD Technology (Tianjin) Vehicle Industry Co., Ltd. (大金科工(天津)車業有限公司) and the treasurer of Vitesse Biki Inc., our subsidiaries. She was appointed as our executive Director in January 2025.

Prior to joining our Group, Ms. Lee served as the manager of the finance department at IDEAL (Dongguan) Bicycle Co., Ltd. (愛地雅(東莞)自行車有限公司), a company principally engaged in the production and sales of bicycles, from June 2005 to February 2009, and from September 2009 to March 2016. Ms. Lee also served as the senior manager of the finance department of overseas business department at Taiwan Oasis Technology Co., Ltd. (李洲科技股份有限公司) from February 2017 to August 2018.

Ms. Lee obtained her associate degree in Finance and Taxation from De Ming University of Science and Technology (德明財經科技大學) (formerly known as De Ming Business and Technology College (德明商專)) in Taiwan, in June 1985. She then obtained her master's degree in financial management from Jinan University (暨南大學) in the PRC in June 2012.

Independent Non-executive Directors

Dr. Lee Lai Sun Peter (李勵生), aged 83, was appointed as our independent non-executive Director in January 2025, effective from the Listing Date. Dr. Lee is primarily responsible for supervising and providing independent judgment to the Board.

Dr. Lee has served as the director of Joseph Needham Foundation for Science and Civilisation Limited (formerly East Asian History of Science Foundation Limited (EAHSF)) since 1981, and is currently the chairman of the foundation.

Dr. Lee served in Coca-Cola Company, a well-known soft drink company based in the U.S., in 1970s. In 1980s, he held management positions within Coca-Cola Company, including serving as the vice president of Coca-Cola's Pacific Group. He subsequently diversified his career interests across several sectors, including but not limited to serving as a director of Chesapeake Asia Pacific Limited from 2002 to 2007, a director of E-Business Solutions Limited (previously known as ETI Consulting Limited) from 2003 to 2017, and a director of Rondabosh International Limited since 2007.

Dr. Lee obtained a Bachelor of Science degree in chemistry from Seattle University in the U.S. in June 1964, and a Ph.D. degree in chemistry from Michigan State University in the U.S. in September 1971.

Dr. Lee has been recognized as an Honorary Citizen (榮譽市民) of Kunshan, Jiangsu Province, the PRC by the People's Government of Kunshan (崑山市人民政府) since October 2002. He is an Emeritus member of the American Chemical Society.

Mr. Liu Xuequan (劉學權), aged 67, was appointed as an independent non-executive Director in January 2025, with effect from the Listing Date. Mr. Liu is primarily responsible for supervising and providing independent judgment to the Board.

Mr. Liu has over 18 years in product planning and technical advancement on bicycle. From July 2002 to September 2008, Mr. Liu was the technical director at DH Technology, where he was primarily responsible for product research and development, production line design, and market research for new product channels. He also served as the head of the technology center in Tianjin Goldstar Group Co., Ltd. (天津富士達集團有限公司), a company principally engaged in production and wholesale of bicycles, where he was in charge of product development and high-tech enterprise construction from May 2009 to May 2020. He then worked as a consultant in Yadea Technology Group Co., Ltd. (雅迪科技集團有限公司), a company principally engaged in electric bicycle development and a subsidiary of Yadea Group Holdings Ltd. (Stock Code: 1585) from May 2020 to April 2021.

Mr. Liu also contributed to the bicycle industry by serving as the chairman of the sixth council of the Tianjin Bicycle Electric Bicycle Industry Association (天津自行車電動車行業協會) from 2016 to 2022, and the vice chairman of the ninth council at the China Bicycle Association (中國自行車協會) from 2018 to 2022, where he was involved in promoting industry development, participating in the formulation of industry standards, and promoting the application of new technologies.

Mr. Liu obtained his bachelor's degree in metal pressure processing from Northeastern University (東北大學) (formerly known as Northeast University of Technology (東北工學院)) in the PRC in October 1989.

In 2013, Mr. Liu was entitled the "Model Worker" of the National Light Industry by the Human Resources and Social Security Bureau of the PRC (中華人民共和國人力資源和社會保障局), China Light Industry Federation (中國輕工業聯合會) and All-China Federation of Handicrafts Cooperatives (中華全國手工業合作總社).

Mr. Zhao Gensheng (趙根生), aged 51, was appointed as an independent non-executive Director in January 2025, with effect from the Listing Date. Mr. Zhao is primarily responsible for supervising and providing independent judgment to the Board.

Mr. Zhao has over 15 years of experience in accounting and financial management. In November 2002, Mr. Zhao joined Dongguan Wanjiang Hecheng Precision Electronics Factory (東莞市萬江合成精密電子廠), which is principally engaged in the processing of electronic products, as an accountant. Since April 2010, Mr. Zhao has been an accounting project manager (certified public accountant) at Guangdong Yuanhe Certified Public Accountants (廣東方圓會計師事務所), where he is responsible for auditing, certification, and consultation services, as well as preparing various audit reports and tax reports.

Mr. Zhao completed his undergraduate studies in Chongqing Institute of Commerce (重慶商學院) in June 1999, majoring in accounting.

Mr. Zhao was accredited as intermediate accountant by the Ministry of Finance (財政部) in May 2002 and as certified tax agent by the Guangdong Provincial Department of Human Resources and Social Security (廣東省人事廳) in September 2005. He was also accredited as certified public accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會).

Resignation of Directors

Ms. Huo Min (霍敏) ("**Ms. Huo**") and Mr. Ma Zhusen (馬助森) ("**Mr. Ma**") were appointed as our directors on August 16, 2023, and resigned on January 10, 2025 due to our work adjustment of their positions.

Ms. Huo was appointed as our director as she was familiar with our corporate culture and daily operation. As part of the work adjustments, we decided to have Ms. Huo to resign as our director to focus her time and effort for project implementation as our project manager.

Mr. Ma was not involved in the day-to-day management of our Group and he primarily offered advice to our Board during his tenure of directorship. In preparation for the Listing and as part of the work adjustments, the Company has appointed three independent non-executive Directors to offer advice and provide independent judgment to our Board with effect from the Listing Date, and Mr. Ma, who was not our employee, resigned as our director to focus on his role as an external advisor in relation to our business and market development.

Each of Ms. Huo and Mr. Ma has confirmed that they had no dispute or disagreement with our Company at the time of her/his resignation, and there are no other matters relating to her/his resignation that need to be bought to the attention of the Shareholders.

SUPERVISORS

Name	Age	Date of joining the Group	Date of Appointment as Supervisor	Position	Roles and responsibilities	Relationship with other Director(s), Supervisor(s) and/ or senior management
Ms. Huang Siqing (黃思情)	41	December 18, 2017	August 16, 2023	Chairman of our supervisory committee	Supervising the Board and daily operation of our Group	Nil
Mr. Zhu Guocheng (朱國成)	43	May 30, 2018	August 16, 2023	Supervisor	Supervising the Board and daily operation of our Group	Nil
Mr. Kuang Wenbiao (匡文標)	49	April 16, 2018	August 16, 2023	Supervisor	Supervising the Board and daily operation of our Group	Nil

Ms. Huang Siqing (黄思情), aged 41, was appointed as our Supervisor in August 2023. She is mainly responsible for supervising the Board and daily operation of our Group. Ms. Huang joined our Group in December 2017 as a manager of the international sales department of the Company and is currently the deputy director of the international sales department in our Group, where she is primarily responsible for formulating sales and marketing strategies for our international sales. Ms. Huang is also the secretary of Vitesse Biki Inc.

Ms. Huang has over 10 years of experience in business management. From March 2014 to December 2017, Ms. Huang served as a manager of the international sales department in DH Technology, where she was mainly responsible for developing department sales plans and liaising with sales agents and distributors.

Ms. Huang obtained her bachelor's degree in English at Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2017.

Mr. Zhu Guocheng (朱國成), aged 43, was appointed as a Supervisor in August 2023. He is mainly responsible for supervising the Board and daily operation of our Group. Mr. Zhu joined our Group in May 2018 and is currently the assistant director of the product commercialization department of our Company, where he is mainly responsible for formulating mid- to long-term product line development strategies, cost optimization and profit improvement plans.

Mr. Zhu has over 15 years of experience in the electronics and bicycle manufacturing industry. From February 2008 to May 2018, Mr. Zhu served successively as a quality control inspector, a technician, and the deputy chief of the quality control department in DH Technology, where he was responsible for quality control and product management.

Mr. Kuang Wenbiao (匡文標), aged 49, was appointed as a Supervisor in August 2023. He is mainly responsible for supervising the Board and daily operation of our Group. Mr. Kuang joined our Company in April 2018 as deputy manager in the administration department and is currently a market specialist of our Company where he is mainly responsible for visiting our retail stores and ensuring the implementation of our sales policies.

Mr. Kuang has over 20 years of experience in the electronics and bicycle manufacturing industry. From November 2003 to April 2018, Mr. Kuang served as an administrative specialist in DH Technology, where he was responsible for supervising employees' compliance with rules and regulations.

SENIOR MANAGEMENT

Dr. Hon Ta-Wei (韓德瑋), see "— Executive Directors".

Ms. Li Guiyu (李桂玉), see "— Executive Directors".

Ms. Lee Hsiu-Fen (李秀芬), see "— Executive Directors".

DISCLOSURE REQUIRED PURSUANT TO RULE 13.51(2) OF THE LISTING RULES

Dr. Hon was a director and/or general manager of the following companies before their respective dissolution or revocation:

Name of company	Place of incorporation	Principal business activity prior to dissolution/revocation	Date of dissolution/ revocation	Position(s)	Nature of proceeding	Reasons for dissolution/ revocation
Dahon Technology Co., Ltd. (韓氏大行科技有限公司)	Taiwan	Sales of bicycles and component parts	December 26, 2017	Director	Deregistration	Cessation of business
Guangzhou Meidahon Machinery Co., Ltd. (廣州美大行機械有限公司)	PRC	Sales of bicycles	August 2, 2005	Legal representative and chairman of the board	Revocation(1)	Cessation of business
Standard Technology (Shenzhen) Co., Ltd. (標準科技(深圳)有限公司)	PRC	Design and development of bicycles, sports equipment, leisure and fitness products	June 18, 2013	Legal representative and chairman of the board	Deregistration	Cessation of business
Hebei Dahon Bicycle Industry Technology Co., Ltd. (河北大行車業科技有限公司)	PRC	Research and development, production and sales of children bikes	December 6, 2016	Legal representative and executive director	Deregistration	Cessation of business
Dongguan Dahon Technology Co., Ltd. (東莞大行科技有限公司)	PRC	Production and sales of bicycles	June 27, 2018	Legal representative, chairman of the board and general manager	Deregistration	Cessation of business
Dahon Technologies (HK), Limited	Hong Kong	Sales of bicycles and related accessories	November 28, 2014	Director	Deregistration	Cessation of business
Dahon Technology (Nantong) Co., Ltd (大行科技(南通)有限公司)	PRC	Research and development, production and sales of bicycles	August 15, 2019	Legal representative and chairman of the board	Deregistration	Cessation of business
Dahon Europe EOOD	Bulgaria	Retail trade	November 13, 2020	Director	Dissolution	Cessation of business
Green Solution Holdings Limited	British Virgin Islands	Investment holding	May 1, 2020	Director	Deregistration	Cessation of business
Taihang Industry Co., Ltd. (太航工業股份有限公司)	Taiwan	Production, processing and sales of bicycles and related accessories	September 28, 2006	Manager and factory representative	Repeal(1)	Cessation of business

Note:

(1) As confirmed by Dr. Hon, the revocation of Guangzhou Meidahon Machinery Co., Ltd. and the repeal of Taihang Industry Co., Ltd. were a result of the administrative staff's failure to timely complete the necessary deregistration procedures after the companies ceased operations.

Dr. Hon confirmed that (i) each of the above companies was solvent and inactive, and had no outstanding claims or liabilities at the time of their respective dissolution or revocation; (ii) there was no wrongful act on his part leading to the dissolution or revocation of the above companies; (iii) he is not aware of any material actual or potential claim which has been or will be made against him as a result of the respective dissolution or revocation of the above companies; and (iv) the above companies had no material non-compliance prior to their respective dissolution or revocation.

Ms. Li Guiyu was an executive director and general manager of the following company before its dissolution:

Name of company	Place of incorporation	Principal business activity prior to dissolution	Date of dissolution	Position(s)	Nature of proceeding	Reasons for dissolution
Shenzhen Riding Sports Technology Co., Ltd. (深圳市騎吧運動科技有限公司)	PRC	Sales of bicycles and related accessories	May 21, 2024	Legal representative, executive director and general manager	Deregistration	Cessation of business

Ms. Li confirmed that (i) the above company was solvent and inactive, and had no outstanding claims or liabilities at the time of its dissolution; (ii) there was no wrongful act on her part leading to the dissolution of the above company; (iii) she is not aware of any material actual or potential claim which has been or will be made against her as a result of the dissolution of the above company; and (iv) the above company had no material non-compliance prior to its dissolution.

Mr. Liu Xuequan was a supervisor of the following company before its revocation:

Name of company	Place of incorporation	Principal business prior to revocation	Date of revocation	Position(s)	Nature of proceeding	Reasons of revocation
Tianjin Xidewang Technology Co., Ltd. (天津喜德旺科技有限公司)	PRC	Dormant	November 8, 2011	Supervisor	Revocation	No business activities

Mr. Liu confirmed that (i) the above company was solvent and inactive, and had no outstanding claims or liabilities at the time of its revocation; (ii) there was no wrongful act on his part leading to the revocation of the above company; (iii) he is not aware of any material actual or potential claim which has been or will be made against him as a result of the revocation of the above company; and (iv) the above company had no material non-compliance prior to its revocation.

GENERAL

Save as disclosed above and in "Substantial Shareholders" and "Statutory and General Information — D. Disclosure of Interests" in Appendix VI to this prospectus, each of our Directors and Supervisors confirms with respect to him/her that:

(i) does not hold other positions in our Company or other members of our Group as at the Latest Practicable Date;

(ii) did not hold other long positions or short positions in the Shares, underlying Shares, debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as at the Latest Practicable Date;

(iii) had no other relationship with any Directors, Supervisors, senior management or substantial shareholders or Controlling Shareholders of our Company as at the Latest Practicable Date;

(iv) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas;

(v) does not have any interest in any business which competes or is likely to compete, directly or indirectly, with our Group, which is disclosable under the Listing Rules;

(vi) to the best knowledge, information and belief of our Directors and Supervisors, having made all reasonable enquiries, there are no other matters concerning our Director's and Supervisors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2) of the Listing Rules as at the Latest Practicable Date; and

(vii) to the best of the knowledge, information and belief of our Directors and Supervisors, having made all reasonable enquiries, there are no other matters with respect to the appointment of our Directors and Supervisors that needs to be brought to the attention of our Shareholders.

Each of our Directors confirmed that he or she (i) obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 2, 2025; and (ii) understood his or her obligations as a director of a listed issuer under the Listing Rules.

Each of our independent non-executive Directors confirmed (i) his independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (ii) that he had no past or present financial or other interest in the business of our Company or our 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 are no other factors that may affect his independence at the time of his appointment.

JOINT COMPANY SECRETARIES

Ms. Yi Jiamei (易嘉美) has been our secretary to the Board since October 2024 and was appointed as one of our joint company secretaries on December 25, 2024. She is mainly responsible for providing secretarial services to our Company.

Ms. Yi has over 10 years of experience in legal and corporate governance industry. From July 2013 to April 2015, Ms. Yi was employed by Xie Li Management Consulting (Shenzhen) Co., Ltd. (協力管理諮詢(深圳)有限公司), a company principally engaged in consulting services, as legal assistant and consultant. From April 2015 to October 2016, Ms. Yi worked at Long Shi Media Co., Ltd. (龍視傳媒有限公司), a company principally engaged in media operations, as a legal specialist. From October 2016 and May 2020, Ms. Yi was employed by Shenzhen Zhen He Li Ecological Environment Co., Ltd. (深圳市真和麗生態環境股份有限公司), a company principally engaged in ecological environment services, where she held positions as a securities affairs representative, a legal specialist, and the secretary of the board. From January 2021 to September 2023, Ms. Yi worked at Shenzhen Hua Si Xu Technology Co., Ltd. (深圳市華思旭科技有限公司), a company principally engaged in research and development of vehicle components and manufacturing and sales of batteries, as the secretary of the board.

Ms. Yi obtained her bachelor's degree in law from Shenzhen University (深圳大學) in the PRC in June 2013.

Mr. Lee Hiu Yeung (李曉陽) was appointed as our joint company secretary on December 25, 2024. Mr. Lee is a practising solicitor at the law firm of DeHeng Law Offices (Hong Kong) LLP in Hong Kong, specializing in corporate finance and commercial transactions. His main areas of practice cover initial public offerings, compliance matters of listed companies under the Listing Rules, mergers and acquisitions, general offers, and general corporate and commercial matters. Mr. Lee was admitted as a solicitor in Hong Kong in October 2023. He obtained the Bachelor of Laws degree from the University of Hong Kong in December 2020.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has established four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategic and ESG Committee.

Audit Committee

Our Audit Committee consists of Mr. Zhao Gensheng, Mr. Liu Xuequan and Dr. Lee Lai Sun Peter. Mr. Zhao Gensheng is the chairman of the Audit Committee, who is an independent non-executive Director with the appropriate accounting and related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of our audit committee are to make recommendations to our Board on the appointment, reappointment and removal of external auditors; to review the financial statements and material advice in respect of financial reporting; and to oversee internal control procedures of our Company.

Remuneration and Appraisal Committee

Our Remuneration and Appraisal Committee consists of Mr. Liu Xuequan, Dr. Hon, Mr. Zhao Gensheng and Dr. Lee Lai Sun Peter. Mr. Liu Xuequan is the chairman of our Remuneration and Appraisal Committee. The primary duties of our Remuneration and Appraisal Committee are to make recommendations to our Board on the overall remuneration policy and structure for all Directors and senior management of our Group; to review performance-based remuneration; and to ensure none of our Directors is involved in deciding his/her own remuneration.

Nomination Committee

Our Nomination Committee consists of Dr. Hon, Ms. Liu Guocun, Dr. Lee Lai Sun Peter, Mr. Zhao Gensheng and Mr. Liu Xuequan. Dr. Hon is the chairman of our Nomination Committee. The primary duties of our Nomination Committee are to review the structure, size and composition of our Board and our board diversity policy on a regular basis; to identify individuals suitably qualified to become Board members; to assess the independence of our independent non-executive Directors; and to make recommendations to our Board on relevant matters relating to the appointment or reappointment of our Directors.

Strategic and ESG Committee

Our Strategic and ESG Committee consists of Ms. Li Guiyu, Ms. Liu Guocun and Ms. Lee Hsiu-Fen. Ms. Li Guiyu is the chairlady of our Strategic and ESG Committee. The primary duties of our Strategic and ESG Committee are to research and recommend to our Board the long-term development and strategic plans of our Company, to research and recommend to our Board matters that are material to the development and ESG matters of our Company, to check the implementation of the aforementioned matters that are approved via Board meetings or Shareholders' meetings, and to deal with other strategic matters that are authorized by our Board.

BOARD DIVERSITY POLICY

We have adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing its ability to attract talents and to retain and motivate employees. We have also taken and 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.

Our Directors have a balanced mix of knowledge and skills. They completed studies in various majors including but without limitation to physics, management, business administration and financial management. The ages of our Directors range from 36 years old to 83 years old, and we have both male and female representatives on the Board. Our nomination committee will review and assess the composition of the Board and make recommendations to the Board on appointment of members of the Board. Meanwhile, our nomination committee will consider the benefits of all aspects of diversity, including without limitation, professional experience, skills, knowledge, education background, age, gender, cultural and ethnicity and length of service, in order to maintain an appropriate range and balance of talents, skills, experience and diversity of perspectives on the Board.

COMPLIANCE ADVISER

We have appointed Maxa Capital Limited as our Compliance Adviser upon the Listing 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 when we consult our Compliance Adviser in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction under the Listing Rules, is contemplated by our Group, including share issues, sales or transfers of treasury shares and share repurchases;

(iii) where our Group proposes to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our Group's business activities, developments or results of operation deviate from any forecast, estimate or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares.

The terms of appointment of the Compliance Adviser shall commence on the Listing Date and end on the date on which our Group complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Group considers that appointing Dr. Hon as both the chairman of our Board and the general manager of our Company will provide us with strong and consistent leadership, resulting in more effective planning and management of our Group. Pursuant to C.2.1 of Appendix C1 to the Listing Rules, the roles of chairperson and chief executive should be separate and should not be performed by the same individual. However, in view of Dr. Hon's extensive industry experience, personal profile and critical role in our Group's historical development, we believe that it would be beneficial for our Group's business prospects if Dr. Hon continues to act as both the chairman of our Board and the general manager of our Company upon Listing.

Our Company complies with code provision B.2 of Appendix C1 to the Listing Rules, which provides that there should be plans in place for orderly succession for appointments of directors. Two of our Directors, namely Dr. Hon and Dr. Lee Lai Sun Peter, are over 80 years old. Our Company has established a succession plan (the "**Succession Plan**") to ensure leadership continuity and a smooth transition of our Board, in particular, our executive Directors, in the future. Our chairman of the Board and other members of senior management will meet regularly to discuss human resources issues including the Succession Plan, and our Nomination Committee will review the Succession Plan every financial year. Dr. Hon has advised our Company that he has no plan or desire to step down in the next few years and that he intends to continue to be involved in overseeing and managing the overall strategic planning, business direction and daily operation of our Group in the next few years.

Pursuant to the current Succession Plan, in the event that Dr. Hon becomes unable to perform his duties or in due course steps down from his directorship, it is considered that each of the other executive Directors, namely Ms. Li Guiyu, Ms. Liu Guocun and Ms. Lee Hsiu-Fen, would be capable of taking on Dr. Hon's current role and continue to be responsible for overseeing and managing the overall strategic planning, business direction and daily operation of our Group. Ms. Li Guiyu, Ms. Liu Guocun and Ms. Lee Hsiu-Fen have been the key leadership figures of our Group during the Track Record Period and up to the Latest Practicable Date. All of them have been primarily involved in formulating and implementing our corporate strategies and overseeing our overall business development and operation. Ms. Li Guiyu, Ms. Liu Guocun and Ms. Lee Hsiu-Fen also form members of our core management team, and they have been actively and directly involved in our business operations. Therefore, our Directors consider that in the event of Dr. Hon's resignation, Ms. Li Guiyu, Ms. Liu Guocun and Ms. Lee Hsiu-Fen have the expertise and experience to ensure a smooth operation of our Group.

As Dr. Lee Lai Sun Peter, one of our independent non-executive Directors, does not participate in the daily management of our Group, our Directors consider that it will not be difficult to recruit replacement personnel with equivalent qualifications to succeed Dr. Lee Lai Sun Peter as our independent non-executive Director.

Save as disclosed above, we are in compliance with all applicable code provisions as set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules.

COMPENSATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The Directors, Supervisors and senior management receive their remuneration in the form of Directors' or Supervisors' salary and allowances, contributions to our retirement benefit scheme, discretionary bonuses and other benefits in kind (if applicable).

The total remuneration (including fees, salaries and other benefits in kind, performance related incentive payment bonus and contributions to retirement benefit schemes) for our Directors and Supervisors (including remuneration for services as Directors/Supervisors prior to becoming the Directors/Supervisors) was approximately RMB3.7 million, RMB3.4 million, RMB5.1 million and RMB1.2 million for the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2025, respectively.

For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2025, the five highest paid individuals of our Company included two, two, one and two Directors respectively. The aggregate remuneration (including salaries, allowances and benefits in kind and contributions to defined contribution plans) paid to our Group's five highest remuneration individuals were approximately RMB3.4 million, RMB3.3 million, RMB4.6 million and RMB1.1 million, respectively.

Under the arrangements currently in force, we estimate that the aggregate amounts of remuneration, excluding dividends, of our Directors and Supervisors for the year ending December 31, 2025 to be RMB3.5 million. The actual remuneration of Directors and Supervisors in 2025 may be different from the expected remuneration.

During the Track Record Period, no emolument was paid by our Group to any of our Directors, Supervisors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining our Group or as compensation for loss of office. None of our Directors or Supervisors has waived or agreed to waive any emoluments during the Track Record Period.

Save as disclosed above, no other payments of remuneration have been made, or are payable, in respect of the Track Record Period, by our Group to or on behalf of any of our Directors or Supervisors.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Dr. Hon (i) directly held approximately 88.56% of our total issued Shares, and (ii) was deemed to be interested in approximately 1.60% of our total issued Shares held by Dahon Tech Enterprise LP, one of the employee shareholding platforms of our Group, by virtue of his role as the sole general partner of Dahon Tech Enterprise LP. Accordingly, Dr. Hon and Dahon Tech Enterprise LP constitute a group of Controlling Shareholders before the Listing.

Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Dr. Hon and Dahon Tech Enterprise LP will in aggregate hold approximately 67.61% of our total issued Shares. Accordingly, Dr. Hon and Dahon Tech Enterprise LP will remain as our Controlling Shareholders upon Listing. Dr. Hon is our executive Director, chairman of our Board and general manager of our Company. For biographical details of Dr. Hon, see "Directors, Supervisors and Senior Management — Directors" in this prospectus.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after Listing.

Management independence

Our Board comprises four executive Directors and three independent non-executive Directors. Dr. Hon, being one of our Controlling Shareholders, also serves as our executive Director, the chairman of our Board and our general manager. Our executive Directors, all of whom are also our senior management, are responsible for the day-to-day management of our business. For details, please see "Directors, Supervisors and Senior Management" in this prospectus.

Our Directors consider that our Board and senior management are able to perform the management role in our Group independent of our Controlling Shareholders for the following reasons:

(a) our daily management and operation are carried out by our senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to operate our business in the best interest of our Group;

(b) each Director understands his/her fiduciary duties as a Director which require, amongst others, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(c) in the event that any Director or any of his/her close associates has a material interest in any transaction or arrangement or there is an actual or potential conflict of interest arising out of any transaction or arrangement to be entered into between our Group and any of our Directors or their respective associates, such Director(s) shall fully disclose such matters to our Board and abstain from voting at the relevant meeting of our Board in respect of such transactions and shall not be counted in the quorum. Our Group has also adopted certain corporate governance measures for situations involving conflict of interests. For further details, see "— Corporate Governance Measures";

(d) three out of seven Directors are independent non-executive Directors with extensive experience in various professions. They are appointed pursuant to the requirements of the Listing Rules, who will bring independent judgment to the decision-making process of our Board;

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. For further details, see "— Corporate Governance Measures"; and

(f) our Board's main functions include the approval of our Group's overall business plans and strategies, monitoring the implementation of such business plans, strategies and policies, and the management of our Company. Decisions within our Board are made collectively by majority votes in accordance with the Articles and relevant laws, and no individual Director is empowered to make decisions independently unless otherwise authorized by our Board.

Operational independence

Our Company is capable of making our own operational decisions and carrying out our own business operations independently.

We have structured our organization with distinct departments responsible for sales, R&D, financial management, administrative management, procurement, quality control, production and audit, each responsible for specific functions. To enhance the efficiency of our business operations, we have implemented a set of internal control mechanisms.

In addition to our sufficient assets, capital and employees, we have obtained and possessed all relevant licenses, permits, approvals and intellectual properties required to conduct our business independently. Furthermore, we have independent access to our suppliers and customers and an independent management team to operate our business. Based on the above, our Directors consider that our Group can operate independently of our Controlling Shareholders and their close associates upon Listing.

Financial independence

Our financial management department is responsible for overseeing the major finance operations of our Group and can make financial decisions independently according to our business needs. We independently manage our bank accounts and do not share any bank accounts with our Controlling Shareholders or their close associates. Moreover, we maintain sufficient capital to operate our business independently and have adequate internal resources to support our daily operations.

There were no loans, guarantees or other forms of collateral or security obtained from or provided by our Controlling Shareholders as of the Latest Practicable Date. None of the Group's expenses were borne by entities owned by any of the Controlling Shareholders without being fully recharged to the Group during the Track Record Period.

Based on the above, our Directors consider that our Group is able to operate with financial independence from our Controlling Shareholders and their close associates upon Listing.

RULE 8.10 OF THE LISTING RULES

Our Controlling Shareholders, our Directors and their respective close associates confirm that, as of the Latest Practicable Date, they do not have any interest in a business apart from our Group's business which competes or is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

DEED OF NON-COMPETITION

Dr. Hon has entered into the Deed of Non-competition in favor of our Company, pursuant to which he has irrevocably and unconditionally undertaken to and covenanted with our Company that during the continuation of the Deed of Non-competition he shall not, and shall procure each of his close associates (other than any member of our Group) not to, during the restricted period set out below, whether on his own account or in conjunction with or on behalf of any person, firm or company, and whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, principal, agent, director, employee or otherwise and whether for profit, reward or otherwise) any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by our Group (including but not limited to developing, designing, manufacturing and marketing folding bicycle and related accessories) in the PRC and any other country or jurisdiction to which our Group provides such services and/or in which any member of our Group carries on such business from time to time (the "**Restricted Business**"). Dr. Hon has undertaken to our Company that he shall abstain from voting at any general meeting of our Company for approving any resolution(s) where any actual or potential conflict of interests may arise.

Such non-competition undertaking does not apply to:

(i) any interests in the shares of any member of our Group; or

(ii) interests in the shares of a company other than our Company whose shares are listed on a recognised stock exchange provided that:

(a) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts;

(b) the total number of the shares held by Dr. Hon and/or his close associates in aggregate does not exceed 10% of the issued shares of that company in question and Dr. Hon and/or his close associates are not entitled to appoint a majority of the directors of that company and at any time there should exist at least another shareholder of that company whose shareholdings in that company should be more than the total number of shares held by Dr. Hon and his respective close associates in aggregate; or

(c) Dr. Hon and/or his close associates do not have the control over the board of such company.

The Deed of Non-competition shall take effect upon Listing and shall expire on the earlier of:

(a) the day on which the H Shares cease to be listed and traded on the Stock Exchange or other recognised stock exchange; or

(b) the day on which Dr. Hon and his close associates, individually or taken as a whole, cease to own, in aggregate, 30% or more of the then issued share capital of our Company directly or indirectly or cease to be deemed as our Controlling Shareholder and do not have power to control the Board or there is at least one other independent shareholder other than Dr. Hon and his close associates holding more Shares than Dr. Hon and his close associates taken together.

Dr. Hon and/or his close associates may take up new business opportunities which compete with our Company only if they comply with their obligations under the Deed of Non-competition in doing so.

Pursuant to the Deed of Non-competition, Dr. Hon has undertaken that if he and/or any of his close associates is offered or becomes aware of any project or new business opportunity ("**New Business Opportunity(ies)**") that relates to the Restricted Business, whether directly or indirectly, he shall (i) promptly within ten (10) business days notify our Company in writing of such opportunity and provide such information as is reasonably required by our Company in order to enable our Company to come to an informed assessment of such New Business Opportunity; and (ii) use his best endeavours to procure that such opportunity is offered to our Company on terms no less favourable than the terms on which such New Business Opportunity is offered to him and/or his close associates.

All of our Directors (excluding those who is/are interested in the New Business Opportunity and has/have conflict of interests with our Company) will review the New Business Opportunity and decide whether to invest in the New Business Opportunity. If our Group has not given written notice of its desire to invest in such New Business Opportunity or has given written notice denying the New Business Opportunity within thirty (30) business days (the "**30-day Offering Period**") of receipt of notice from Dr. Hon, Dr. Hon and/or his close associates shall be permitted to invest in or participate in the New Business Opportunity on his/their own accord. With respect to the 30-day Offering Period, our Directors consider that such period is adequate for our Company to assess any New Business Opportunity. In the event that our Company requires additional time to assess the New Business Opportunity, our Company may give a written notice to Dr. Hon within the 30-day Offering Period and Dr. Hon agrees to extend the period to a maximum of sixty (60) business days. Our Group may elect not to take up the New Business Opportunity if our Directors consider that (i) taking up the New Business Opportunity is not beneficial to our Group, whether financially or otherwise; (ii) our Group does not have sufficient financial resources to take up the New Business Opportunity; (iii) the risk involved in the New Business Opportunity is too high; and/or (iv) there exists any other reason or circumstance under which taking up the New Business Opportunity is not in the interest of our Company and our Shareholders as a whole. In the event our Company decides not to take up any New Business Opportunities after Listing, our Company will disclose in our annual report details of such New Business Opportunities, and our Company's reason for not taking up such New Business Opportunities.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. We recognize the importance of good corporate governance in the protection of our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(a) our independent non-executive Directors will review, on an annual basis, compliance and enforcement of the Deed of Non-competition by Dr. Hon. Dr. Hon has undertaken that he will and will procure his close associates to provide all information reasonably required by our independent non-executive Directors to assist them in the assessment. Our Company will disclose the review in our annual report or by way of announcement to the public. Dr. Hon has also undertaken that he will make an annual declaration on the compliance with the Deed of Non-competition in our annual report;

(b) where a Shareholders' meeting is to be held to consider proposed transactions in which any of our Controlling Shareholders or their associates have a material interest, such Controlling Shareholder(s) will not vote on the resolutions and shall not be counted towards the quorum in the voting;

(c) our Group has established internal control mechanisms to identify connected transactions. Our Company will comply with the requirements in relation to connected transactions under the Listing Rules upon Listing;

(d) we are dedicated to maintaining a balanced composition of executive and independent non-executive Directors on our Board. We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors possess substantial experience and are free of any business and/or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. We have also appointed three Supervisors in accordance with the relevant PRC laws and regulations to supervise the performance of the duties by our Board. See "Directors, Supervisors and Senior Management — Directors" and "Directors, Supervisors and Senior Management — Supervisors" for details;

(e) our Directors will operate in accordance with the Articles which require the interested Director not to vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested except as permitted by the Articles;

(f) 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; and

(g) we have appointed Maxa Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors' duties and internal controls.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect our minority Shareholders' interests after the Listing.

SUBSTANTIAL SHAREHOLDER

So far as our Directors are aware, immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the following person will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

			Shares held as of the Latest Practicable Date and immediately prior to the Global Offering[(1)]		Shares held immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)[(1)]	
Name of Shareholder	Capacity/ Nature of interest	Class of Shares	Number	Approximate percentage in the total share capital of our Company	Number	Approximate percentage in the total share capital of our Company
Dr. Hon	Beneficial Interest	Domestic Unlisted Shares	21,032,165(L)	88.56%	21,032,165(L)	66.41%
	Interest in controlled corporation[(2)]	Domestic Unlisted Shares	378,941(L)	1.60%	378,941(L)	1.20%

Notes:

1. The letter "L" denotes the entity/person's long position (as defined under Part XV of the SFO) in such Shares.

2. As of the Latest Practicable Date, Dr. Hon was the sole general partner of Dahon Tech Enterprise LP, our employee shareholding platform, which was interested in 378,941 Domestic Unlisted Shares. Accordingly, Dr. Hon is deemed to be interested in the Domestic Unlisted Shares held by Dahon Tech Enterprise LP under the SFO.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of 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.

SHARE CAPITAL

As at the Latest Practicable Date, the registered capital of our Company is RMB23,747,841, divided into 23,747,841 Domestic Unlisted Shares with a nominal value of RMB1.00 each.

Assuming that the Over-allotment Option is not exercised, the share capital of our Company immediately following the completion of the Global Offering will be increased to RMB31,667,841 and set out as follows:

Number of Shares	Description of Shares	Approximate % of the Enlarged Share Capital after the Global Offering
23,747,841	Domestic Unlisted Shares	74.99%
7,920,000	H Shares to be issued under the Global Offering	25.01%
31,667,841		100.00%

Assuming that the Over-allotment Option is exercised in full, the share capital of our Company immediately following the Global Offering will be increased to RMB32,847,841 and set out as follows:

Number of Shares	Description of Shares	Approximate % of the Enlarged Share Capital after the Global Offering
23,747,841	Domestic Unlisted Shares	72.30%
7,920,000	H Shares to be issued under the Global Offering	24.11%
1,180,000	H Shares to be issued upon full exercise of the Over-allotment Option	3.59%
32,847,841		100.00%

PUBLIC FLOAT REQUIREMENTS

Pursuant to Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules, where the expected market value at the time of listing does not exceed HK$6,000,000,000, at least 25% of the H Shares of our Company must at all times be held by the public.

Based on the information in the above tables, our Company will meet the public float requirement under the Listing Rules after the completion of the Global Offering (whether or not the Over-allotment Option is exercised in full). We will make appropriate disclosure of our public float and confirm the sufficiency of our public float in successive annual reports after the Listing.

OUR SHARES

The H Shares in issue following the completion of the Global Offering and the Domestic Unlisted Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect or other persons who are entitled to hold our H Shares pursuant to the relevant PRC laws and regulations or upon approvals of any competent authorities, including our existing Shareholders who may convert their Domestic Unlisted Shares into H Shares upon completion of filing with the CSRC, H Shares generally may not be subscribed for by or traded between legal or natural persons of the PRC.

The Domestic Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus.

All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Domestic Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF OUR DOMESTIC UNLISTED SHARES INTO H SHARES

Our Domestic Unlisted Shares are unlisted Shares which are currently not listed or traded on any stock exchange.

According to stipulations by the State Council securities regulatory authority and the Articles of Association, the Domestic Unlisted Shares may be converted into H Shares. Such converted Shares may be listed or traded on an overseas stock exchange provided that the conversion and trading of such converted Shares shall only be effected after all requisite internal approval process have been duly completed and the approval from the relevant PRC regulatory authorities (including the CSRC) and the relevant overseas stock exchange have been obtained.

In addition, such conversion and trading shall in all respects comply with the regulations prescribed by the State Council securities regulatory authority and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Domestic Unlisted Shares are to be converted to H Shares and to be traded on the Stock Exchange, such conversion requires the approval of the relevant PRC regulatory authorities, including the CSRC. Approval of the Stock Exchange is required for the listing of such converted Shares on the Stock Exchange. Subject to fulfilling the procedures below, our Company may apply for the listing of all or any portion of the Domestic Unlisted Shares on the Stock Exchange as H Shares before any proposed conversion so that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the H Share register. As any listing of additional Shares after our Company's initial listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require prior application for listing as at the time of our Company's initial listing in Hong Kong. A vote by our Shareholders in general meeting is not required for the listing and trading of the converted Shares on an overseas stock exchange. Any listing of the converted Shares on the Stock Exchange after the initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Domestic Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be listed as H Shares.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

Our Directors, Supervisors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisors and 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 aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association and the employee shareholding platforms of the Company may contain other restrictions on the transfer of the Shares held by our Directors, Supervisors, members of senior management and certain employees of our Company.

For details of the lock-up undertaking given by our Controlling Shareholder pursuant to Rule 10.07 of the Listing Rules, see "Underwriting — Underwriting Arrangements and Expenses — Undertakings to the Stock Exchange Pursuant to the Listing Rules — (B) Undertaking by our Controlling Shareholders".

INCREASE IN SHARE CAPITAL

As advised by our PRC Legal Advisers, pursuant to the Articles of Association and subject to the requirements of the relevant PRC laws and regulations, our Company, upon the Listing of our H Shares, is eligible to enlarge its share capital by issuing either new H Shares or new Domestic Unlisted Shares on condition that such proposed issuance shall be approved by a special resolution of Shareholders in general meeting conducted in accordance with the provisions of the Articles of Association and that such issuance complies with the Listing Rules and other relevant laws and regulations of Hong Kong. To adopt a special resolution of Shareholders in general meeting, more than the two thirds votes represented by the Shareholders (including proxies) present at the general meeting must be exercised in favor of the resolution.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which our Shareholders' general meetings are required, see "Appendix V — Summary of the Articles of Association".

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share change registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) (the "**CSDC**"). Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the share change registration with the CSDC of the shares involved in the application is completed.

You should read the following discussion in conjunction with the consolidated financial statements and the notes thereto included in the Accountants' Report as set out in Appendix I to this prospectus which has been prepared in accordance with HKFRS, and the selected historical financial information and operating data included elsewhere in this prospectus.

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 development, 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 the sections headed "Risk Factors" and "Forward-looking Statements" and elsewhere in this prospectus.

OVERVIEW

We are mainland China's largest folding bicycle company in terms of both retail sales volume and retail sales value of folding bicycles in 2024. Our *DAHON* brand, one of the renowned brands in the folding bicycle industry, was founded in 1982 by Dr. Hon. With over 40 years of development, our *DAHON* brand has a garnered strong reputation of technological capabilities, innovation, craftsmanship, dedication to better performance and product quality. According to CIC, in terms of retail sales volume in 2024, we ranked first in the mainland China folding bicycle industry, representing a market share of 26.3%, and we also ranked first in the mainland China folding bicycle industry in terms of retail sales value in 2024, representing a market share of 36.5%. According to CIC, the folding bicycle industry constitutes a niche but fast growing segment within the overall bicycle industry.

Anchored upon proven best sellers such as our P8 together with newly developed models, we have developed a comprehensive bicycle portfolio designed to meet the varied needs of different consumer segments, from urban commuters to adventure seekers and competitive racers. Throughout our history, our portfolio has grown from folding bicycles to also encompass other bicycle types including road bicycles, mountain bicycles, children's bicycles and electric-assisted bicycles, reflecting our commitment to innovation and responsiveness towards market demand. As of April 30, 2025, we offer over 70 bicycle models.

We have maintained our focus on advancing folding bicycle technology through sustained research and development investments and developed innovations that span across fundamental aspects of bicycle design, from frame structure to riding dynamics. As of April 30, 2025, we hold 113 effective patents in mainland China, making us the brand with the highest number of patents in China's folding bicycle industry according to CIC. We also hold 22 effective patents in the U.S., Europe and Japan as of the same date. As of April 30, 2025, we had licensed our patented technologies and our *DAHON* brand to 18 and 16 industry peers through our Sharing 360 Program.

We have developed a comprehensive and efficient sales and distribution network that continuously increases the coverage and penetration of our products spanning both offline and online channels in mainland China. We partnered with 38 distributors across 30 provincial-level administrative regions in the PRC, covering 680 retail outlets, as of April 30, 2025. We have also expanded into online channels, including major e-commerce and social media platforms in mainland China, namely JD.com, Tmall, and Douyin. Our revenue generated from domestic online direct sales surged from RMB14.1 million in 2022 to RMB100.2 million in 2024, representing a CAGR of 166.1%. Our revenue generated from domestic online direct sales amounted to RMB39.9 million for the four months ended April 30, 2025, representing a period-to-period increase of 84.8%. As of December 31, 2024, although to a substantially lesser extent, we have also sold our products in 28 other countries and regions, including Southeast Asia, the U.S. and Europe.

As a leader among folding bicycle brands in mainland China, we have achieved strong business and financial growth during the Track Record Period. Our sales volume increased from 148,956 units in 2022 to 229,533 units in 2024, representing a CAGR of 24.1%. Our sales volume amounts to 93,398 units for the four months ended April 30, 2025, representing a period-to-period increase of 46.5%. Our revenue increased from RMB254.2 million in 2022 to RMB450.7 million in 2024, representing a CAGR of 33.1%. Our revenue amounts to RMB184.7 million for the four months ended April 30, 2025, representing a period-to-period increase of 46.8%. In addition, our net profit increased from RMB31.4 million in 2022 to RMB52.3 million in 2024, representing a CAGR of 29.1%. Our net profit amounts to RMB21.5 million for the four months ended April 30, 2025, representing a period-to-period increase of 69.3%. According to CIC, among the top five folding bicycle companies in mainland China in terms of sales volume in 2024, we achieved the fastest growth rate in sales volume and revenue from 2023 to 2024.

BASIS OF PRESENTATION

Our Company was incorporated in the PRC on December 13, 2016. Our historical financial information has been prepared in accordance with HKFRS (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong. For the purpose of preparing our consolidated financial statements for the Track Record Period, we have consistently applied the accounting policies which are effective for the accounting period beginning on 1 January 2025 throughout the Track Record Period. The historical financial information has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. For details, see Note 2 to the Accountants' Report as set out in Appendix I.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, financial condition, results of operations and prospects are affected by general factors affecting the folding bicycle industry, which include:

- overall economic growth and per capita disposable income;
- evolving consumption patterns and growth of consumer spending;
- growth and competition environment of the folding bicycle industry;
- relevant laws and regulations, government policies and initiatives; and
- occurrence of force majeure events, outbreak of public health incidents, acts of war, social and economic chaos and natural disasters.

Unfavorable changes in any of these factors could negatively affect the demand for our products and services and materially and adversely affect our results of operations.

Our business, financial condition, results of operations and prospects are also affected by certain company-specific factors, including the following:

Our Brand Awareness and Recognition

Brand awareness and consumer recognition are critical to our long-term success. Our *DAHON* brand has over 40 years of history and has become one of the most prominent brands of folding bicycles in the world. We continuously pursue a high-end branding strategy and deliver high-quality products to our customers. Our *DAHON* brand has garnered both domestic and international acclaim and numerous awards and recognitions. See "Business — Awards and Recognitions" for details. We believe that our strong brand names are critical to our consumer acquisition and retention, and our ability to continuously enhance recognition of our brands may affect our consumer base, our selling price, our market share and our results of operations.

Our Sales Network

The breadth of our sales network largely affects our ability to reach our customers and our revenue growth. Our sales network spans a multitude of online and offline channels, enabling us to achieve broad consumer coverage. We sell our products primarily through our network of distributors to effectively cover the mainland China market. For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, revenue from domestic sales to distributors accounted for 61.3%, 70.5%, 68.2%, 71.8% and 69.5% of our total revenue, respectively. We strive to provide our distributors with operational supports to boost their development and have adopted several measures to prevent channel stuffing, such as advice on marketing and inventory management and regular inspection of retail outlets. We believe these efforts foster trusted relationships and stable market growth for both our Company and our distributors.

With the growing popularity of online shopping and the convenience it offers, we also increase the adoption of online channels to boost sales and build brand recognition. As of April 30, 2025, we have four self-operated online stores on mainstream domestic e-commerce or social media platforms, including JD.com, Tmall, Douyin and Pinduoduo. In addition, we engage JD.com to distribute our products through its own online stores to further expand our online presence. For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, revenue from domestic online direct sales accounted for 5.6%, 19.3%, 22.2%, 17.1% and 21.6% of our total revenue, respectively. We expect that online sales will continue to grow in the future and online channel will be crucial to our future financial performance.

Our Technological Capabilities

Folding bicycles require intricate mechanisms that allow the bicycle to fold into a smaller and portable size without compromising on safety, stability, or comfort. Achieving this balance demands advanced technological knowledge and engineering skills, making it essential for us to maintain our technical edge. Our future growth is affected by the breadth and depth of our industry insights, our technology capabilities to further upgrade our products, and our ability to timely adapt to evolving industry trends and preferences of consumers. We have invested and will continue to invest in research and development to maintain and promote our technological capabilities. In particular, we focus on breakthrough research and development in core mechanisms and structural design, such as our proprietary bicycle folders and frame designs. For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our research and development expenditure amounted to RMB9.0 million, RMB10.7 million, RMB17.6 million, RMB4.6 million and RMB6.5 million, respectively. We believe our investments in research and development will solidify our market position and drive our growth in the long run.

Our Cost Management

Efficient cost management is key to our financial performance. During the Track Record Period, cost of raw materials and consumables used represented the largest component of our cost of sales. We had cost of raw materials and consumables used of RMB103.6 million, RMB95.3 million, RMB121.4 million, RMB33.4 million and RMB49.4 million for the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, respectively, accounting for 58.8%, 48.0%, 40.2%, 39.5% and 39.9% of our cost of sales. Our principal raw materials are subject to price volatility caused by external conditions, such as commodity price fluctuations in aluminum. Our ability to source a steady supply of raw materials at reasonable prices to support our production is crucial to our operations.

We set forth below a sensitivity analysis on the effects of the fluctuations in the cost of raw materials and consumables used. To illustrate the potential effect on our financial performance, the sensitivity analysis below illustrates the potential impact on our profit before tax with a 5% and 10% increase or decrease in the cost of raw materials and consumables used. While none of the hypothetical fluctuation ratios applied in the sensitivity analysis equals the historical fluctuations, we believe that the application of hypothetical fluctuations of 5% and 10% in the cost of raw materials and consumables used presents a meaningful analysis of the potential impact of these changes to our profitability. Due to the number of assumptions applied and involved in the calculation, the sensitivity analysis below is for illustration purpose only, and the actual results may differ from the illustrations below.

Change in profit before tax for the	+/– 5%	+/– 10%
Year ended December 31, 2022	–/+14.2%	–/+28.4%
Year ended December 31, 2023	–/+11.8%	–/+23.6%
Year ended December 31, 2024	–/+9.7%	–/+19.4%
Four months ended April 30, 2025	–/+9.7%	–/+19.5%

During the Track Record Period, we employed a production model combining in-house production at our Huizhou facility with carefully selected third-party OEM suppliers. OEM suppliers manufacture folding bicycles with raw materials purchased by themselves and proprietary parts provided by us. This hybrid approach provides us with operational flexibility and scalability to efficiently manage demand fluctuations, optimize production capacity utilization, and maintain cost effectiveness across our production. See "Business — Suppliers and Subcontractors — OEM Suppliers" for details.

Seasonality

Our financial performance and results of operations are subject to seasonal fluctuations. Sales are relatively lower during the first two months of each year primarily due to winter weather conditions that limit outdoor cycling activities, whether for general commuting or recreational purposes, and the Chinese New Year holiday period. Sales of our products can also fluctuate throughout the year for other reasons, including the timing of new product launches and promotional campaigns.

Impact of the COVID-19 Pandemic

Public health emergencies such as prolonged outbreaks of contagious diseases could impact our operations. According to CIC, the outbreak of COVID-19 in 2020 had triggered a global sales boom for bicycles. Limited social activities and a heightened interest in outdoor physical activities significantly boosted the demand for bicycles worldwide in 2020 and 2021. Thus, such market trend and consumer behaviors had brought extra demand and growth in 2021 while the market returned to a much more moderate level in 2022 and 2023. As a result, revenue from our offshore sales decreased in 2023, partially because the global sales boom of bicycles during the COVID-19 pandemic led to a short-term destocking process for the post pandemic era. Our business maintained an upward trend despite the challenges brought by the COVID-19 pandemic. While our offshore sales, which accounted for 22.1%, 6.8%, 6.6%, 8.7% and 5.6% of our revenue in 2022, 2023, 2024 and the four months ended April 30, 2024 and 2025 respectively, were negatively affected, we have witnessed the growth in our domestic sales from RMB198.0 million in 2022 to RMB420.9 million in 2024, and from RMB114.8 million for the four months ended April 30, 2024 to RMB174.3 million for the same period in 2025, respectively. Therefore, we believe that the COVID-19 pandemic did not have any material adverse effect on our business or results of operation during the Track Record Period.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. In each case, the determination of these items requires management judgments based on information and financial data that may change in future periods. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future. When reviewing our financial statements, you should consider (i) our selection of material accounting policies; (ii) the judgment and other uncertainties affecting the application of such policies; and (iii) the sensitivity of reported results to changes in conditions and assumptions. For details on our material accounting policies, judgments and estimates, see Note 4 to the Accountants' Report as set out in Appendix I.

Revenue Recognition

DAHON bicycles and related products

Our Group manufactures and sells *DAHON* bicycles and related products to distributors, to customers through offline and online direct sales and offshore. A contract liability is recognized for advance payments received for sales in which revenue has yet been recognized.

Domestic — Sales to distributors

Revenue is recognized at a point in time upon the receipts of the goods by the distributors. Following receipts of the goods, the customers have full discretion over the manner of distribution, also have the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Domestic — Offline direct sales

Revenue is recognized at a point in time when control of the goods has transferred, upon the receipt of the goods.

Domestic — Online direct sales

For sales on the online e-commerce platforms, revenue is recognized at a point in time upon the receipts of the goods by the customers.

Offshore

For sales channel in offshore, it consisted of sales to distributors and online direct sales. For sales to distributors, revenue is recognized at a point in time when control of the goods has transferred, being when the goods have been shipped to the customers' specific location (delivery). Following delivery of the goods, the customers have full discretion over the manner of distribution, also have the primary responsibility when on selling the goods and bear the risks of obsolescence and loss in relation to the goods. For sales on the online e-commerce platforms, revenue is recognized at a point in time upon the e-commerce platforms has shown that the corresponding goods have been shipped to the customer's specific location (delivery) by the logistic companies appointed by the e-commerce platform.

Sales returns

For domestic sales to distributors, domestic offline direct sales and offshore sales to distributors, based on our Group's sales contracts with the customers, they can only return or request for refund if the product delivered to them does not meet the pre-specified quality requirement; otherwise, our Group does not accept product returns or exchanges without the management's consent.

For domestic online direct sales and offshore online direct sales, in accordance with relevant rules and regulations, all the e-commerce platforms has imposed a seven-day return/exchange policy, allowing consumers to return or exchange products within seven days after the delivery for no cause, and our Group follows the return or exchange policies imposed by the e-commerce platforms.

Licensing and royalty income

Our Group receives licensing and royalty income from granting license of trademarks. Our Group charges its customers: i) an upfront licensing fee upon the signing of contract, and ii) a fixed rate royalty fee based on subsequent sale of licensing products. For the upfront licensing fee, it is recognized as revenue over the licensing period. For the royalty fee based on subsequent sale of licensing products, it is recognized at a point in time when subsequent sale of licensing products from licensee occurs over the licensing period. For royalty fee based on subsequent sale of licensing products, the credit term is normally 30 days after each quarter during the licensing period.

Leases

Our Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Our Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted 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.

Lease liabilities

At the commencement date of a lease, our Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, our Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

Our Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

For shares that are granted under the Employee Incentive Schemes as detailed and defined in Note 31 to the Accountants' Report as set out in Appendix I, the amount of fair value of the equity-settled share-based payments determined at the grant date, which taking into consideration paid by the grantees but without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on our Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, our Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Our Group recognized the consideration paid by the employees for equity-settled share based payment in liabilities due to the repurchase obligation by our Group in the situation that the employees do not meet the vesting conditions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Our Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the historical financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which our Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which our Group recognizes the right-of-use asset and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use asset or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, our Group applies HKAS 12 *Income Taxes* requirements to lease liabilities and the related assets separately. Our Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include cash, which comprises of cash on hand and demand deposits.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which our Group must incur to make the sale.

SUMMARY OF RESULTS OF OPERATIONS DURING THE TRACK RECORD PERIOD

The following table sets forth a summary of our consolidated results of operations for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Revenue	254,188	300,156	450,720	125,753	184,741
Cost of sales	(176,256)	(198,662)	(301,972)	(84,661)	(123,758)
Gross profit	77,932	101,494	148,748	41,092	60,983
Other income	980	1,885	2,687	438	535
Other gains and losses, net	3,011	280	(1,196)	(549)	(262)
Impairment losses under expected credit loss ("**ECL**") model, net of reversal	177	883	747	654	(50)
Selling and distribution costs	(15,988)	(29,576)	(47,462)	(13,358)	(19,732)
Administrative expenses	(19,070)	(23,041)	(23,289)	(8,248)	(9,232)
Research and development expenditure	(9,013)	(10,667)	(17,553)	(4,636)	(6,481)
Listing expenses	—	—	(66)	—	(154)
Finance costs	(1,301)	(925)	(872)	(311)	(251)
Share of result of an associate	(210)	—	—	—	—
Profit before tax	36,518	40,333	61,744	15,082	25,356
Income tax expense	(5,084)	(5,483)	(9,445)	(2,352)	(3,828)
Profit and total comprehensive income for the year/period	31,434	34,850	52,299	12,730	21,528

DESCRIPTION OF KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, our revenue was primarily derived from the sale of our *DAHON* bicycles. We also generated revenue from (i) sales of accessories, apparel and other related products, and (ii) licensing and royalty income primarily related to our Sharing 360 Program, comprising income from fixed licensing fees and variable royalty fees proportional to the ex-factory prices of co-branded products.

Revenue by business line

The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%	*RMB'000* (unaudited)	%	*RMB'000*	%
Sales of products										
— *DAHON* bicycles	237,325	93.4	288,588	96.1	442,248	98.1	123,143	97.9	181,513	98.3
— Accessories, apparel and other related products[1]	13,584	5.3	6,776	2.3	3,425	0.8	945	0.8	946	0.5
Licensing and royalty income	3,279	1.3	4,792	1.6	5,047	1.1	1,665	1.3	2,282	1.2
Total	**254,188**	**100.0**	**300,156**	**100.0**	**450,720**	**100**	**125,753**	**100.0**	**184,741**	**100.0**

Note:

1. Also including revenue generated from our proprietary accessories sold through our Sharing 360 Program.

For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our revenue amounted to RMB254.2 million, RMB300.2 million, RMB450.7 million, RMB125.8 million and RMB184.7 million, respectively. For detailed analysis, see "— Period to Period Comparison of Results of Operations."

We categorize our bicycles into distinct price tiers based on their recommended retail prices to cater to various market segments. These include the high-end tier, with recommended retail prices of RMB5,000 per unit or above, the mid-range tier, with recommended retail prices reaching RMB2,500 per unit but less than RMB5,000 per unit, and the mass-market tier, with recommended retail prices less than RMB2,500 per unit. For markets outside mainland China, we generally set higher recommended retail prices than those in mainland China to reflect different market conditions. The following table sets forth the sales volumes and average selling prices of our *DAHON* bicycles by price tier for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	unit	*RMB*	*unit*	*RMB*	*unit*	*RMB*	*unit*	*RMB*	*unit*	*RMB*
High-end	6,565	3,761	7,406	3,942	10,232	3,924	3,176	3,847	4,892	3,861
Mid-range	60,296	1,991	88,061	2,083	144,209	2,130	41,390	2,068	57,651	2,154
Mass-market	82,095	1,128	61,410	1,238	75,084	1,264	19,192	1,319	30,855	1,247
Total	**148,956**	**1,593**	**156,877**	**1,840**	**229,525**	**1,927**	**63,758**	**1,931**	**93,398**	**1,943**

Note:

1. Average selling price per unit is calculated through dividing the revenue by sales volume for each price tier. Such calculated average selling prices are lower than the recommended retail price ranges as we primarily sell our products to distributors that exclude distributor markups and other downstream expenses.

Revenue by sales channel

We have a broad sales and distribution network for our products, covering both offline and online channels. We primarily sell our products through our network of distributors to effectively cover the mainland China market. During the Track Record Period, the majority of our revenue was generated from sales to distributors. We also sell our products offline in mainland China primarily through a self-operated offline store in Shenzhen and Sam's Club, a mass-market retailer. Moreover, we operate online stores on various platforms and sell our products to JD.com's store, an e-commerce platform. Additionally, we had offshore sales during the Track Record Period that were primarily carried out through offshore distributors and e-commerce platforms. For details, see "Business — Sales and Distribution."

The following table sets forth a breakdown of our revenue by sales channel for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
Domestic sales	**198,030**	**77.9**	**279,821**	**93.2**	**420,895**	**93.4**	**114,835**	**91.3**	**174,336**	**94.4**
— Sales to distributors	155,778	61.3	211,501	70.5	307,123	68.2	90,255	71.8	128,441	69.5
— Offline direct sales	28,107	11.0	10,251	3.4	13,610	3.0	3,005	2.4	6,022	3.3
— Online direct sales	14,145	5.6	58,069	19.3	100,162	22.2	21,575	17.1	39,873	21.6
Offshore sales	**56,158**	**22.1**	**20,335**	**6.8**	**29,825**	**6.6**	**10,918**	**8.7**	**10,405**	**5.6**
Total	**254,188**	**100.0**	**300,156**	**100.0**	**450,720**	**100.0**	**125,753**	**100.0**	**184,741**	**100.0**

The increase in revenue from domestic sales to distributors throughout the Track Record Period was primarily driven by (i) our support to distributors and sub-distributors to upgrade their retail outlets by providing store decoration and display materials, costs of which were recognized as offline promotional expenses of our selling and distribution costs, leading to the increase in the number of flagship stores as a percentage of total distributor retail outlets from 13.0% in 2022 to 33.7% for the four months ended April 30, 2025, (ii) the increase in revenue from several large distributors in certain developed cities such as Beijing, Shanghai and Hangzhou, and (iii) our branding and marketing efforts to raise brand awareness which in turn boosted our sales. The decrease in revenue from domestic offline direct sales in 2023 was primarily due to the decrease in revenue from sales to Riding Sports which was a related party and used to resell products purchased from us through online channels. We gradually reduced transactions with Riding Sports after we launched our self-operated online stores in late 2022. The increase in revenue from domestic offline direct sales in 2024 was primarily due to the full year effect of revenue from Sam's Club as we began our collaboration with Sam's Club in September 2023. Revenue from domestic offline direct sales further increased by 100.4% for the four months ended April 30, 2025 as compared to that for the corresponding period in 2024 primarily due to the growing revenue contribution from Sam's Club. Revenue from domestic online direct sales increased during the Track Record Period, primarily due to our efforts devoted in the development of our online sales channels since late 2022. Revenue from our offshore sales decreased in 2023, primarily because (i) some of our offshore distributors stopped making purchase from us due to their own financial conditions; and (ii) the global sales boom of bicycles during the public health emergency led to a short-term destocking process for the post pandemic era. Revenue from our offshore sales remained relatively stable in 2024 and for the four months ended April 30, 2024 and 2025.

The following table sets forth the breakdown of revenue from sales of accessories, apparel and related products by sales channel:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(unaudited)			
Domestic sales	**5,442**	**40.1**	**4,301**	**63.5**	**2,969**	**86.7**	**832**	**88.0**	**854**	**90.3**
— Sales to distributors	587	4.3	869	12.8	733	21.4	280	29.5	259	27.4
— Offline direct sales	4,585	33.8	2,464	36.4	1,024	29.9	284	30.1	171	18.1
— Online direct sales	270	2.0	968	14.3	1,212	35.4	268	28.4	424	44.8
Offshore sales	**8,142**	**59.9**	**2,475**	**36.5**	**456**	**13.3**	**113**	**12.0**	**92**	**9.7**
Total revenue from sales of accessories, apparel and related products	**13,584**	**100.0**	**6,776**	**100.0**	**3,425**	**100.0**	**945**	**100.0**	**946**	**100.0**

Revenue from sales of accessories, apparel and related products decreased from 2022 to 2024, primarily due to the continuous decreases in domestic offline direct sales and offshore sales, partially offset by the growing revenue contribution from domestic online direct sales as a result of our efforts devoted in the development of our online sales channels since late 2022. Revenue from sales of accessories, apparel and related products remained relatively stable for the four months ended April 30, 2024 and 2025.

Cost of Sales

Our cost of sales primarily consists of (i) raw materials and consumables used, mainly comprising bicycle frames, wheelsets, chainrings and chains, gear systems, brake systems and packaging materials, (ii) direct labor costs representing salaries, bonuses and welfare related to our production personnel, (iii) manufacturing overhead such as rental related expenses, utilities, depreciation and amortization, (iv) outsourcing production costs for the engagement of OEM suppliers for order fulfilment due to the growing demand for our products, and (v) other miscellaneous costs.

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* *(unaudited)*	*%*	*RMB'000*	*%*
Raw materials and consumables used	103,625	58.8	95,280	48.0	121,434	40.2	33,427	39.5	49,412	39.9
Direct labor costs	8,429	4.8	7,753	3.9	9,857	3.3	2,459	2.9	3,783	3.1
Manufacturing overhead	27,085	15.4	24,535	12.4	28,575	9.5	7,562	8.9	10,967	8.9
Outsourcing production costs	35,596	20.2	68,637	34.5	138,869	46.0	40,238	47.5	58,300	47.1
Others	1,521	0.8	2,457	1.2	3,237	1.0	975	1.2	1,296	1.0
Total	**176,256**	**100.0**	**198,662**	**100.0**	**301,972**	**100.0**	**84,661**	**100.0**	**123,758**	**100.0**

For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our cost of sales amounted to RMB176.3 million, RMB198.7 million, RMB302.0 million, RMB84.7 million and RMB123.8 million, respectively, representing 69.4%, 66.2%, 67.0%, 67.3% and 67.0% of our revenue for the respective periods.

Gross Profit and Gross Profit Margin

Our gross profit represents the excess of total revenue over total cost of sales. Gross profit margin represents gross profit as a percentage of total revenue. For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our overall gross profit amounted to RMB77.9 million, RMB101.5 million, RMB148.7 million, RMB41.1 million and RMB61.0 million, respectively. Our overall gross profit margin amounted to 30.7%, 33.8%, 33.0%, 32.7% and 33.0%, respectively, for the same periods.

The following table sets forth a breakdown of our gross profit and gross profit margins by business line for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
Sales of products										
— *DAHON* bicycles	72,207	30.4	95,372	33.0	142,527	32.2	39,119	31.8	58,335	32.1
— Accessories, apparel and other related products	2,446	18.0	1,330	19.6	1,174	34.3	308	32.6	366	38.7
Licensing and royalty income	3,279	100.0	4,792	100.0	5,047	100.0	1,665	100.0	2,282	100.0
Total	**77,932**	**30.7**	**101,494**	**33.8**	**148,748**	**33.0**	**41,092**	**32.7**	**60,983**	**33.0**

The following table sets forth a breakdown of our gross profit and gross profit margins by sales channel for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
Domestic sales	**58,540**	**29.6**	**93,800**	**33.5**	**138,583**	**32.9**	**37,782**	**32.9**	**57,751**	**33.1**
— Sales to distributors	42,745	27.4	60,598	28.7	84,025	27.4	24,859	27.5	34,524	26.9
— Offline direct sales	8,655	30.8	4,275	41.7	6,755	49.6	1,632	54.3	2,955	49.1
— Online direct sales	7,140	50.5	28,927	49.8	47,803	47.7	11,291	52.3	20,272	50.8
Offshore sales	**19,392**	**34.5**	**7,694**	**37.8**	**10,165**	**34.1**	**3,310**	**30.3**	**3,232**	**31.1**
Total	**77,932**	**30.7**	**101,494**	**33.8**	**148,748**	**33.0**	**41,092**	**32.7**	**60,983**	**33.0**

Although we generally implement a consistent overall pricing strategy and recommended retail prices for products with the same specifications, the gross profit margins of our sales vary across different channels. During the Track Record Period, the gross profit margins of our domestic online direct sales were relatively higher than those of our sales through other channels as our products were sold directly to end customers on our self-operated online stores. The gross profit margins of our domestic sales to distributors were relatively lower, primarily because products were generally sold to distributors at discounts to retail prices, with such discounts taking into account distributors' operational costs and profit margin, procurement volumes, geographical locations and the overall prices of our products across the market. The gross profit margin of domestic sales to distributors remained relatively stable at 27.4%, 28.7% and 27.4% in 2022, 2023 and 2024, respectively. The gross profit margin of domestic online direct sales remained relatively stable at 50.5% and 49.8% in 2022 and 2023, respectively. The gross profit margin of domestic online direct sales decreased slightly to 47.7% in 2024, primarily due to the increased proportion of products manufactured by OEM suppliers. The significant increase in the gross profit margin of domestic offline direct sales in 2023 was primarily due to the decrease in sales to Riding Sports, a related party that used to resell products purchased from us through online channels, sales to which had a relatively lower gross profit margin compared with sales to other customers of our domestic offline direct sales. The gross profit margin of domestic offline direct sales further increased in 2024 mainly attributable to the increased gross profit contributed by Sam's Club as we began our collaboration with Sam's Club in September 2023. The slight decreases in gross profit margins of domestic sales to distributors, offline direct sales and online sales from 27.5%, 54.3% and 52.3% respectively for the four months ended April 30, 2024 to 26.9%, 49.1% and 50.8% respectively for the same period in 2025, primarily due to the increased proportion of sales volume of our mass-market bicycles which had relatively lower gross profit margins. The increase in gross profit margin of domestic online sales for the four months ended April 30, 2025 as compared to that in 2024 was primarily because we received subsidies from e-commerce and/or social network platforms for participating in a series of online sales promotions during the period. The gross profit margin of our offshore sales remained relatively stable during the Track Record Period.

Other Income

Our other income primarily consists of interest income from our bank deposits, and non-recurring government subsidies for our business operation granted by local government. For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our other income amounted to RMB1.0 million, RMB1.9 million, RMB2.7 million, RMB0.4 million and RMB0.5 million, respectively.

The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest income	376	278	1,161	58	464
Government subsidies	558	1,559	1,262	363	66
Others	46	48	264	17	5
Total	**980**	**1,885**	**2,687**	**438**	**535**

Other Gains and Losses, Net

Our other gains and losses, net primarily consist of exchange gain or losses. For the years ended December 31, 2022 and 2023, we recorded other net gains of RMB3.0 million and RMB0.3 million, respectively, while we incurred other net losses of RMB1.2 million, RMB0.5 million and RMB0.3 million for the year ended December 31, 2024 and the four months ended April 30, 2024 and 2025, respectively.

The following table sets forth a breakdown of our other gains and losses, net for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Exchange gain/(loss), net	2,492	289	(570)	(578)	(388)
Others	519	(9)	(626)	29	126
Total	**3,011**	**280**	**(1,196)**	**(549)**	**(262)**

Impairment Losses under ECL Model, Net of Reversal

Impairment losses under ECL model, net of reversal primarily represent provision or reversal of impairment on trade receivables and amount due from related parties (trade related). We recognized reversal of impairment losses under ECL model of RMB0.2 million, RMB0.9 million, RMB0.7 million and RMB0.7 million for the year ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024, respectively. We incurred impairment losses under ECL model of RMB50 thousand for the four months ended April 30, 2025. We perform impairment assessment under ECL model on trade receivables and amount due from related parties/subsidiaries (trade related) individually. For details, see Note 29 to the Accountants' Report as set out in Appendix I.

The following table sets forth a breakdown of our impairment losses under ECL model, net of reversal for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Impairment loss recognized (reversed) on:					
— Trade receivables	(242)	(883)	(747)	(654)	50
— Amount due from related parties	65	—	—	—	—
Total	**(177)**	**(883)**	**(747)**	**(654)**	**50**

Selling and Distribution Costs

Our selling and distribution costs primarily consist of (i) employee benefit expenses, representing salaries, bonuses and welfare related to our sales and marketing personnel, (ii) offline promotional expenses in relation to our offline marketing and promotional activities, (iii) online promotional expenses in relation to our online marketing and promotional activities as well as commissions paid to e-commerce platforms for our online sales, (iv) travel expenses of our sales and marketing personnel, (v) consulting expenses paid to third-party service providers for services such as marketing strategy consulting and website design, (vi) depreciation and amortization, and (vii) office expenses of our sales and marketing personnel.

The following table sets forth a breakdown of our selling and distribution costs for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (*unaudited*)	*%*	*RMB'000*	*%*
Employee benefit expenses	8,378	52.4	12,340	41.7	17,206	36.3	5,400	40.4	7,165	36.3
Offline promotional expenses	2,471	15.5	6,403	21.6	11,561	24.4	2,932	22.0	3,439	17.5
Online promotional expenses	1,495	9.4	5,739	19.4	9,809	20.7	2,176	16.3	5,447	27.6
Travel expenses	563	3.5	1,346	4.6	1,400	2.9	406	3.0	596	3.0
Consulting expenses	855	5.3	904	3.1	1,144	2.4	225	1.7	904	4.6
Depreciation and amortization	364	2.3	710	2.4	685	1.4	229	1.7	280	1.4
Office expenses	123	0.8	280	0.9	496	1.0	260	1.9	198	1.0
Others	1,739	10.8	1,854	6.3	5,161	10.9	1,730	13.0	1,703	8.6
Total	**15,988**	**100.0**	**29,576**	**100.0**	**47,462**	**100.0**	**13,358**	**100.0**	**19,732**	**100.0**

For the years ended December 31, 2022, 2023, 2024 and the four months ended April 30, 2024 and 2025, our selling and distribution costs amounted to RMB16.0 million, RMB29.6 million, RMB47.5 million, RMB13.4 million and RMB19.7 million, respectively, representing 6.3%, 9.9%, 10.5%, 10.6% and 10.7% of our revenue for the respective periods.

Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses, representing salaries, bonuses and welfare related to our administrative personnel, (ii) consulting expenses paid to third-party professional service providers, such as external auditors, (iii) depreciation and amortization, (iv) travel expenses of our administrative personnel, (v) office expenses of our administrative personnel, and (vi) patent related expenses mainly incurred for annual examinations of our proprietary patents.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Employee benefit expenses	11,362	59.6	14,511	63.0	15,592	67.0	5,443	66.0	6,678	72.3
Consulting expenses	2,802	14.7	3,329	14.4	1,453	6.2	492	6.0	448	4.9
Depreciation and amortization	2,550	13.4	2,499	10.8	2,962	12.7	999	12.1	997	10.8
Travel expenses	187	1.0	467	2.0	358	1.5	221	2.7	115	1.2
Office expense	720	3.8	917	4.0	971	4.2	440	5.3	374	4.1
Patent related expenses	616	3.2	338	1.5	899	3.9	4	—	80	0.9
Others	833	4.3	980	4.3	1,054	4.5	649	7.9	540	5.8
Total	**19,070**	**100.0**	**23,041**	**100.0**	**23,289**	**100.0**	**8,248**	**100.0**	**9,232**	**100.0**

For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our administrative expenses amounted to RMB19.1 million, RMB23.0 million, RMB23.3 million, RMB8.2 million and RMB9.2 million, respectively, representing 7.5%, 7.7%, 5.2%, 6.6% and 5.0% of our revenue for the respective periods.

Research and Development Expenditure

Our research and development expenditure primarily consists of (i) employee benefit expenses, representing salaries, bonuses and welfare related to our research and development personnel, (ii) raw materials used for our research and development activities, (iii) depreciation and amortization, (iv) patent related expenses mainly incurred for the application and acquisition of our patents, (v) consulting expenses paid to third-party consulting companies, (vi) office expenses of our research and development personnel, and (vii) travel expenses of our research and development personnel.

The following table sets forth a breakdown of our research and development expenditure for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2022		2023		2024		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000* (unaudited)	*%*	*RMB'000*	*%*
Employee benefit expenses	6,269	69.6	7,441	69.8	11,506	65.6	3,175	68.5	4,797	74.0
Raw materials used	299	3.3	902	8.5	1,841	10.5	745	16.1	585	9.0
Depreciation and amortization	576	6.4	608	5.7	848	4.8	233	5.0	299	4.6
Patent related expenses	624	6.9	480	4.5	348	2.0	269	5.8	58	0.9
Consulting expenses	556	6.2	450	4.2	1,244	7.1	3	0.1	422	6.5
Office expense	210	2.3	279	2.6	391	2.2	146	3.1	101	1.6
Travel expenses	133	1.5	121	1.1	139	0.8	25	0.5	97	1.5
Others	346	3.8	386	3.6	1,236	7.0	40	0.9	122	1.9
Total	**9,013**	**100.0**	**10,667**	**100.0**	**17,553**	**100.0**	**4,636**	**100.0**	**6,481**	**100.0**

For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our research and development expenditure amounted to RMB9.0 million, RMB10.7 million, RMB17.6 million, RMB4.6 million and RMB6.5 million, respectively, representing 3.5%, 3.6%, 3.9%, 3.7% and 3.5% of our revenue for the respective periods.

Finance Costs

Our finance costs consist of interest on bank borrowings and lease liabilities. Our finance costs amounted to RMB1.3 million, RMB0.9 million, RMB0.9 million, RMB0.3 million and RMB0.3 million for the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, respectively.

The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest on bank borrowings	226	—	—	—	—
Interest on lease liabilities	1,075	925	872	311	251
Total	**1,301**	**925**	**872**	**311**	**251**

Share of Result of an Associate

Share of result of an associate represents the profit or loss attributable to us from our equity interest in Dongguan Xindahang Sports Equipment Technology Co., Ltd. ("**Xindahang**" 東莞市鑫大航運動器材科技有限公司). For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our share of result of an associate amounted to RMB0.2 million, nil, nil, nil and nil, respectively.

Income Tax Expense

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operate.

PRC Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC entities is 25% during the Track Record Period, except for group entities which entitled preferential tax rate as explained below.

Pursuant to relevant laws and regulations in the PRC, our Company is granted tax incentives for being qualified as a High and New Technology Enterprise and is entitled to a concessionary tax rate of 15% for three years from 2021 to 2023. Our Company has renewed as a High and New Technology Enterprise in the year of 2024 and is entitled to a concessionary tax rate of 15% for three years from 2024 to 2026.

Pursuant to relevant laws and regulations in the PRC, Shenzhen Dahon Trading Co., Ltd. and Shenzhen Meidahon Trading Co., Ltd. are eligible as Small Low-profit Enterprises (小型微利企業) and are subject to preferential tax treatments. From January 1, 2022 to December 31, 2022, for Small Low-profit Enterprises, the portion of less than RMB1.0 million of the annual taxable income, shall be reduced to 12.5% of taxable income and subject to income tax at a rate of 20%. The portion of annual tax income exceeding RMB1.0 million but not exceed in RMB3.0 million shall be reduced to 25% of taxable income and subject to income tax at a rate of 20%. From January 1, 2023 to December 31, 2025, for Small Low-profit Enterprises, the portion of less than RMB3.0 million of the annual tax income shall be reduced to 25% of taxable income and subject to income tax at a rate of 20%.

Pursuant to relevant laws and regulations in the PRC, the Company is entitled to claim an additional 100% of the research and development costs incurred as tax deductible expenses in determining its tax assessable profits.

For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our income tax expense amounted to RMB5.1 million, RMB5.5 million, RMB9.4 million, RMB2.4 million and RMB3.8 million, respectively, and our effective tax rates amounted to 13.9%, 13.6%, 15.3%, 15.6% and 15.1% for the respective periods. Our effective income tax rates during the Track Record Period were lower than the 25% statutory EIT rate, primarily due to the effect of income tax concession and preferential tax rates applicable to members of our Group. For details, see Note 10 to the Accountants' Report as set out in Appendix I.

During the Track Record Period and as of the Latest Practicable Date, we did not have any material dispute or unresolved issues with the relevant tax authorities.

Profit and Total Comprehensive Income for the Year/Period

For the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, our profit and total comprehensive income for year/period amounted to RMB31.4 million, RMB34.9 million, RMB52.3 million, RMB12.7 million and RMB21.5 million, respectively, and our profit margin amounted to 12.4%, 11.6%, 11.6%, 10.1% and 11.7% for the respective periods.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Four Months Ended April 30, 2025 Compared to Four Months Ended April 30, 2024

Revenue

Our total revenue increased by 46.8% from RMB125.8 million for the four months ended April 30, 2024 to RMB184.7 million for the same period in 2025, primarily due to (i) an increase in revenue from sales of *DAHON* bicycles of RMB58.4 million. The seasonal fluctuations of our financial performance also partially contributed to our rapid period-to-period revenue growth for the four months ended April 30, 2025. Our sales are relatively lower during the first two months of each year. As our Group was still in its rapid growth phase in early 2024, revenue for the four months ended April 30, 2024 represented a relatively lower comparable base for the corresponding period in 2025. Sales of our products can also fluctuate throughout the year because of the timing of promotional campaigns. For example, we hold a distributor convention every year after the Chinese New Year holiday, following which we usually launch promotional campaigns that last for around one month to boost sales to distributors. Since the Chinese New Year holiday in 2025 was earlier than that in 2024, these promotional campaigns were carried out about one month earlier in February 2025 than that in 2024. The sustained effect of such promotional campaigns in the following months also contributed to our revenue growth for the four months ended April 30, 2025. Nonetheless, while our historical financial data provides insights into our past financial performance, the results of operations in any particular period are not necessarily indicative of our future trends. For details, see "Risk Factors — Our historical results may not be indicative of our future performance."

Revenue from sales of *DAHON* bicycles increased by 47.4% from RMB123.1 million for the four months ended April 30, 2024 to RMB181.5 million for the same period in 2025, primarily due to the continuous growth of the sales volume of our *DAHON* bicycles from 63,758 units for the four months ended April 30, 2024 to 93,398 units for the same period in 2025. Such growth was primarily attributable to (i) our continued efforts in supporting distributors and sub-distributors to upgrade their retail outlets as evidenced by the further increase in the number of flagship stores as a percentage of total distributor retail outlets to 36.5% for the four months ended April 30, 2025 and (ii) the increase in our domestic online sales attributable to our continuous investment in our online sales channel. The average selling prices of our *DAHON* bicycles remained relatively stable at RMB1,931 per unit and RMB1,943 per unit for the four months ended April 30, 2024 and 2025, respectively.

Revenue from sales of accessories, apparel and other related products remained relatively stable at RMB0.9 million for both the four months ended April 30, 2024 and 2025.

Revenue from licensing and royalty income increased by 37.1% from RMB1.7 million for the four months ended April 30, 2024 to RMB2.3 million for the same period in 2025, primarily due to the enlarged customer base to 16 "Co-branding" partners as of April 30, 2025 as we continued to devote internal resources into this business.

Cost of sales

Our cost of sales increased by 46.2% from RMB84.7 million for the four months ended April 30, 2024 to RMB123.8 million for the same period in 2025, primarily due to the increases in cost of raw materials and consumables used and outsourcing production costs as a result of our expanded production to cater to our sales growth.

Gross profit and gross profit margin

Our gross profit increased by 48.4% from RMB41.1 million for the four months ended April 30, 2024 to RMB61.0 million for the same period in 2025. Our gross profit margin remained relatively stable at 32.7% and 33.0% for the four months ended April 30, 2024 and 2025, respectively.

The gross profit margin of sales of *DAHON* bicycles remained relatively stable at 31.8% and 32.1% for the four months ended April 30, 2024 and 2025, respectively.

The gross profit margin of sales of accessories, apparel and other related products increased from 32.6% for the four months ended April 30, 2024 to 38.7% for the same period in 2025, primarily due to the increase in domestic online sales as a percentage of total revenue from sales of accessories, apparel and other related products from 28.5% for the four months ended April 30, 2024 to 44.8% for the same period in 2025, which had relatively higher gross profit margin.

The gross profit margin of licensing and royalty services was 100% in both the four months ended April 30, 2024 and April 30, 2025 due to the nature of this business line.

Other income

Other income increased by 25.0% from RMB0.4 million for the four months ended April 30, 2024 to RMB0.5 million for the same period in 2025, primarily due to an increase in interest income as a result of our increased bank deposits, partially offset by a decrease in government subsidies.

Other gains and losses, net

Other net losses decreased by 40.0% from RMB0.5 million for the four months ended April 30, 2024 to RMB0.3 million for the same period in 2025, primarily due to our narrowed net exchange losses as affected by foreign exchange rate fluctuations.

Impairment losses under ECL model, net of reversal

We recorded the net reversal of impairment losses under ECL model of RMB654 thousand for the four months ended April 30, 2024 whereas we recorded impairment losses under ECL model of RMB50 thousand for the same period in 2025, primarily due to the increased balances of trade receivable alongside our business expansion.

Selling and distribution costs

Our selling and distribution costs increased by 47.0% from RMB13.4 million for the four months ended April 30, 2024 to RMB19.7 million for the same period in 2025, primarily due to (i) an increase in employee benefit expenses as a result of the increased headcount and pay rises, and (ii) an increase in online promotional expenses following the ongoing growth of our online sales.

Administrative expenses

Our administrative expenses increased by 12.2% from RMB8.2 million for the four months ended April 30, 2024 to RMB9.2 million for the same period in 2025, primarily due to an increase in employee benefit expenses as a result of the increased headcount and pay rises.

Research and development expenditure

Our research and development expenditure increased by 41.3% from RMB4.6 million for the four months ended April 30, 2024 to RMB6.5 million for the same period in 2025, primarily due to an increase in employee benefit expenses as a result of the recruitment of more R&D personnel for the development of new products as well as pay rises.

Listing expenses

We incurred listing expenses of RMB0.2 million in connection with the Global Offering for the four months ended April 30, 2025.

Finance costs

Our finance costs remained relatively stable at RMB0.3 million for both the four months ended April 30, 2024 and 2025.

Income tax expense

Our income tax expense increased by 58.3% from RMB2.4 million for the four months ended April 30, 2024 to RMB3.8 million for the same period in 2025, primarily due to the increase in taxable income.

Profit and total comprehensive income for the period

As a result of the foregoing, our profit and total comprehensive income for the period increased by 69.3% from RMB12.7 million for the four months ended April 30, 2024 to RMB21.5 million for the same period in 2025, and our profit margin increased from 10.1% for the four months ended April 30, 2024 to 11.7% for the same period in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our total revenue increased by 50.1% from RMB300.2 million in 2023 to RMB450.7 million in 2024, primarily due to an increase in revenue from sales of *DAHON* bicycles of RMB153.7 million.

Revenue from sales of *DAHON* bicycles increased by 53.2% from RMB288.6 million in 2023 to RMB442.2 million in 2024, primarily due to the combined effect of increases in both sales volume and the average selling price of our *DAHON* bicycles. Such revenue growth is generally in line with the general market size and trend of the global and PRC folding bicycle industry, showing that the market size of mid-to-high end folding bicycles in mainland China in terms of retail sales value grew from RMB1.0 billion in 2023 to RMB1.3 billion in 2024, according to CIC. The increase in sales volume from of our *DAHON* bicycles from 156,877 units to 229,533 units was primarily attributable to (i) the optimization in our sales and marketing to enhance brand awareness, mainly including (a) supporting distributors and sub-distributors to upgrade their retail outlets and (b) increasing e-commerce and new media marketing activities, leading to increases in revenue from domestic sales to distributors and domestic online direct sales by 45.2% and 72.5% respectively, and (ii) the application of DAHON-V technology suite to our products to appeal to more customers. Through these efforts, we were able to seize the business opportunities brought by multiple favorable industry trends, including (a) the rising cycling culture and emphasis on a healthy and fitness oriented lifestyle in mainland China, such as the popularity of "4 + 2" lifestyle where families combine car travel with cycling — using cars for longer journeys while keeping folding bicycles easily stored in the trunk for short-distance mobility, and (b) the introduction of government initiatives aimed at improving cycling infrastructure in mainland China. The increase in the average selling price of our products from RMB1,849 per unit in 2023 to RMB1,927 per unit in 2024 was primarily a result of the increased proportion of sales volume of our mid-to-high-end models from 60.9% in 2023 to 67.3% in 2024 driven by the growing consumer demand.

Revenue from sales of accessories, apparel and other related products decreased from RMB6.8 million in 2023 to RMB3.4 million in 2024, primarily due to the decrease in offshore sales of accessories and related products.

Revenue from licensing and royalty income increased by 5.3% from RMB4.8 million in 2023 to RMB5.0 million in 2024, primarily because we invested more internal resources into this business during the period, leading to the further expansion of our customer base to 14 "Co-branding" partners as of December 31, 2024.

Cost of sales

Our cost of sales increased by 52.0% from RMB198.7 million in 2023 to RMB302.0 million in 2024, primarily due to (i) an increase in outsourcing production costs as we expanded our cooperation with OEM suppliers in view of the growing demand for our products, and (ii) an increase in raw materials and consumables used in line with our sales growth.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 46.6% from RMB101.5 million in 2023 to RMB148.7 million in 2024. Our gross profit margin remained relatively stable at 33.8% in 2023 and 33.0% in 2024 respectively.

The gross profit margin of sales of *DAHON* bicycles remained relatively stable at 33.0% in 2023 and 32.2% in 2024, respectively.

The gross profit margin of sales of accessories, apparel and other related products increased from a gross profit margin of 19.6% in 2023 to a gross profit margin of 34.3% in 2024, primarily due to the increase in percentage in sales through online channels under domestic sales from the sales of accessories, apparel and other related products from 14.3% in 2023 to 35.4% in 2024, which had relatively higher gross profit margin.

The gross profit margin of licensing and royalty services was 100% in both 2023 and 2024 due to the nature of this business line.

Other income

Other income increased by 42.5% from RMB1.9 million in 2023 to RMB2.7 million in 2024, primarily due to an increase in interest income as a result of our increased bank deposits.

Other gains and losses, net

We recorded other net gains of RMB0.3 million in 2023 whereas we incurred other net losses of RMB1.2 million in 2024, primarily due to our net exchange losses attributable to foreign exchange rate fluctuations.

Impairment losses under ECL model, net of reversal

The net reversal of impairment losses under ECL decreased by 15.4% from RMB0.9 million in 2023 to RMB0.7 million in 2024, primarily due to the collection of certain trade receivables.

Selling and distribution costs

Our selling and distribution costs increased by 60.5% from RMB29.6 million in 2023 to RMB47.5 million in 2024, primarily due to (i) an increase in employee benefit expenses as a result of the increased headcount and pay rises, (ii) an increase in offline promotional expenses mainly attributable to costs of materials provided to our distributors and sub-distributors to upgrade their retail outlets for brand building purposes, and (iii) an increase in online promotional expenses as a result of our increased online sales and more online marketing and promotional activities to enhance our brand awareness.

Administrative expenses

Our administrative expenses increased slightly by 1.1% from RMB23.0 million in 2023 to RMB23.3 million in 2024, primarily due to (i) an increase in employee benefit expenses as a result of the increased headcount and pay rises, partially offset by (ii) a decrease in consulting expenses.

Research and development expenditure

Our research and development expenditure increased by 64.6% from RMB10.7 million in 2023 to RMB17.6 million in 2024, primarily due to (i) an increase in employee benefit expenses as a result of the increased headcount and pay rises, and (ii) an increase in raw materials used as a result of increased research and development projects.

Listing expenses

We incurred listing expenses of RMB66 thousand in connection with the Global Offering in 2024.

Finance costs

Our finance costs remained relatively stable at RMB0.9 million in both 2023 and 2024, respectively.

Income tax expense

Our income tax expense increased by 72.3% from RMB5.5 million in 2023 to RMB9.4 million in 2024, primarily due to the increase in taxable income.

Profit and total comprehensive income for the period

As a result of the foregoing, our profit and total comprehensive income for the period increased by 50.1% from RMB34.9 million in 2023 to RMB52.3 million in 2024, and our profit margin remained relatively stable at 11.6% in both 2023 and 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 18.1% from RMB254.2 million in 2022 to RMB300.2 million in 2023, primarily due to an increase in revenue from sales of *DAHON* bicycles of RMB51.3 million and an increase in revenue from licensing and royalty income of RMB1.5 million.

Revenue from sales of *DAHON* bicycles increased by 21.6% from RMB237.3 million in 2022 to RMB288.6 million in 2023, primarily due to (i) a 5.3% increase in sales volume and (ii) a 15.5% increase in the average selling price of our *DAHON* bicycles. The increase in the average selling price of our products from RMB1,593 per unit in 2022 to RMB1,840 per unit in 2023 was primarily a result of the increased proportion of sales volume of our mid-to-high-end models from 44.9% in 2022 to 60.9% in 2023 driven by a shift in consumer preference for premium and innovative folding bicycles. In addition, the significant increase in our online retail sales in the year also contributed to our revenue growth as we built our own online sales network in September 2022, revenue from which increased significantly by 310.5% in the full year of 2023 driven by growing revenue contribution from both existing self-developed online stores and the newly-opened store on Douyin, as well as our online marketing and branding activities.

Revenue from sales of accessories, apparel and other related products decreased by 50.0% from RMB13.6 million in 2022 to RMB6.8 million in 2023, primarily due to the decrease in offshore sales of accessories and related products from RMB8.1 million in 2022 to RMB2.5 million in 2023.

Revenue from licensing and royalty income increased by 45.5% from RMB3.3 million in 2022 to RMB4.8 million in 2023, primarily due to the increase in the number of our "Co-branding" partners from five as of December 31, 2022 to nine as of December 31, 2023.

Cost of sales

Our cost of sales increased by 12.7% from RMB176.3 million in 2022 to RMB198.7 million in 2023, primarily due to an increase in outsourcing production costs as we engaged OEM suppliers to meet growing sales orders due to the limited production capacity of our own production facility.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by 30.3% from RMB77.9 million in 2022 to RMB101.5 million in 2023. Our gross profit margin increased from 30.7% in 2022 to 33.8% in 2023.

The gross profit margin of sales of *DAHON* bicycles increased from 30.4% in 2022 to 33.0% in 2023, primarily due to (i) an increase in the proportion of sales volume of our mid-to-high-end models from 44.9% in 2022 to 60.9% in 2023, driven by the growing customer demand and the optimization of our product portfolio, (ii) the constant improvement in our product design and manufacturing techniques, and (iii) a decrease in the commodity price of aluminum.

The gross profit margin of sales of accessories, apparel and other related products remained relatively stable at 18.0% in 2022 and 19.6% in 2023, respectively.

The gross profit margin of licensing and royalty services was 100% in both 2022 and 2023 due to the nature of this business line.

Other income

Other income increased by 90.0% from RMB1.0 million in 2022 to RMB1.9 million in 2023, primarily due to an increase in government subsidies of RMB1.0 million.

Other gains and losses, net

Other gains and losses, net decreased by 90.0% from RMB3.0 million in 2022 to RMB0.3 million in 2023, primarily due to the decrease in exchange gain, net resulted from foreign exchange fluctuations which were out of our control.

Impairment losses under ECL model, net of reversal

The net reversal of impairment losses under ECL model increased from RMB0.2 million in 2022 to RMB0.9 million in 2023, primarily due to the partial settlement of our receivables.

Selling and distribution costs

Our selling and distribution costs increased by 85.0% from RMB16.0 million in 2022 to RMB29.6 million in 2023, primarily due to (i) an increase in employee benefit expenses resulted from the increased headcount and pay rises, (ii) an increase in online promotional expenses associated with our increased online sales and more online advertising and marketing efforts, and (iii) an increase in offline promotional expenses as our sales and marketing staff attended more offline marketing activities such as industry exhibitions and product launches following the lifting of travel restrictions.

Administrative expenses

Our administrative expenses increased by 20.4% from RMB19.1 million in 2022 to RMB23.0 million in 2023, primarily due to an increase in employee benefit expenses resulted from the increased headcount and pay rises.

Research and development expenditure

Our research and development expenditure increased by 18.9% from RMB9.0 million in 2022 to RMB10.7 million in 2023, primarily due to (i) an increase in employee benefit expenses associated with the expansion of our research and development team, and (ii) an increase in raw materials used as a result of increased research and development projects.

Finance costs

Our finance costs decreased by 30.8% from RMB1.3 million in 2022 to RMB0.9 million in 2023, primarily due to a decrease in interest on lease liabilities as a result of our rental payments.

Share of result of an associate

Share of result of an associate decreased from RMB0.2 million in 2022 to nil in 2023, as the relevant associate incurred losses in 2022.

Income tax expense

Our income tax expense increased by 7.8% from RMB5.1 million in 2022 to RMB5.5 million in 2023, primarily due to the increase in our taxable income.

Profit and total comprehensive income for the year

As a result of the foregoing, our profit and total comprehensive income for the year increased by 11.1% from RMB31.4 million in 2022 to RMB34.9 million in 2023, and our profit margin decreased from 12.4% in 2022 to 11.6% in 2023.

SELECTED KEY ITEMS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Current Assets and Current Liabilities

The following table sets forth the details of our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30,	As of July 31,
	2022	2023	2024	2025	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*
Current assets					
Inventories	57,739	79,354	112,595	143,460	176,654
Trade and other receivables	23,987	31,314	54,680	67,419	81,582
Amount due from an associate	666	167	—	—	—
Amounts due from related parties	20,264	—	—	—	—
Pledged bank deposits	—	—	—	50,000	—
Cash and cash equivalents	56,773	45,895	101,788	59,024	116,778
Total current assets	**159,429**	**156,730**	**269,063**	**319,903**	**375,014**
Current liabilities					
Trade and other payables	78,096	58,529	125,691	163,648	197,367
Contract liabilities	16,045	17,384	26,551	36,560	37,904
Lease liabilities	3,734	3,208	4,480	4,987	5,159
Amount due to related parties	2,230	—	—	—	—
Income tax payable	4,200	2,501	1,746	2,009	5,308
Total current liabilities	**104,305**	**81,622**	**158,468**	**207,204**	**245,738**
Net current Assets	**55,124**	**75,108**	**110,595**	**112,699**	**129,276**

Our net current assets remained relatively stable at RMB112.7 million as of April 30, 2025 and RMB129.3 million as of July 31, 2025, respectively.

Our net current assets remained relatively stable at RMB110.6 million as of December 31, 2024 to RMB112.7 million as of April 30, 2025, respectively.

Our net current assets increased by 47.2% from RMB75.1 million as of December 31, 2023 to RMB110.6 million as of December 31, 2024, primarily due to (i) an increase in cash and cash equivalents of RMB55.9 million (ii) an increase in inventories of RMB33.2 million and (iii) an increase in trade and other receivables of RMB23.4 million, partially offset by (iv) an increase in trade and other payables of RMB67.2 million.

Our net current assets increased by 36.3% from RMB55.1 million as of December 31, 2022 to RMB75.1 million as of December 31, 2023, primarily due to (i) an increase in inventories of RMB21.6 million, (ii) a decrease in trade and other payables of RMB19.6 million, partially offset by (iii) a decrease in amounts due from related parties of RMB20.3 million and (iv) a decrease in cash and cash equivalents of RMB10.9 million.

Inventories

Our inventories primarily consist of raw materials and consumables, work in progress and finished goods. Our raw materials and consumables mainly comprise bicycle frames, wheelsets, chainrings and chains, gear systems, brake systems and packaging materials. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials and consumables	19,673	25,773	33,595	47,213
Work in progress	13,526	12,115	12,377	18,755
Finished goods	24,540	41,466	66,623	77,492
Total	**57,739**	**79,354**	**112,595**	**143,460**

Our inventories increased by 37.6% from RMB57.7 million as of December 31, 2022 to RMB79.4 million as of December 31, 2023, increased by 41.9% to RMB112.6 million as of December 31, 2024, and further increased by 27.4% to RMB143.5 million as of April 30, 2025, primarily due to our increased procurement of raw materials and production of products to meet our growing sales.

We periodically assess the value of our inventories to determine whether to recognize provisions for impairment. As of December 31, 2022, 2023 and 2024 and April 30, 2025, the provision for inventories amounted to RMB2.1 million, RMB2.5 million, RMB2.2 million and RMB2.4 million, respectively. Our Directors are of the view that there is no recoverability issue for our inventories given that (i) most of our inventories are aged within one year; and (ii) our inventories are mainly finished bicycles and bicycle parts, which are in nature less likely to deteriorate in the short run. Our Directors further confirm that sufficient provision has been made for our inventories in view of the low subsequent utilization.

The following table sets forth an aging analysis of inventories before provision as of the dates indicated:

	As of December 31,			As of April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	52,307	63,106	93,819	127,298
1–2 years	2,714	12,973	13,661	9,924
2–3 years	740	1,349	4,732	5,905
Over 3 years	4,121	4,398	2,558	2,717
	59,880	81,827	114,770	145,844
Less: Provision	2,141	2,473	2,175	2,384
Total	57,739	79,354	112,595	143,460

The following table sets forth our inventory turnover days for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2022	**2023**	**2024**	**2025**
Inventory turnover days	118	126	116	124

Note: Inventory turnover days are calculated by the average of the beginning and ending balance of inventories for the year/period divided by cost of sales for the year/period and multiplied by 365/120 days (as the case may be).

Our inventory turnover days amounted to 118 days, 126 days, 116 days and 124 days in 2022, 2023 and 2024 and the four months ended April 30, 2025, respectively. The slight increase in inventory turnover days in 2023 was primarily because we stocked more finished goods and raw materials in anticipation of the growing sales in 2024.

As of July 31, 2025, RMB106.5 million, or 74.2% of our inventories as of April 30, 2025 had been used, consumed or sold subsequently.

Trade and other receivables

Our trade and other receivables primarily consist of (i) trade receivables from contracts with customers and an OEM supplier, representing amounts due from our customers in relation to their purchases of our products or services and amounts due from an OEM supplier derived from selling raw materials to such OEM supplier for the manufacturing of *DAHON* bicycles, (ii) value-added tax recoverable, (iii) other receivables and deposits, mainly comprising deposits paid for our leased properties, (iv) prepayments to suppliers for purchases of raw materials and equipment, (v) other prepayments, and (vi) deferred issue cost, representing the capitalized portion of our listing expenses. Our sales to most of our customers were made on a payment-before-delivery basis. We generally allow a credit term within 60 days for sales on credit to certain customers.

The following table sets forth a breakdown of our trade and other receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables from contracts with customers	9,367	17,781	14,524	17,368
Receivables from an OEM supplier	4,508	5,811	4,842	4,870
Less: Allowance for credit losses	(697)	(1,435)	(688)	(738)
Trade receivables, net	13,178	22,157	18,678	21,500
Value-added tax recoverable	4,696	5,062	13,526	15,657
Other receivables and deposits	1,681	1,810	2,736	3,621
Prepayments to suppliers	3,400	1,103	8,354	7,943
Other prepayments	1,032	1,182	3,324	5,973
Deferred issue cost	—	—	8,062	12,725
Other receivables, deposits and prepayments	10,809	9,157	36,002	45,919
Total	**23,987**	**31,314**	**54,680**	**67,419**

Our trade and other receivables increased by 30.4% from RMB24.0 million as of December 31, 2022 to RMB31.3 million as of December 31, 2023, primarily due to an increase in trade receivables from contracts with customers of RMB9.7 million, resulting from (i) the growth of our sales on credit to certain direct sales enterprise customers and international customers along with our business expansion, and (ii) the reclassification of amounts due from DNA as trade receivables (see "— Amounts due from related parties" for details). Our trade and other receivables further increased by 74.6% to RMB54.7 million as of December 31, 2024, primarily due to (i) an increase in prepayments to suppliers of RMB7.3 million which were mainly paid to raw material suppliers in advance in view of the Chinese New Year holidays in January and February next year, (ii) deferred issue cost of RMB8.1 million associated with the Global Offering and (iii) an increase in value-added tax recoverable representing input value-added tax not yet deducted in connection with our increased procurement, partially offset by (iv) a decrease in trade receivables from contracts with customers of RMB3.3 million as a result of partial settlement of trade receivables due from DNA. Our trade and other receivables further increased by 23.3% to RMB67.4 million, primarily due to (i) the increases in trade receivables, value-added tax recoverable and other prepayments of RMB2.8 million, RMB2.1 million and RMB2.6 million, respectively, which were generally in line with our business expansion, and (ii) an increase in deferred issue costs of RMB4.7 million.

The following table sets forth an aging analysis of trade receivables before allowance for credit losses presented based on invoice date as of the dates indicated:

	As of December 31,			As of April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0–30 days	3,075	4,269	7,327	10,536
31–60 days	4,054	2,584	1,540	1,461
61–90 days	1,983	360	307	470
Over 90 days	4,763	16,379	10,192	9,771
	13,875	**23,592**	**19,366**	**22,238**

Our trade receivables aged over 90 days as of December 31, 2022 were mainly receivables due from an overseas OEM supplier in Romania. We provide bicycle components and parts to this overseas OEM supplier and purchase its finished products for sales to international customers. We therefore recognized both receivables from and payables to the overseas OEM supplier on our Group's consolidated financial statements, the balances of which were largely a result of timing difference in settlements with the overseas OEM supplier. As of December 31, 2022, 2023 and 2024 and April 30, 2025, (i) receivables from the overseas OEM supplier before allowance for credit losses amounted to RMB4.5 million, RMB5.8 million, RMB4.8 million and RMB4.9 million, respectively; and (ii) trade payables to the overseas OEM supplier amounted to nil, nil, RMB6.0 million and RMB5.5 million, respectively. Unlike other domestic OEM suppliers, we generally settled payables to the oversea OEM supplier after we received its payments to settle receivables due from the same oversea OEM supplier. Considering the combining effect of amounts due from and due to the overseas OEM supplier (RMB4.9 million and RMB5.5 million respectively) on our consolidated financial statements as of April 30, 2025, we believe that the aforesaid timing difference in settlement has no impact on our working capital position. Our trade receivables aged over 90 days increased from RMB4.8 million as of December 31, 2022 to RMB16.4 million as of December 31, 2023, primarily due to the reclassification of amounts due from DNA from amounts due from related parties to trade receivables as it ceased to be a related party of our Company after Dr. Hon completed the disposal of his interest in DNA in February 2023. Our trade receivables aged over 90 days then decreased to RMB10.2 million as of December 31, 2024 and further decreased to RMB9.8 million as of April 30, 2025, primarily due to the partial settlement of amounts due from DNA. The trade receivables due from DNA has been past due 90 days or more and is not considered as in default since our Directors are of the opinion that the balances are still considered recoverable due to the management's historical experience on the settlement pattern from DNA. Based on the foregoing, our Directors are of the view that there is no recoverability issue for our trade and other receivables (including trade receivables aged over 90 days which comprise amounts due from DNA and other debtors) and sufficient provision has been made for our trade and other receivables during the Track Record Period.

The following table sets forth our trade receivable turnover days for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2022	**2023**	**2024**	**2025**
Trade receivable turnover days	17	21	17	13

Note: Trade receivable turnover days are calculated by the average of the beginning and ending balance of trade receivables, net for the year/period divided by revenue for the year/period and multiplied by 365/120 days (as the case may be).

Our trade receivable turnover days remained relatively stable at 17 days, 21 days, 17 days and 13 days in 2022, 2023 and 2024 and the four months ended April 30, 2025, respectively.

As of July 31, 2025, RMB40.9 million, or 60.7% of our trade and other receivables as of April 30, 2025 had been settled subsequently.

Amounts due from related parties

We had balances of amounts due from related parties of RMB20.3 million as of December 31, 2022, primarily consisting of amounts due from DNA and Shenzhen Riding Sports Technology Co., Ltd ("**Riding Sports**"). See Note 22 to the Accountants' Report as set out in Appendix I for details.

DNA was established by Dr. Hon and others when Dr. Hon commenced folding bicycle business under the brand of *DAHON* in the United States. After the establishment of our Group, DNA, as the trademark holder of *DAHON* brand, licensed the *DAHON* brand to our Group for nil consideration, while we sold our products through DNA to end customers in the United States. As our business scale expanded, we acquired the trademarks of *DAHON* from DNA at a consideration of USD2.2 million determined with reference to the appraise value of the trademarks to facilitate our brand building. Meanwhile, Dr. Hon completed the disposal of his interest in DNA in February 2023 and no longer controlled DNA thereafter. As a result, DNA ceased to be a related party of our Company and the then remaining amounts due from DNA had been reclassified as our trade receivables. As of December 31, 2022, 2023 and 2024 and April 30, 2025, amounts due from DNA recognized as either amounts due from related parties or trade receivables were RMB19.2 million, RMB7.2 million, RMB4.6 million and RMB4.6 million, respectively. As of April 30, 2025, trade receivables of RMB4.6 million due from DNA had remained outstanding.

Riding Sports was a wholly owned subsidiary of DH Technology, which was in turn held as to 100% by Dr. Hon. DH Technology is not a member of the Group at all material times. Riding Sports' business primarily involved reselling products of *DAHON* brand purchased from us through online channels. To streamline our sales network management and build our own online sales channels, we launched our self-operated online stores on mainstream domestic and international e-commerce or social media platforms in late 2022. Consequently, we gradually reduced transactions with Riding Sports. As of December 31, 2023, all amounts due from Riding Sports had been fully settled. Riding Sports was deregistered in May 2024.

Cash and cash equivalents and pledged bank deposits

Cash and cash equivalents and pledged bank deposits held by us are short-term bank deposits with an original maturity of three months or less. The pledged bank deposits are used to secure our bills payables. Our cash and bank balances were denominated in RMB, Euro, HKD, USD and Japanese Yen. Our cash and cash equivalents and pledged bank deposits amounted to RMB56.8 million, RMB45.9 million, RMB101.8 million and RMB109.0 million as of December 31, 2022, 2023 and 2024 and April 30, 2025, respectively. For details, see "— Liquidity and Capital Resources."

Trade and other payables

Our trade payables represent liabilities for goods and services provided to us which are unpaid, including (i) trade payable, which are amounts payable to raw material suppliers and other product and service providers with average credit periods within 90 days, (ii) bills payable in relation to trade payables in which we have issued bills to the relevant suppliers for settlement of such trade payables, (iii) other payables and accrued charges mainly representing deposits received in our ordinary course of business, (iv) dividend payable, (v) repurchase obligation under the Pre-IPO Employee Incentive Schemes as defined and detailed in Note 31 to the Accountants' Report as set out in Appendix I, (vi) accrued staff costs representing salaries and bonuses payable to our employees, (vii) value-added tax and other tax payables, and (viii) accrued listing expenses and issue costs arising from the Global Offering.

The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,			As of April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payable	34,439	27,507	82,049	103,293
Bills payable	—	—	—	1,881
Other payables and accrued charges	4,434	9,140	9,600	11,759
Dividend payable	23,535	—	—	11,713
Repurchase obligation under Pre-IPO Employee Incentive Schemes[Note]	3,839	8,184	11,216	11,216
Accrued staff costs	9,377	12,801	17,609	16,976
Value-added tax and other tax payables	2,472	897	1,948	4,816
Accrued listing expenses and issue costs	—	—	3,269	1,994
Total	**78,096**	**58,529**	**125,691**	**163,648**

Note: Based on the Pre-IPO Employee Incentive Scheme, our Company will repurchase the shares granted to the employees when they fail to satisfy specified vesting conditions. We recognized the consideration paid by the employees for equity-settled share based payment in liabilities due to such repurchase obligation.

Our trade and other payables decreased by 25.1% from RMB78.1 million as of December 31, 2022 to RMB58.5 million as of December 31, 2023, primarily due to a decrease in dividend payable of RMB23.5 million as a result of the payment of dividend declared in 2022. Our trade and other payables further increased by 114.7% to RMB125.7 million as of December 31, 2024, primarily due to an increase in trade payables of RMB54.5 million because we were granted longer credit periods by raw material suppliers in view of our good credit record and enhanced bargaining power along with our business expansion. Our trade and other payables increased by 30.2% to RMB163.6 million as of April 30, 2025, primarily due to (i) an increase in trade and bills payables of RMB23.1 million as a result of (a) the further extension of credit periods by our suppliers as well as (b) our rapid sales growth during the four months ended April 30, 2025, and (ii) an increase in dividend payables of RMB11.7 million as a result of the declaration of dividends during the period.

The following table sets forth an aging analysis of trade and bills payables and presented based on the invoice date as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0–90 days	34,018	27,329	75,359	101,565
91–180 days	113	127	928	3,042
Over 180 days	308	51	5,762	567
	34,439	**27,507**	**82,049**	**105,174**

The following table sets forth our trade and bills payable turnover days for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2022	2023	2024	2025
Trade and bills payable turnover days	60	57	66	91

Note: Trade and bills payable turnover days are calculated by the average of the beginning and ending balance of trade and bills payables for the year/period divided by cost of sales for the year/period and multiplied by 365/120 days (as the case may be).

Our trade payable turnover days remained relatively stable at 60 days in 2022 and 57 days in 2023, respectively. Our trade payable turnover days then increased to 66 days in 2024, and further increased to 91 days for the four months ended April 30, 2025 primarily because we were granted longer credit periods by raw material suppliers in view of our good credit record and enhanced bargaining power along with our business expansion. Our trade payable turnover days were relatively shorter compared with the average credit periods granted by suppliers within 90 days, primarily because the majority of our trade payables during the Track Record Period was aged within 60 days.

As of July 31, 2025, RMB115.2 million, or 70.4% of our trade and other payables as of April 30, 2025 had been settled subsequently.

Contract liabilities

Our contract liabilities come from the advanced payments from customers for purchase of our products and services. Our current and non-current contract liabilities remained relatively stable at RMB25.4 million and RMB24.9 million as of December 31, 2022 and 2023, respectively. Our contract liabilities further increased to RMB32.0 million and RMB41.6 million as of December 31, 2024 and April 30, 2025, respectively, primarily due to our sales growth.

As of July 31, 2025, RMB24.3 million, or 58.4%, of our contract liabilities as of April 30, 2025 had been recognized as revenue subsequently.

Non-current Assets and Non-current Liabilities

Property, plant and equipment

Our property, plant and equipment primarily consist of leasehold improvements, plant and machinery, furniture, fixtures and equipment, and motor vehicles. Our property, plant and equipment remained relatively stable at RMB3.8 million and RMB3.6 million as of December 31, 2022 and 2023, respectively. Our property, plant and equipment then decreased to RMB3.0 million as of December 31, 2024, primarily due to the depreciation of our property, plant and equipment. Our property, plant and equipment increased to RMB3.3 million as of April 30, 2025, primarily due to the purchases of property, plant and equipment in the ordinary course of business during the period.

Right-of-use assets

Our right-of-use assets represent our interests in leased properties such as office premises, warehouses and vehicles. Our right-of-use assets amounted to RMB19.4 million. RMB15.4 million, RMB14.2 million and RMB13.5 million as of December 31, 2022, 2023 and 2024 and April 30, 2025, respectively. The continuous decrease during the Track Record Period was primarily due to depreciation charges of our right-of-use assets.

Intangible assets

Our intangible assets primarily consist of software, trademarks and patent rights. Our intangible assets increased from RMB0.6 million as of December 31, 2022 to RMB13.5 million as of December 31, 2023, primarily due to the acquisition of trademarks from DNA, partially offset by the amortization of our intangible assets. Our intangible assets then decreased to RMB11.4 million and RMB10.9 million as of December 31, 2024 and April 30, 2025, respectively, primarily due to the amortization of our intangible assets.

Lease liabilities

We had current and non-current lease liabilities in aggregate of RMB21.0 million, RMB17.3 million, RMB16.3 million and RMB15.7 million as of December 31, 2022, 2023 and 2024, and April 30, 2025, respectively. For details, see "— Indebtedness — Lease Liabilities."

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2022, 2023 and 2024 and April 30, 2025, we had cash and cash equivalents of RMB56.8 million, RMB45.9 million, RMB101.8 million and RMB59.0 million, respectively. Our primary use of cash is to fund our working capital requirements and other recurring expenses. During the Track Record Period, we financed our operations primarily through cash generated from our operating activities. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash and cash equivalents on hand, cash flow generated from our operating activities, net proceeds from the Global Offering and other funds raised from the capital markets from time to time. We will closely monitor the level of our working capital, and diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations.

The following table sets forth a summary of our cash flows for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Net cash generated from operating activities	57,666	26,865	78,942	35,741	21,751
Net cash (used in)/generated from investing activities	(128)	(15,419)	18	192	(50,785)
Net cash used in financing activities	(12,850)	(22,324)	(23,067)	(6,193)	(13,730)
Net increase (decrease) in cash and cash equivalents	**44,688**	**(10,878)**	**55,893**	**29,740**	**(42,764)**
Cash and cash equivalents at beginning of the year/period	12,085	56,773	45,895	45,895	101,788
Cash and cash equivalents at end of year/period	**56,773**	**45,895**	**101,788**	**75,635**	**59,024**

Net Cash Generated from Operating Activities

For the four months ended April 30, 2025, our net cash generated from operating activities of RMB21.8 million was primarily attributable to profit before tax of RMB25.4 million by adjusting items totaling RMB2.8 million, negative changes in working capital of RMB2.0 million, and income tax paid of RMB4.5 million. Changes in working capital mainly consisted of (i) an increase in inventories of RMB27.6 million, (ii) an increase in trade and other payables of RMB21.4 million, (iii) an increase in contract liabilities of RMB9.6 million and (iv) an increase in trade and other receivables of RMB5.3 million.

For the four months ended April 30, 2024, our net cash generated from operating activities of RMB35.7 million was primarily attributable to profit before tax of RMB15.1 million by adjusting items totaling RMB2.6 million, changes in working capital of RMB20.6 million, and income tax paid of RMB2.5 million. Changes in working capital mainly consisted of (i) an increase in trade and other payables of RMB26.3 million, (ii) an increase in inventories of RMB8.6 million, (iii) an increase in trade and other receivables of RMB3.2 million and (iv) an increase in contract liabilities of RMB6.1 million.

In 2024, our net cash generated from operating activities of RMB78.9 million was primarily attributable to profit before tax of RMB61.7 million by adjusting items totaling RMB6.1 million, changes in working capital of RMB21.6 million, and income tax paid of RMB10.5 million. Changes in working capital mainly consisted of (i) an increase in trade and other payables of RMB60.9 million, (ii) an increase in inventories of RMB31.2 million and (iii) an increase in trade and other receivables of RMB15.1 million.

In 2023, our net cash generated from operating activities of RMB26.9 million was primarily attributable to profit before tax of RMB40.3 million by adjusting items totaling RMB6.2 million, negative changes in working capital of RMB11.3 million, and income tax paid of RMB8.4 million. Negative changes in working capital mainly consisted of (i) an increase in inventories of RMB20.1 million, partially offset by (ii) a decrease in amounts due from related parties of RMB13.7 million. The relatively weaker working capital position in 2023 was primarily due to our increased procurement of raw materials and to meet our growing sales in the year. We consider that the destocking period of offshore markets in 2023 has limited impact on our working capital position primarily because our domestic sales experienced a 41.3% increased by RMB81.8 million in the year despite the decline in our offshore sales, leading to the decreased proportion of offshore sales to merely 6.8% of our total revenue in 2023.

In 2022, our net cash generated from operating activities of RMB57.7 million was primarily attributable to profit before tax of RMB36.5 million by adjusting items totaling RMB2.4 million, changes in working capital of RMB19.0 million, and income tax paid of RMB0.2 million. Changes in working capital mainly consisted of an increase in trade and other payables of RMB20.1 million.

See "— Selected Key Items of Consolidated Statement of Financial Position" for primary reasons relating to the underlying causes for our operating cash flow changes.

Net Cash Used in Investing Activities

For the four months ended April 30, 2025, our net cash used in investing activities amounted to RMB50.8 million, which was primarily attributable to the placement of pledged bank deposits of RMB50.0 million.

For the four months ended April 30, 2024, our net cash generated from investing activities amounted to RMB192 thousand, which was primarily attributable to repayment from an associate of RMB167 thousand.

In 2024, our net cash used in investing activities amounted to RMB18 thousand, which was primarily attributable to (i) interest received of RMB1.2 million, partially offset by (ii) additions of property, plant and equipment of RMB1.0 million.

In 2023, our net cash used in investing activities amounted to RMB15.4 million, which was primarily attributable to additions of intangible assets of RMB14.9 million.

In 2022, our net cash used in investing activities amounted to RMB128 thousand, which was primarily attributable to (i) additions of property, plant and equipment of RMB849 thousand, partially offset by (ii) the repayment from an associate of RMB748 thousand.

Net Cash Used in Financing Activities

For the four months ended April 30, 2025, our net cash used in financing activities amounted to RMB13.7 million, which was primarily attributable to (i) dividends paid of RMB6.0 million, (ii) issue costs paid of RMB5.9 million and (iii) the repayment of principal of lease liabilities of RMB1.5 million.

For the four months ended April 30, 2024, our net cash used in financing activities amounted to RMB6.2 million, which was primarily attributable to (i) dividends paid of RMB4.5 million and (ii) the repayment of principal of lease liabilities of RMB1.4 million.

In 2024, our net cash used in financing activities amounted to RMB23.1 million, which was primarily attributable to (i) dividends paid of RMB16.2 million, (ii) issue costs paid of RMB4.8 million and (iii) the repayment of principal of lease liabilities of RMB4.2 million.

In 2023, our net cash used in financing activities amounted to RMB22.3 million, which was primarily attributable to dividends paid of RMB22.0 million.

In 2022, our net cash used in financing activities amounted to RMB12.9 million, which was primarily attributable to (i) repayment of bank borrowings of RMB12.0 million and (ii) the repayment of principal of lease liabilities of RMB3.4 million, partially offset by (iii) proceeds from the adoption of pre-IPO employee incentive schemes of RMB3.8 million, see "History, Development and Corporate Structure — Employee Shareholding Platforms" for details.

Working Capital Sufficiency

Taking into account the estimated net proceeds from the Global Offering and the financial resources presently available to us, including our cash and cash equivalents on hand, cash flows from operating activities, our Directors are of the opinion that we have sufficient funds to meet our working capital requirements for at least the next 12 months from the date of this prospectus.

Our Directors confirm that there were no material default in the payment of trade and non-trade payables, and/or breaches of financial covenants during the Track Record Period and up to the date of this prospectus.

INDEBTEDNESS

Lease Liabilities

Our lease liabilities primarily arise from leases of properties for our operations. The following table sets forth our lease liabilities as of the dates indicated:

	As of December 31,			As of April 30,	As of July 31,
	2022	**2023**	**2024**	**2025**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)
Current	3,734	3,208	4,480	4,987	5,159
Non-current	17,254	14,047	11,802	10,691	9,668
Total	**20,988**	**17,255**	**16,282**	**15,678**	**14,827**

Our lease liabilities amounted to RMB21.0 million, RMB17.3 million, RMB16.3 million, RMB15.8 million and RMB14.8 million as of December 31, 2022, 2023 and 2024, April 30, 2025 and July 31, 2025, respectively. The decrease in our lease liabilities was primarily due to our rental payments.

The lease liabilities amounted to RMB14.8 million as of July 31, 2025 are secured by rental deposits and unguaranteed.

Contingent Liabilities

As of December 31, 2022, 2023 and 2024, April 30, 2025 and July 31, 2025, we did not have any significant contingent liabilities. Our Directors confirmed that there had not been any material change in our contingent liabilities since July 31, 2025, and up to the date of this prospectus.

No Other Outstanding Indebtedness

Save as disclosed above, we did not have any outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other contingent liabilities or any covenant in connection therewith as of July 31, 2025, being our indebtedness statement date.

We did not have any utilized banking facilities as of July 31, 2025. Our Directors confirm that, as of the date of this prospectus, there was no material change in our Company's indebtedness since July 31, 2025.

As of December 31, 2022, 2023 and 2024, April 30, 2025 and July 31, 2025, there was no outstanding balance of bank loans or other borrowings. During the Track Record Period and up to the Latest Practicable Date, we did not have any default in payment of bank loans and other borrowings, any material covenant on our outstanding debt or breach of such covenant, and we did not experience any difficulty in obtaining bank loans and other borrowings.

RELATED PARTY TRANSACTION

We enter into transactions with our related parties from time to time. For details relating to our related party transactions, see Note 33 to the Accountants' Report as set out in Appendix I. The following table sets forth the related party transactions we entered into for the periods indicated:

Name of related parties	Relationship	Nature of transaction	For the year ended December 31,			Four months ended April 30,	
			2022	2023	2024	2024	2025
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Riding Sports	Controlled by Dr. Hon	Sales to related parties	19,828	—	—	—	—
		Services provided to related parties	309	—	—	—	—
		Purchases from related parties	2,806	204	—	—	—
		Services received from related parties	600	5	—	—	—
DH Technology	Controlled by Dr. Hon	Service provided to related parties	57	52	—	—	—
		Purchases from related parties	2	142	—	—	—
		Repayment of principal of lease liabilities to related parties	160	—	—	—	—
		Repayment of interest of lease liabilities to related parties	4	—	—	—	—
		Services received from related parties	39	—	—	—	—

Name of related parties	Relationship	Nature of transaction	For the year ended December 31, 2022	2023	2024	Four months ended April 30, 2024	2025
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
深圳市協進五金製品有限公司 (Shenzhen Xiejin Hardware Products Co., Ltd*) ("**Shenzhen Xiejin**") *(Note (ii))*	An associate of Dahon Technology	Purchases from related parties	3,288	N/A	N/A	N/A	N/A
DNA	Controlled by Dr. Hon	Acquisition of trademarks *(Note (i))*	—	14,403	N/A	N/A	N/A
		Sales to related parties	5,331	—	N/A	N/A	N/A
		Service provided to related parties	589	—	N/A	N/A	N/A
DAHON GLOBAL CO., LTD	Controlled by Dr. Hon	Purchase from related parties	895	1,063	N/A	N/A	N/A
Xindahang	An associate of the Company	Purchase from related parties	171	—	—	—	—
深圳博康科工有限公司 (Shenzhen Clinair Tech Co., Ltd.*)	Controlled by Dr. Hon	Granting of patent rights	N/A	N/A	142	—	—

* *English translated name for identification purpose only.*

Notes:

(i) During the year ended December 31, 2023, the Company has acquired the trademarks from DNA which have useful lives from 3–10 years.

(ii) Shenzhen Xiejin ceased to be a related party from June 29, 2022 as it was disposed by Dahon Technology to an independent third party.

Our Directors believe that our transactions with related parties during the Track Record Period, which were trade in nature, were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period primarily comprised the additions of property, plant and equipment and additions of intangible assets. The following table sets forth our capital expenditures for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Additions of property, plant and equipment	849	1,411	955	33	726
Additions of intangible assets	217	14,941	355	—	292
Total	**1,066**	**16,352**	**1,310**	**33**	**1,018**

Our capital expenditures amounted to RMB1.1 million, RMB16.4 million, RMB1.3 million, RMB33 thousand and RMB1.0 million for the year ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2024 and 2025, respectively. The increase in our capital expenditures in 2023 was primarily due to payments for the acquisition of trademarks from DNA. We intend to fund our future capital expenditures with a combination of cash and cash equivalents on hand, operating cash inflows and net proceeds from the Global Offering. See "Future Plans and Use of Proceeds." We may reallocate the fund to be utilized on capital expenditures based on our ongoing business needs.

CAPITAL COMMITMENTS

During the Track Record Period, we did not have any material capital commitment.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods/as of the dates indicated:

	Year ended/As of December 31,			Four months ended/As of April 30,
	2022	2023	2024	2025
Return on equity[1] (%)	62.8	48.2	48.6	50.6[6]
Return on assets[2] (%)	19.5	18.4	21.2	19.8[6]
Current ratio[3] (times)	1.5	1.9	1.7	1.5
Quick ratio[4] (times)	1.0	0.9	1.0	0.9
Gearing ratio[5] (%)	38.3	19.2	12.9	12.1

Notes:

1. Return on equity equals profit and total comprehensive income for the year/period divided by the average balance of total equity at the beginning and the end of that year/period and multiplied by 100%.

2. Return on assets equals profit and total comprehensive income for the year/period divided by the average balance of total assets at the beginning and the end of that year/period and multiplied by 100%.

3. Current ratio equals current assets divided by current liabilities as of the date indicated.

4. Quick ratio equals current assets less inventories and divided by current liabilities as of the date indicated.

5. Gearing ratio equals total debt, comprising lease liabilities, divided by total equity as of the date indicated and multiplied by 100%.

6. Calculated on an annualized basis.

Return on Equity

Our return on equity decreased from 62.8% in 2022 to 48.2% in 2023, primarily due to an increase in our equity attributable to (i) profit and total comprehensive income for the year attributable to our equity of RMB34.9 million, and (ii) the relatively low equity balance as of December 31, 2022 as a result of dividend recognized as distribution of RMB22.0 million. Our return on equity remained relatively stable at 48.2%, 48.6% and 50.6% (annualized) in 2023, 2024 and for the four months ended April 30, 2025, respectively.

Return on Assets

Our return on assets remained relatively stable at 19.5% in 2022 to 18.4% in 2023, respectively. Our return on assets further increased to 21.2% in 2024, primarily due to the increase in our profit and total comprehensive income for the period. Our return on assets remained relatively stable at 19.8% (annualized) for the four months ended April 30, 2025.

Current Ratio

Our current ratio increased from 1.5 times as of December 31, 2022 to 1.9 times as of December 31, 2023, primarily due to a decrease in trade and other payables attributable to a decrease in dividend payable of RMB23.5 million as a result of the payment of dividend declared. Our current ratio decreased slightly from 1.9 times as of December 31, 2023 to 1.7 times as of December 31, 2024, and further to 1.5 times as of April 30, 2025, primarily due to the increases in trade payables because we were granted longer credit periods by raw material suppliers in view of our good credit record and enhanced bargaining power along with our business expansion.

Quick Ratio

Our quick ratio remained relatively stable at 1.0 times, 0.9 times, 1.0 times and 0.9 times as of December 31, 2022, 2023 and 2024 and April 30, 2025, respectively.

Gearing Ratio

Our gearing ratio decreased from 38.3% as of December 31, 2022 to 19.2% as of December 31, 2023, primarily due to (i) a decrease in lease liabilities as a result of our rental payments and (ii) an increase in our total equity. Our gearing ratio decreased from 19.2% as of December 31, 2023 to 12.9% as of December 31, 2024, primarily due to an increase in our equity attributable to an increase in retained profits resulted from profit and total comprehensive income for the year of RMB52.3 million partially offset by dividend recognized as distribution of RMB16.2 million in 2024. Our gearing ratio remained relatively stable at 12.1% as of April 30, 2025.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISKS

We are exposed to market risks including currency risk, interest rate risk, credit risk and liquidity risk in the normal course of our business. For details of the risks we are exposed to and our risk management, see Note 29 to the Accountants' Report as set out in Appendix I.

DIVIDENDS

On December 30, 2022, our Company declared dividends of an aggregate amount of RMB23.5 million in respect of the financial year, which was paid during the year ended December 31, 2023. The amount of RMB22.0 million was recognized as dividend distributed to the Shareholder and the amount of RMB1.5 million was recognized in profit or loss for the 2022 Eligible Participants (as defined in Note 31 to the Accountants' Report as set out in Appendix I). On January 18, 2024 and May 17, 2024, our Company declared dividends of RMB5.0 million and RMB13.0 million, respectively, to our Shareholders. The amount of RMB18.0 million was paid during the year ended December 31, 2024, among which the amount of RMB16.2 million was recognized as dividend distributed to the Shareholder and the amount of RMB1.8 million was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme. On January 18, 2024, our Company declared dividends of RMB5.0 million to our Shareholders, which was paid during the four months ended April 30, 2024. The amount of RMB4.5 million was recognized as dividend distributed to the Shareholder and the amount of RMB0.5 million was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme. On April 23, 2025, our Company declared dividends of RMB20.0 million to our Shareholders, which had been fully settled as of the Latest Practicable Date. The amount of RMB17.7 million was recognized as dividend distributed to the Shareholder and the amount of RMB2.3 million was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme, 2023 Pre-IPO Employee Incentive Scheme and 2024 Pre-IPO Employee Incentive Scheme. For details, see Note 13 to the Accountants' Report as set out in Appendix I.

In the future, we may distribute dividends by way of cash or by other means that our Board considers appropriate. Any proposed distribution of dividends is subject to the discretion of our Board after taking into account our results of operations, cash flow, financial condition, capital requirements and other factors our Board may deem relevant. Any dividend distribution will also be subject to the approval of our Shareholders. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future. As confirmed by our PRC Legal Advisor, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above. We cannot assure you that we will be able to distribute dividends of any amount, or at all, in any year. Currently, we do not have any specific dividend policy nor any pre-determined dividend payout ratio.

LISTING EXPENSES

Listing expenses to be borne by us are estimated to be approximately HK$49.8 million or 12.7% of the gross proceeds of the Global Offering (based on an Offer Price of HK$49.5 per H Share without taking into account the Over-allotment Option), including (i) underwriting commission of approximately HK$19.6 million, and (ii) non-underwriting related expenses of approximately HK$30.2 million which consist of (a) fees and expenses of legal advisors and the Reporting Accountants of approximately HK$17.3 million and (b) other fees and expenses of approximately HK$12.9 million. Approximately HK$4.2 million of our listing expenses is expected to be charged to our consolidated statements of profit or loss and other comprehensive income and approximately HK$45.6 million is expected to be accounted for as a deduction from equity upon Listing under the relevant accounting standard. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DISTRIBUTABLE RESERVES

As of April 30, 2025, our Group had retained profits of RMB60.5 million. The retained profits are available for distribution.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period, we had not entered into any material off-balance sheet arrangements or any variable interest in any unconsolidated entity that provides financing, liquidity, financial risk or credit support for us. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

For details of our unaudited pro forma adjusted consolidated net tangible assets, please refer to the section headed "Unaudited Pro Forma Financial Information" as set out in Appendix II.

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since April 30, 2025, being the end of the Track Record Period, and there is no event since April 30, 2025 which would materially affect the information shown in the Accountants' Report as set out in Appendix I.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that as of the Latest Practicable Date, there were no circumstances which, had they been required to comply with Rules 13.13 to 13.19 of the Listing Rules, would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See the section headed "Business — Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$342.2 million, after deducting underwriting fees and commissions and other estimated expenses paid and payable by us in relation to the Global Offering, based on an Offer Price of HK$49.5 per H Share and that the Over-allotment Option is not exercised.

We currently intend to use these net proceeds for the purposes and in the amounts set forth below:

- approximately 30.0%, or HK$102.7 million, is expected to advance our manufacturing capabilities through modernized production systems and expanded operational scale. In particular,

  (i) approximately 19.0%, or HK$65.0 million, is expected to be used to establish a new production facility in the vicinity of our existing Huizhou facility. Specifically, 13.0% or HK$44.5 million will be used for facility rental or acquisition expenses and construction costs and 6.0% or HK$20.5 million will be used for facility renovation and production equipment. We expect this new production facility to commence operation in the first quarter of 2027. Upon commencement of operation, this facility is expected to initially have an annual production capacity of approximately 200,000 units. We will equip this new facility with automated equipment such as automatic welding robots and automated storage systems to enhance production efficiency and warehousing capabilities. We plan to recruit 335 employees responsible for the operation of our new production facility. The details of our recruitment plan are set forth as below:

Position	Estimated number of personnel to be hired
Welder	150
Bicycle painters	70
Assembler	46
Warehouse management	20
Production material processing	34
Production material control	11
Administration	4

We also plan to procure 40 welding machines (including semi-automatic machines and full-automatic machines), two production lines and one set of automated warehousing system for our new production facility. Moreover, in order to match the needs of our expanded operational scale, we will deepen the cooperation with our raw material suppliers. As the main raw materials for folding bicycle production were steel and aluminum alloy, and Guangdong province has mature supply chain for the raw materials, we do not expect any material risk of raw material availability in the event that the actual amount of net proceeds available for these plans is insufficient to cover our total spending, the shortfall will be met by our internal resources. We expect to finish site-selection and execute relevant rental or acquisition agreements by the first quarter of 2026, finish the construction of our new production facility by the third quarter of 2026, and start trial production by the fourth quarter of 2026.

(ii) approximately 6.0%, or HK$20.5 million, is expected to be used for strategic investments in or acquisition of an established production facility in suitable location or enhancing partnerships with suitable OEM or component suppliers. In selecting investment targets or partners, we will consider factors including their operational track record, production capabilities and equipment, and workforce capabilities. Potential locations we are currently considering include Tianjin, Jiangsu, Zhejiang or Guangdong, taking into account the number of suitable investment targets or partners, our local sales records, supply chain availability and other supporting resources. We expect to finish target selection in 2026 and execute relevant investment or acquisition agreements in 2027. We plan to fulfill any excess fund needs with our own internal financial resources. As of the Latest Practicable Date, we have not identified any specific investment or acquisition targets or specific partners.

(iii) approximately 5.0%, or HK$17.1 million, is expected to optimize our existing Huizhou facility through introducing advanced equipment to enhance operational efficiency, quality testing capabilities and production environment.

- approximately 30.0%, or HK$102.7 million, is expected to be used to strengthen our market position and accelerate global expansion through distribution network enhancement and strategic brand development. In particular:

  (i) approximately 20.0%, or HK$68.4 million, is expected to be used for the strategic development of our distribution network and branding and marketing initiatives in mainland China. This includes (a) approximately 10.0%, or HK$34.1 million, is expected to be used for expanding our network of distributor retail outlets and providing standardized decoration materials (including signage, display fixtures and other visual merchandising elements) as well as operational guidelines to ensure consistent brand presentation and efficient sales practices. In 2025, we plan to expand our network of distributor retail outlets with 50 flagship stores, 80 shop-in-shop stores and 70 dealer stores. For each of the new flagship stores, shop-in-shop stores and dealer stores, we will provide standardized decoration materials worth of RMB50,000, RMB40,000 and RMB20,000, respectively. The excess fund needs from providing decoration materials to our distributors retail outlets will be fulfilled by our own internal financial resource; (b) approximately 4.0%, or HK$13.7 million, is expected to be used for further enhancing our online channels including expanding our online sales on our current self-operated online stores through offering more bicycle models online and establishing presence on additional major e-commerce and social media platforms; and (c) approximately 6.0%, or HK$20.5 million, is expected to be used for implementing comprehensive marketing campaigns including advertising across various channels, developing social media content, and conducting promotional activities in collaboration with internet celebrities and KOLs in the bicycle industry; and

(ii) approximately 10.0%, or HK$34.1 million, is expected to be used to accelerate our international market development in countries and regions outside of mainland China, primarily countries in Europe, where we had revenue growth during the Track Record Period, including countries already covered by our sales and distribution network, such as Germany, France and the U.K., and we also intend to extend our sales and distribution network across Europe. We plan to further familiarize local consumers with our *DAHON* brand through a multi-channel approach, where we will (i) engage distributors with solid experiences in bicycle industry and sufficient financial resources; (ii) establish a local sales team to promote our brand and provide after-sales services, and (iii) cooperate with popular e-commerce platforms in Europe to enhance online exposure and performances. Moreover, we will design and develop bicycle models tailored for European consumers' demand, including their increasing focuses on cost-efficiencies and environmental impacts. Our plans to enhance our electric mobility portfolio are also in line with the market trends in the Europe. In 2025, we will participate in seven international trade shows and industry exhibitions to increase brand visibility among potential international distributors and brand licensing partners. Additionally, we intend to launch targeted digital marketing campaigns and social media initiatives and develop region-specific promotional materials and marketing campaigns to engage local consumers. Our offshore expansion plan may face certain risks. See "Risk Factors — Our growth strategies depend substantially on our ability to successfully expand into new sales channels, to reinforce our market positions in existing markets, and to capture opportunities in international markets" for details.

- approximately 30.0%, or HK$102.7 million, is expected to be used to advance our technology through enhanced research and development capabilities. In particular:

  (i) approximately 6.0%, or HK$20.5 million, is expected to be used to (a) expand our core folding bicycle product portfolio through developing new and upgraded products incorporating advanced technologies and designing innovative components to further enhance consumer experience, and (b) expand our other bicycle categories including full-sized road bicycles and mountain bicycles to cater to diverse riding preferences and scenarios;

  (ii) approximately 12.0%, or HK$41.1 million, is expected to be used to establish our presence in the electric mobility segment through developing a comprehensive portfolio of two-wheeled electric vehicles. This includes electric-assisted bicycles featuring advanced materials and innovative structural designs, as well as other electric vehicle products such as electric motorcycles. Our investment will focus on ensuring superior safety, stability, and performance across all electric mobility products, supported by continued advancement in electric vehicle technologies; and

  (iii) approximately 12.0%, or HK$41.1 million, is expected to be used to strengthen our research and development team through recruiting additional research and development personnel, including high caliber talents specializing in areas including material sciences, electric mobility technologies, intelligent systems engineering and ergonomics. We expect to newly recruit approximately 20 research and development personnel with bachelor's degree or above. We plan to hire five industry expert with ten more years of related experiences, 12 professional engineers with at five to ten years of experiences, and three entry level analysts. Targeted candidates are expected to have expertise in physics, mechanical engineering or electrical engineering areas.

  Our sustained research and development investment has positioned us to strategically expand beyond our core folding bicycle segment into the broader bicycle market. While we maintain prominent status in the folding bicycle category, our expansion into full-sized road bicycles, mountain bicycles, and electric offerings will leverage our established brand recognition, distribution channels, and technological expertise. Our competitive strategy in these segments will focus on differentiation through innovation rather than direct price competition with incumbent players.

  For our full-sized road and mountain bicycle offerings, we will capitalize on our expertise in technology (such as DELTECH), lightweight materials and innovative structural design — skills honed through years of folding bicycle development. We aim to target the premium segment of these markets where our reputation for quality and technical innovation will resonate most strongly with consumers. Additionally, we believe our established offline and online sales and distribution network will facilitate market penetration without requiring extensive initial distribution network development that would typically challenge new entrants.

In the electric mobility segment, we will build upon our existing electric-assisted folding bicycles that combine electricity with convenient folding features. This foundation gives us unique insights into integrating electric components while maintaining structural integrity and user experience. As a dynamic new entrant to the electric motorcycle market, we will leverage our expertise in compact and folding mobility solutions to carve out a differentiated niche amid established market players. We would focus on providing space-conscious consumers with smart and lightweight urban commuting experiences. In parallel, our cooperation with key suppliers and integration of intelligent manufacturing techniques will drive operation efficiency and product reliability. Rather than competing with large-scale manufacturers on volume, we will focus on specific consumer segments seeking premium, thoughtfully designed electric mobility solutions that align with our brand values of innovation, quality, and sustainability.

- approximately 10.0%, or HK$34.1 million, is expected to be used for our working capital and other general corporate purposes.

In the event that the Over-allotment Option is exercised in full, the additional net proceeds that we would receive would be HK$58.4 million based on an Offer Price of HK$49.5 per H Share, after deduction of underwriting fees and commissions and other estimated expenses paid and payable by us in relation to the Global Offering. Additional net proceeds received due to the exercise of any Over-allotment Option will be used for the above purposes accordingly on a pro-rata basis if the Over-allotment Option is exercised.

If the net proceeds of the Global Offering are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will deposit the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions), so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules and make an appropriate announcement if there is any change to the above proposed use of proceeds.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) as set out in the table below (the "**Cornerstone Placing**").

Based on the Offer Price of HK$49.5 per H Share, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 2,013,800 Offer Shares, representing (i) approximately 25.43% of the Offer Shares to be issued pursuant to the Global Offering and approximately 6.36% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), and (ii) approximately 22.13% of the Offer Shares to be issued pursuant to the Global Offering and approximately 6.13% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is fully exercised).

Our Company is of the view that the Cornerstone Placing provides an impression of commitment, confidence and interests of the Cornerstone Investors in our Group's business and prospects and helps raise the profile of our Company. Our Company became acquainted with (i) Allianz Global Investors Asia Pacific Limited ("**AllianzGI AP**"), (ii) Greater Bay Area Development Fund Management Limited for and on behalf of the Managed Account of Mega Prime Development Limited ("**GPAD Fund Management**"), (iii) Harvest International Premium Value (Secondary Market) Fund SPC acting on behalf of and for the account of Harvest Oriental SP ("**Harvest**") and (iv) VEKEN (HONGKONG) ECONOMIC AND TRADE CO., LIMITED ("**Veken HK**") through introduction by the Company's business partners, the Sole Overall Coordinator or the other CMIs.

The Cornerstone Placing will form part of the International Offering, and, save as otherwise obtained consent from the Stock Exchange, the Cornerstone Investors and their respective close associates will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue and will be counted towards the public float of our Company under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules. The three largest public Shareholders will not hold more than 50% of the Shares held in public hands at the time of the Listing in compliance with Rule 8.08(3) of the Listing Rules.

Immediately following the completion of the Global Offering, the Cornerstone Investors will not, by virtue of their cornerstone investments, have any Board representation in our Company; and none of the Cornerstone Investors will become a substantial Shareholder of our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights under each of their respective Cornerstone Investment Agreements, as compared with other public Shareholders. As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Global Offering, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

To the best knowledge, information and belief of our Company, (i) each of the Cornerstone Investors and their respective ultimate beneficial owner(s) is an Independent Third Party; (ii) none of the Cornerstone Investors or their respective ultimate beneficial owner(s) is accustomed to take instructions from our Company, Directors, Supervisors, chief executive, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of their subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is financed directly or indirectly by our Company, Directors, Supervisors, chief executive, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of their subsidiaries or their respective close associates.

To the best knowledge of our Company and as confirmed by each of the Cornerstone Investors, each of the Cornerstone Investors makes independent investment decisions, and their subscription under the Cornerstone Placing would be financed by their own internal resources and they have sufficient funds to settle their respective investment under the Cornerstone Placing. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange or its shareholders or other regulatory authorities is required for the relevant Cornerstone Placing.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. Each of the Cornerstone Investors has agreed that our Company and the Sole Overall Coordinator in their sole discretion may defer the delivery of all or part of the Offer Shares it will subscribe to on a date later than the Listing Date. Where delayed delivery takes place, each of the Cornerstone Investors that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares before the Listing. As such, there will be no deferred settlement of the Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Investment Agreements.

The total number of Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering. If the total demand for H Shares in the Hong Kong Public Offering falls within the circumstance as set out in the section headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus, our Company and the Sole Overall Coordinator have the absolute discretion, but not obliged, to deduct the number of Offer Shares to be subscribed by the Cornerstone Investors in order to satisfy the public demands under the Hong Kong Public Offering pursuant to Practice Note 18 of the Listing Rules. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around September 8, 2025.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

AllianzGI AP

Allianz Global Investors ("**AllianzGI**") is a leading global asset manager, entrusted with USD606 billion* in assets under management on behalf of institutional and individual investors worldwide. AllianzGI affiliated entities, including AllianzGI AP, a limited liability company incorporated in Hong Kong, are ultimately wholly owned subsidiaries of Allianz SE. The subscription of the Offer Shares as a cornerstone investor will be made by AllianzGI AP in its capacity as the discretionary investment manager of two funds, namely Allianz Global Investors Fund — Allianz Little Dragons and Allianz Global Investors Fund — Allianz Asia Small Cap Equity, and/or through independent segregated accounts under its management.

* *Total assets under management are assets or securities portfolios, valued at current market value, for which AllianzGI companies are responsible vis-á-vis clients for providing discretionary investment management decisions and portfolio management, either directly or via a sub-advisor. This excludes assets for which AllianzGI companies are primarily responsible for administrative services only. Assets under management are managed on behalf of third parties as well as on behalf of the Allianz Group.*

GPAD Fund Management

Mega Prime Development Limited ("**Mega Prime**") is a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of GBA Homeland Limited, which in turn is wholly owned by Greater Bay Area Homeland Investments Limited ("**GBAHIL**"). GBAHIL is a company incorporated in Hong Kong with limited liability and is jointly owned by a number of international large-scale industrial institutions, financial institutions and new economic enterprises, each of which holds less than 15% equity interest therein.

GBAHIL's business encompasses investment, investment holding and the establishment or management of private equity funds through its subsidiaries to grasp the historical opportunities of the development of Guangdong-Hong Kong-Macao Greater Bay Area, and the construction of an international innovation and technology hub, focusing on technological innovation, industrial upgrading, quality of life, smart city and all other related industries.

Mega Prime subscribes for the Offer Shares through the account managed by GPAD Fund Management, a company wholly owned by GBAHIL and licensed under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities in Hong Kong.

Harvest

Harvest Oriental SP is a fund launched in October 2024. Harvest International Premium Value (Secondary Market) Fund SPC on behalf of Harvest Oriental SP is a segregated portfolio company established in the Cayman Islands and is an Independent Third Party. 91% of the management shares of Harvest International Premium Value (Secondary Market) Fund SPC are held by Harvest Global Investments Limited ("**HGI**") and 9% of the management shares are held by Harvest Global Capital Investments Limited ("**HGCI**"). Incorporated in Hong Kong in 2008, HGI is a wholly-owned subsidiary of Harvest Fund Management Co., Ltd ("**HFM**"). HFM is owned as to 40% by China Credit Trust Co., Ltd. (中誠信託有限公司), 30% by Lixin Investment Co., Ltd. (立信投資有限責任公司) and 30% by DWS Investments Singapore Limited, all of which are Independent Third Parties. HGCI is a company incorporated in Hong Kong in 2011 and licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO in Hong Kong by the SFC. HGCI is principally engaged in asset management and investment advisory business. Chen Di, an Independent Third Party, is the beneficial owner who holds the largest portion of the ultimate beneficial ownership of HGCI. There are four participating shareholders of Harvest, and no single participating shareholder holds 30% or more interest therein.

Veken HK

Veken Holdings Group Co., Ltd. ("**Veken Holdings**") originated from Hefeng Spinning Mill (和豐紗廠), which was founded in 1905. After more than a century of development, it has become a diversified, investment-driven comprehensive high-tech group. Its businesses cover new energy, new materials, intelligent manufacturing, textiles and apparel, trade and logistics, as well as financial investment. Veken Holdings owns several holding companies, including Veken Technology Co., Ltd. (維科技術股份有限公司), an A-share listed company (stock code: 600152.SH). Veken Holdings has been included multiple times in the "Top 500 Chinese Enterprises" list, and, with the mission of "Technology Innovates Life," it continuously promotes industrial upgrading and technological innovation.

Veken HK is a subsidiary of Veken Holdings. Veken Holdings is held as to 43.77% by He Chengming (何承命), 11.24% by Ningbo Veken Tongchuang Enterprise Management Partnership (Limited Partnership) (寧波維科同創企業管理合夥企業(有限合夥)), and the remaining shares are held by 51 other shareholders, each holding less than 5%.

The table below sets forth the details of the Cornerstone Placing:

			Based on the Offer Price of HK$49.5 per H Share			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Cornerstone Investor	**Total investment amount**	**Number of Offer Shares[1]**	**Approximate % of the total Offer Shares**	**Approximate % of the total issued Shares immediately upon the completion of the Global Offering**	**Approximate % of the total Offer Shares**	**Approximate % of the total issued Shares immediately upon the completion of the Global Offering**
	(USD)					
AllianzGI AP	5,000,000	789,100	9.96%	2.49%	8.67%	2.40%
GPAD Fund Management	2,400,000	378,800	4.78%	1.20%	4.16%	1.15%
Harvest	2,800,000	441,900	5.58%	1.40%	4.86%	1.35%
Veken HK	2,559,836[2]	404,000	5.10%	1.28%	4.44%	1.23%
Total	**12,759,836**	**2,013,800**	**25.43%**	**6.36%**	**22.13%**	**6.13%**

Notes:

(1) Subject to rounding down to the nearest whole board lot of 100 Offer Shares. Calculated based on the conversion rate of US$1.00 to HK$7.8130.

(2) Calculated based on the total investment amount of Veken HK of HK$20,000,000 and the conversion rate of US$1.00 to HK$7.8130.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(a) the Underwriting Agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(b) the Offer Price having been agreed upon between our Company and the Sole Overall Coordinator (for itself and on behalf of the Underwriters);

(c) the Stock Exchange having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors) as well as other applicable waivers and approvals, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(d) the CSRC having accepted the CSRC filings and published the filing results on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

(e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions, including, without limitation, any applicable sanctions or other legal restrictions that would prohibit or restrict the Cornerstone Investors from proceeding with the subscription of the H Shares under the Cornerstone Placing; and

(f) the respective representations, warranties, acknowledgements, undertakings and confirmations of the relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are accurate and true in all respects and not misleading or deceptive and that there is no material breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior written consent of our Company, the Sole Sponsor and the Sole Overall Coordinator, it will not, whether directly or indirectly, at any time during the period of six months from the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

HONG KONG UNDERWRITERS

China Securities (International) Corporate Finance Company Limited
ABCI Securities Company Limited
BOCI Asia Limited
CCB International Capital Limited
CMB International Capital Limited
Futu Securities International (Hong Kong) Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 792,000 Hong Kong Offer Shares and the International Offering of initially 7,128,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "**Structure of the Global Offering**" in this prospectus as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering 792,000 Hong Kong Offer Shares for subscription by the public in Hong Kong on, and subject to, the terms and conditions set out in this prospectus.

Subject to: (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, our H Shares in issue and to be issued as mentioned in this prospectus and such listing and permission not subsequently being revoked; and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally, and not jointly, to subscribe for, or procure subscribers for, the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering, on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated.

Grounds for termination

The Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) shall be entitled, in its sole and absolute discretion, by notice in writing to the Company, terminate this Agreement with immediate effect if at any time at or prior to 8:00 a.m. on the Listing Date:

(a) there develops, occurs, exists or comes into effect:

(i) any new law or any change or development involving a prospective change in existing law, or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting the PRC, Hong Kong, Tai Wan, the United States, the United Kingdom, or the European Union (or any of its members) (each a "**Relevant Jurisdiction**"); or

(ii) any change or development involving a prospective change or development in local, national, regional or international financial, political, military, industrial, economic, trading, currency market, fiscal or regulatory market conditions, equity securities or any monetary or trading settlement system or financial markets (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets, inter-bank markets and credit markets) in or affecting any Relevant Jurisdiction; or

(iii) any event or a series of events, in the nature of force majeure (including, without limitation, any act of government or order of any court, strike, calamity, crisis, lock-out, fire, explosion, flooding, earthquake, civil commotion, act of war, outbreak or escalation of hostilities (whether or not war is declared), act of God, act of terrorism (whether or not responsibility has been claimed), declaration of a national or international emergency, riot, public disorder, outbreak or escalation of disease (including infectious disease, including without limitation COVID-19, SARS, MERS, H5N1, H1N1, swine or avian influenza or such related/mutated forms); or

(iv) the imposition or declaration of any moratorium, suspension or limitation (including, without any limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange; or

(v) (a) any change or prospective change in taxation, foreign exchange controls, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies) or the implementation of any exchange control, or (b) any change or prospective change in Taxation (as defined in the Hong Kong Underwriting Agreement) in any Relevant Jurisdiction adversely affecting an investment in the H Shares; or

(vi) any general moratorium on commercial banking activities in any Relevant Jurisdiction or any disruption in commercial banking or foreign exchange trading or securities trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdictions; or

(vii) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, any jurisdiction relevant to the business operations of any member of our Group; or

(viii) the issue or requirement to issue by the Company of a supplemental or amendment to this prospectus, preliminary offering circular or offering circular or other documents in connection with the offer and sale of the H Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange or the SFC; or

(ix) any adverse change or any development involving a prospective adverse change in or affecting the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profitability, results of operations, position or condition (financial or otherwise) or performance of any member of our Group or our Group as a whole (including any litigation or claim of any third party being threatened or instigated against any member of our Group); or

(x) any demand by creditors for repayment of indebtedness before its maturity or a petition being presented for the winding-up or liquidation of any Group Company or any member of our Group making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or

(xi) any contravention by any member of our Group of any applicable Laws and regulations including the Companies Ordinance, the SFO, the Company Law of the PRC, the Listing Rules and the CSRC Rules (as defined in the Hong Kong Underwriting Agreement); or

(xii) that any statement contained in any of the Hong Kong Public Offering Documents (as defined in the Hong Kong Underwriting Agreement), the application proof, the post-hearing information proof and any notice, announcement, advertisement, communication issued or used (by or on behalf of the Company) in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was or has become untrue, incomplete, inaccurate, incorrect or misleading or deceptive, or any forecast, estimate, expression of opinion, intention or expectation expressed in any of the Hong Kong Public Offering Documents, the application proof, the post-hearing information proof and any notice, announcement, advertisement, communication so issued or used is not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions, when taken as a whole; or

(xiii) either (a) there has been a breach of any of the representations, warranties, undertakings or provisions of either the Hong Kong Underwriting Agreement or the International Underwriting Agreement by the Company or any of the Controlling Shareholders or (b) any of the representations, warranties and undertakings given by the Company or any of the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable, is (or would when repeated be) untrue, inaccurate or misleading; or

(xiv) any non-compliance of this prospectus, the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules, the CSRC Rules (as defined in the Hong Kong Underwriting Agreement), or any other applicable laws; or

(xv) any authority or a political body or organization in any of the Relevant Jurisdiction commencing any investigation or other action or announcing an intention to investigate or take other action against any member of the Group or any Director or the Controlling Shareholders; or

(xvi) any change or development involving a prospective change in, or a materialization of any of the risks set out in the section headed "Risk Factors" of this prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters): (a) is, will be or may be materially adverse to, or materially and prejudicially affects, the assets, liabilities, business, general affairs, management, prospects, shareholder's equity, profitability, results of operations, position or condition (financial or otherwise), or performance of any member of our Group or our Group as a whole or to any present or prospective shareholder of our Company in its capacity as such; or (b) has, will have or may have a material adverse effect on the success or marketability of the Global Offering or the level of Offer Shares being applied for, under the Hong Kong Public Offering or the level of interest under the International Offering; or (c) makes, will make it or may make it impracticable or inadvisable or incapable or inexpedient to proceed with the Hong Kong Public Offering and/or the International Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by this prospectus, the formal notice, the preliminary offering circular or the final offering circular; or (d) would have or may have the effect of making any material part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there comes to the notice of any of the Sole Sponsor, the Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters as at or after the date of the Hong Kong Underwriting Agreement:

(i) a governmental or regulatory prohibition on the Company for whatever reason from issuing or selling the H Shares (including H Shares that may be issued pursuant to the exercise of the Over-allotment Option) pursuant to the terms of the Global Offering; or

(ii) a governmental or regulatory prohibition on the Company for whatever reason from converting any Domestic Unlisted Shares into H Shares upon completion of the Global Offering; or

(iii) any contravention by any member within our Group or any Director or any Supervisor of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance, the PRC Company Law, the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or the Listing Rules; or

(iv) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, not having been disclosed in this prospectus, constitutes an material omission or misstatement; or

(v) any of the experts named in this prospectus (except the Sole Sponsor) has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters, summaries or legal opinions (as the case may be) and references to its name included in the form and context in which they respectively appear; or

(vi) any event, act or omission which gives or is likely to give rise to any material liability of the Company or the Controlling Shareholders (as the case may be) pursuant to the indemnities given by the Company and the Controlling Shareholders under the Hong Kong Underwriting Agreement; or

(vii) any breach of any of the obligations of us or the Controlling Shareholders under the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(viii) any Controlling Shareholder, any Director, any Supervisor or any member of the Group's senior management being charged with an indictable offence or prohibited by laws or otherwise disqualified from taking part in the management of a company, or any litigation, dispute, legal action, claim, investigation or other action (including arrest or detainment) or proceedings being commenced by an Authority, threatened or instigated against any Group Company, any Controlling Shareholder, any Director, any Supervisor or any member of the Group's senior management; or

(ix) any of the chairman, the Directors or member of the Group's senior management vacating his/her office; or

(x) any Director, Supervisor or any member of the Group's senior management being charged with an indictable offence or prohibited by laws or otherwise disqualified from taking part in the management of a company, or any litigation, dispute, legal action, claim, investigation or other action (including arrest and detainment) or proceedings or investigation being commenced by an Authority, threatened or instigated against any Group Company, any Director, any Supervisors or any member of the Group's senior management; or

(xi) the Company has withdrawn this prospectus (and/or any other documents issued or used by or on behalf of us in connection with the Global Offering) or the Global Offering; or

(xii) a portion of the orders in the book-building process have been withdrawn, terminated or cancelled or the investment commitments by any cornerstone investors, have been withdrawn, terminated or cancelled or if any cornerstone investor is unlikely to fulfill its obligation under the respective agreement(s); or

(xiii) the Admission by the Listing Committee is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, canceled, qualified (other than by customary conditions), revoked or withheld.

Indemnity

We have agreed to indemnify amongst others, the Sole Sponsor, the Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by us of the Hong Kong Underwriting Agreement.

The Hong Kong Underwriters' Interests in Us

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested directly or indirectly in any Shares or any securities of any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of our Group.

The Hong Kong Underwriters and their affiliates may, subject to applicable laws and regulations and in their ordinary and usual course of business, (i) provide financing in connection with the subscription for, or purchase of, our securities with security interests over all or part of such securities subscribed or purchased, and/or (ii) participate in or facilitate the subscription for, or purchase of, our securities.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

(A) Undertakings by our Company

In accordance with Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that within six months from the Listing Date, no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) shall be issued or sold or transferred out of treasury by the Company or form the subject of any agreement to such an issue (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except pursuant to the Global Offering (including the Over-allotment Option), or in certain circumstances prescribed by Rule 10.08(1) to (5) of the Listing Rules.

(B) Undertakings by our Controlling Shareholders

In accordance with Rule 10.07 of the Listing Rules, Dr. Hon and Dahon Tech Enterprise LP, being the Controlling Shareholders, have undertaken to the Company and the Stock Exchange that, except pursuant to the Global Offering (including pursuant to the Over-allotment Option), each of them will not, and will procure that the relevant registered holder (if any) of the Shares in which any of them has a beneficial interest will not, without the prior written consent of the Stock Exchange or unless otherwise in compliance with the requirements of the Listing Rules:

(a) in the period commencing on the date by reference to which disclosure of their shareholdings in the Company is made in this prospectus and ending on the date which is six months from the Listing Date (the "**First Six-month Period**"), dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities in respect of which they were shown to be the beneficial owner in the prospectus (the "**Relevant Shares**"); or

(b) in the period of six months commencing on the date on which the First Six-month Period expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Relevant Shares if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, Dr. Hon or Dr.Hon and Dahon Tech Enterprise LP, would cease to be a Controlling Shareholder for the purpose of the Listing Rules.

In addition, in accordance with Note (3) to Rule 10.07(2) of the Listing Rules and as required by the Stock Exchange, each of our Controlling Shareholders has further undertaken to the Stock Exchange and the Company that, within the period commencing on the date by reference to which disclosure of their Shareholdings in the Company is made in the prospectus and ending on the date which is 12 months from the date on which dealings in the H Shares commence on the Stock Exchange, they will:

(a) when Dr. Hon or Dr.Hon and Dahon Tech Enterprise LP pledge(s) or charge(s) any H Shares or other securities of the Company in respect of which Dr. Hon or Dr. Hon and Dahon Tech Enterprise LP is/are the beneficial owner in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan relying on Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform the Company in writing of any such pledge or charge together with the number of the H Shares or other securities of the Company so pledged or charged; and

(b) when the Controlling Shareholders receive any indication, either verbal or written, from any such pledgee or chargee of the H Shares or other securities of the Company that any of the pledged or charged the H Shares or other securities of the Company will be disposed of, immediately inform the Company in writing of any such indication.

Our Company will inform the Stock Exchange in writing as soon as we have been informed of matters referred in above by any of our Controlling Shareholders and disclose such matters by way of announcement pursuant to the requirements under the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by our Company

Pursuant to the Hong Kong Underwriting Agreement, we have undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters not to (except for the offer, allotment and issue of the Offer Shares pursuant to the Global Offering, including pursuant to any exercise of the Over-allotment Option), and to procure that each of the members of our Group shall not, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the First Six-month Period, without the prior written consent of the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, hedge, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or contract or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of ours or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other equity securities of ours, with a depositary in connection with the issue of depositary receipts); or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any other securities of ours, as applicable, or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other securities of ours); or

(c) enter into any transaction with the same economic effect as any transaction specified in paragraphs (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any such transaction specified in paragraphs (a), (b) or (c) above,

in each case, whether the transaction is to be settled by delivery of Shares or such other equity securities of ours or in cash or otherwise (whether or not the allotment or issue of Shares or such other securities of ours will be completed within the First Six-month Period).

In the event that, during the period of six months commencing on the date on which the First Six-month Period expires, we enter into any of the transactions specified in paragraphs (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, we will take all reasonable steps to ensure that such transaction, offer, agreement or announcement will not create a disorderly or false market in the H Shares or any other equity securities of ours.

We have undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that we will, and each of our Controlling Shareholders has undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters to procure that we will, comply with the minimum public float requirements specified in the Listing Rules or in any waiver granted to us and not revoked, withdrawn, amended or invalidated by the Stock Exchange (the "**Minimum Public Float Requirement**"). In addition, we have undertaken to each of the Sole Sponsor, the Sole Overall Coordinator, the Sponsor-Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that we will not, and each of our Controlling Shareholders has undertaken to each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters to procure that we will not agree to or effect any purchase of H Shares which may reduce the holdings of H Shares held by the public (as defined in Rule 8.24 of the Listing Rules) below the Minimum Public Float Requirement on or before the first anniversary of the Listing Date.

(B) Undertakings by our Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, each of our Controlling Shareholders has undertaken to us, and each of the Sole Sponsor, the Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, without the prior written consent of the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(a) the Shareholder will not at any time, during the First Six-month Period:

(i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, hedge, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any equity securities of ours or any interest in any of the foregoing (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any other equity securities of ours) beneficially owned by him/it as of the Listing Date (the "**Locked-up Securities**");

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Locked-up Securities;

(iii) enter into any transaction with the same economic effect as any transaction specified in paragraphs (i) or (ii) above;

(iv) offer to or agree to or announce any intention to effect any transaction specified in paragraphs (i), (ii) or (iii) above,

in each case, whether the transaction is to be settled by delivery of Shares or such other securities of ours or in cash or otherwise (whether or not the transaction will be completed within the First Six-Month Period); or

(b) the Shareholder will not, at any time during the Second Six-month Period, enter into any of the transactions specified in paragraphs (i), (ii) or (iii) above in respect of any Locked-up Securities or offer to or agree to or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it/he will cease to be a "controlling shareholder" (as defined under the Listing Rules) of our Company; and

(c) until the expiry of the Second Six-month Period, in the event that it enters into any of the transactions specified in paragraphs (i), (ii) or (iii) above in respect of any Locked-up Securities or offers to or agrees to or announces any intention to effect any such transaction, it/he will take all reasonable steps to ensure that any such transaction, offer, agreement or announcement will not create a disorderly or false market in the Shares or any other equity securities of ours.

The above undertaking shall not prevent our Controlling Shareholders or the relevant registered holder(s), any nominee or trustee holding any H Shares or other securities on trust for him/it or the companies controlled by him/it from (i) purchasing additional H Shares or other securities of ours and disposing of such additional H Shares or other securities of ours, provided that such purchase does not contravene the lock-up arrangements with our Controlling Shareholders above or compliance by us with the requirement under the Listing Rules to maintain an open market in the securities and a sufficient public float in the H Shares, or (ii) using the H Shares or other securities of ours or any interest therein beneficially owned by them as security (including without limitation a charge or a pledge) in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, provided that for the purpose of (ii) above, our Controlling Shareholders agree and undertake to use all reasonable endeavours to ensure that the relevant authorized institution which enforces the relevant security during the First Six-Month Period (if any) will not dispose of the underlying H Shares (whether in on market or off market).

International Offering

International Underwriting Agreement

In connection with the International Offering, we expect to enter into the International Underwriting Agreement with, among others, the International Underwriters on or around Friday, September 5, 2025. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally (but not jointly) agree to purchase or procure purchasers for the International Offer Shares initially offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on grounds similar to those contained in the Hong Kong Underwriting Agreement. See the subsection headed "Structure of the Global Offering — The International Offering" for further details.

Over-allotment Option

We intend to grant to the International Underwriters the Over-allotment Option, exercisable in whole or in part, at the sole and absolute discretion of the Sole Overall Coordinator on behalf of the International Underwriters from the Listing Date until 30 days from the last day permitted for the making of applications under the Hong Kong Public Offering, pursuant to which we may be required to allot and issue up to an aggregate of 1,180,000 additional H Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering) at the Offer Price to cover over-allocations in the International Offering, if any. See the subsection headed "Structure of the Global Offering — Over-allotment Option" for details.

COMMISSION AND EXPENSES

The Underwriters will receive an underwriting commission (the "**Fixed Fee**") of 4% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option). For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid to the International Underwriters. In addition, the Underwriters may receive a discretionary incentive fee (the "**Discretionary Fee**") of up to 1% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option). For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the "**Fee Split Ratio**") as required under paragraph 3B of Appendix D1A to the Listing Rules, the Fee Split Ratio will be approximately 56:44, assuming the Discretionary Fee will be paid in full, whether or not the Over-allotment Option is exercised.

Assuming the Over-allotment Option is not exercised at all, the aggregate commissions and fees (including the incentive fees and assuming full payment), together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy, the Stock Exchange trading fee, legal and other professional fees and printing and other expenses relating to the Global Offering to be borne by the Company are estimated to amount to approximately HK$49.8 million in aggregate (based on the Offer Price of HK$49.5 per Share, and assuming that the Over-allotment Option is not exercised).

SOLE SPONSOR'S FEE

A fee of RMB4.5 million is payable by the Company as sponsor fees to the Sole Sponsor.

SOLE SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria set out in Rule 3A.07 of the Listing Rules.

ACTIVITIES BY UNDERWRITERS

Each of the Underwriters and their respective affiliates may individually undertake a variety of activities which do not form part of the underwriting or stabilizing process.

The Underwriters and their respective affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their business activities, the Underwriters and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. These investment and trading activities may involve or relate to our assets, securities and/or instruments and/or persons and entities with relationships with us and may also include swaps and other financial instruments entered into for hedging purposes in connection with our loans and other debt.

In relation to our H Shares, the activities of the Underwriters and their respective affiliates may include acting as agent for buyers and sellers of our H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of our H Shares (whose financing may be secured by our H Shares) in the Global Offering, proprietary trading in our H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including our H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of our H Shares, which may have a negative impact on the trading price of our H Shares. All such activities may take place in Hong Kong and elsewhere in the world and may result in the Underwriters and their respective affiliates holding long and/or short positions in our H Shares, in baskets of securities or indices including our H Shares, in units of funds that may purchase our H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Underwriters or their respective affiliates of any listed securities having our H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in our H Shares in most cases.

All these activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering". Such activities may affect the market price or value of our H Shares, the liquidity or trading volume in our H Shares and the volatility of the price of our H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Underwriters and their respective affiliates will be subject to certain restrictions, including the following:

(a) the Underwriters and their respective affiliates (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Underwriters and their respective affiliates must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Some of the Underwriters or their respective affiliates have provided from time to time and are expected to provide to our Group investment banking and other services in the future for which the Underwriters or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Underwriters or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

The Global Offering consists of (subject to reallocation and the Over-allotment Option as described below):

(a) the Hong Kong Public Offering of initially 792,000 Offer Shares (subject to reallocation) in Hong Kong as described in the paragraph headed "— The Hong Kong Public Offering" in this section; and

(b) the International Offering of an aggregate of 7,128,000 Offer Shares (subject to reallocation and the Over-allotment Option) outside the United States in offshore transactions in reliance on Regulation S.

Investors may apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest, if qualified to do so, for the International Offer Shares under the International Offering, but may not do both.

The number of Hong Kong Offer Shares and International Offer Shares to be offered under the Hong Kong Public Offering and the International Offering respectively may be subject to reallocation as described in the paragraph headed "— Pricing and Allocation" in this section.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Hong Kong Offer Shares initially offered

We are initially offering 792,000 Hong Kong Offer Shares, representing approximately 10.0% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price for subscription by the public in Hong Kong. Subject to the reallocation of Shares between (i) the International Offering, and (ii) the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 2.5% of our Company's enlarged issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and other securities, and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "— Conditions of the Global Offering" in this section.

Allocation

Allocation of the Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) will be divided into two pools (with any odd board lots being allocated to pool A) for allocation purposes.

(a) ***Pool A***: The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) or less.

(b) ***Pool B***: The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million (excluding the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable) and up to the total value of pool B.

For the purpose of this sub-section only, the "subscription price" for Hong Kong Offer Shares means the price payable on application therefore.

Applicants should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the two pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B, but not from both pools. Multiple or suspected multiple applications and any application for more than 396,000 Hong Kong Offer Shares (being 50% of the 792,000 Offer Shares initially available under the Hong Kong Public Offering) will be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sole Overall Coordinator. Subject to the allocation cap described in the subsequent paragraph, the Sole Overall Coordinator may in its discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public

Offering is not fully subscribed, the Sole Overall Coordinator will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sole Overall Coordinator deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 396,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 1,188,000 Offer Shares, representing approximately 15% of the number of the Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of H Shares to the Hong Kong Public Offering.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Monday, September 8, 2025.

Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this Prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest in, and will not apply for or take up, or indicate an interest in, any International Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the price of HK$49.5 per Offer Share in addition to the brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy payable on each Offer Share. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares initially offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the International Offering will be 7,128,000 Offer Shares (subject to reallocation and the Over-allotment Option), representing approximately 90% of the total number of Offer Shares initially available under the Global Offering.

Subject to the reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering, the number of Offer Shares initially offered under the International Offering will represent approximately 22.5% of our Company's enlarged issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Allocation

Pursuant to the International Offering, the International Underwriters will conditionally place the International Offer Shares with institutional and professional investors and other investors and expected to have a sizeable demand for the H Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "— Pricing and Allocation" in this section and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell, the Offer Shares, after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid Shareholder base to the benefit of our Company and our Shareholders as a whole.

The Sole Overall Coordinator (for itself and on behalf of the Underwriters) and the Sole Sponsor may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Sole Overall Coordinator and the Sole Sponsor so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the exercise of the Over-allotment Option in whole or in part described in the paragraph headed "— Over-allotment Option" in this section, and any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

Over-allotment Option

In connection with the Global Offering, it is expected that our Company will grant the Over-allotment Option to the International Underwriters, which will be exercisable by the Sole Overall Coordinator (for itself and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable by the Sole Overall Coordinator (on behalf of the International Underwriters) at any time from the Listing Date to the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require our Company to issue and allot up to 1,180,000 Offer Shares, representing approximately 15% of the maximum number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional International Offer Shares to be issued pursuant thereto will represent approximately 12.97% of our Company's enlarged issued share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION ACTION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to curb and, if possible, prevent any decline in the market price of the securities below the Offer Price. It may be effected in jurisdictions where it is permissible to do so and subject to all applicable laws and regulatory requirements. In Hong Kong and certain other jurisdictions, activity aimed at reducing the market price is prohibited. The price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may to the extent permitted by applicable laws of Hong Kong or elsewhere, over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the Offer Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the last day of the lodging of applications under the Hong Kong Public Offering. Short sales involve the sale by the Stabilizing Manager of a greater number of H Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-allotment Option. The Stabilizing Manager may close out the covered short position by either exercising the Over-allotment Option to purchase additional Offer Shares or purchasing H Shares in the open market. In determining the source of the Offer Shares to close out the covered short position, the Stabilizing Manager will consider, among other things, the price of Offer Shares in the open market as compared to the price at which they may purchase additional Offer Shares pursuant to the Over-allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or curbing a decline in the market price of the Offer Shares while the Global Offering is in progress. Any market purchases of the H Shares will be effected on any stock exchange, including the Stock Exchange, any over-the-counter market or otherwise, provided that they are made in compliance with all applicable laws, rules and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing action. Such stabilizing activity, if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time.

Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of Offer Shares that may be over-allocated will not exceed the number of Offer Shares that may be sold under the Over-allotment Option, namely, 1,180,000 Offer Shares, which is approximately 15% of the number of Offer Shares initially available under the Global Offering, and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules. Stabilizing actions permitted pursuant to the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) under the SFO include:

(a) over-allocation for the purpose of preventing or minimizing any reduction in the market price of our H Shares;

(b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares;

(c) purchasing or subscribing for, or agreeing to purchase or subscribe for, our H Shares pursuant to the Over-allotment Option in order to close out any position established under (a) or (b) above;

(d) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares;

(e) selling or agreeing to sell any of our H Shares in order to liquidate any position held as a result of those purchases; and

(f) offering or attempting to do anything as described in (b), (c), (d) or (e) above.

Stabilizing actions by the Stabilizing Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization.

Prospective applicants for and investors in the Offer Shares should note that:

(a) the Stabilizing Manager or any person acting for it may, in connection with the stabilizing action, maintain a long position in the H Shares;

(b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager or any person acting for it will maintain such a long position;

(c) liquidation of any such long position by the Stabilizing Manager or any person acting for it and selling in the open market, may have an adverse impact on the market price of our H Shares;

(d) no stabilizing action can be taken to support the price of our H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for our Shares, and therefore the price of our H Shares, could fall;

(e) the price of our H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

As a result of effecting transactions to stabilize or maintain the market price of the H Shares, the Stabilizing Manager, or any person acting for it, may maintain a long position in the H Shares. The size of the long position, and the period for which the Stabilizing Manager, or any person acting for it, will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain. In the event that the Stabilizing Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of the H Shares.

Stabilizing action by the Stabilizing Manager, or any person acting for it, is not permitted to support the price of the H Shares for longer than the stabilizing period, which begins on the day on which trading of the H Shares commences on the Stock Exchange and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to end on Saturday, October 4, 2025. As a result, demand for the H Shares and their market price, may fall after the end of the stabilizing period. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the H Shares. In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 1,180,000 H Shares, representing up to 15% of the initial Offer Shares, through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the Offer Price for the Offer Shares allocated to such investor will be fully paid before the Listing Date. A public announcement in compliance with the Securities and Future (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.

PRICING AND ALLOCATION

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price per Offer Share under the Hong Kong Public Offering will be identical to the Offer Price per Offer Share under the International Offering based on the Hong Kong dollar price per Offer Share under the International Offering.

The Offer Price will be HK$49.5 per Offer Share, unless otherwise announced as further explained below. If you apply for the Offer Shares under the Hong Kong Public Offering, you are required to pay, on application (subject to application channel), the Offer Price of HK$49.5 per Offer Share, plus 1.0% brokerage fee, 0.0027% SFC transaction levy, 0.00015% AFRC transaction levy and 0.00565% Stock Exchange trading fee, amounting to a total of HK$4,999.92 for one board lot of 100 Hong Kong Offer Shares.

The Sole Overall Coordinator, for itself and on behalf of the Underwriters, and the Sole Sponsor, may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the website of the Stock Exchange at **www.hkexnews.hk** and the Company at **https://dahon.com**, notices of the reduction of the Offer Shares and/or the revised Offer Price, and the cancelation of the Global Offering and relaunch of the offer on FINI at the revised number of Offer Shares and/or the revised Offer Price. The Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus or a new prospectus updating investors of the change in the number of Offer Shares being offered and/or the revised Offer Price under the Global Offering. The supplemental or new prospectus should include at least the following: updated (i) market capitalization; (ii) listing timetable and underwriting obligations; (iii) price/earning multiple, unaudited pro forma and adjusted net tangible assets; and (iv) use of proceeds and working capital adequacy confirmation based on revised proceeds. In the absence of any such supplemental or new prospectus so published, the number of Offer Shares will not be reduced.

If there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global Offering (other than pursuant to the exercise of the Over-allotment Option and/or reallocation mechanism as disclosed in this prospectus), or if the Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer and issue a supplemental prospectus or a new prospectus.

In the event of a reduction in the number of Offer Shares, the Sole Overall Coordinator and the Sole Sponsor may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering.

The level of indications of interest in the Global Offering, the results of allocations and the basis of allotment of the Hong Kong Offer Shares are expected to be announced on Monday, September 8, 2025 on the website of the Stock Exchange at **www.hkexnews.hk** and on the website of our Company at **https://dahon.com**.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement.

We expect to enter into the International Underwriting Agreement relating to the International Offering on or around the Friday, September 5, 2025.

These underwriting arrangements, and the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares pursuant to the Global Offering will be conditional on:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including the additional Offer Shares which may be issued pursuant to the exercise of the Over-allotment Option), and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(b) the execution and delivery of the International Underwriting Agreement; and

(c) the obligations of the Underwriters under the respective Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Sole Overall Coordinator, for themselves and on behalf of the Underwriters) and not having been terminated in accordance with the terms of the respective agreements in each case on or before the dates and times as specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event no later than the date which is the 30th day after the date of this prospectus.

The completion of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company and on the websites of Stock Exchange at **www.hkexnews.hk** and our Company at **https://dahon.com** on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving bankers or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, amongst other things, the other becoming unconditional and not having been terminated in accordance with its terms.

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that (i) the Global Offering has become unconditional in all respects, and (ii) the right of termination as described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade the H Shares prior to the receipt of H Share certificates or prior to the H Share certificates bearing valid evidence of title do so entirely at their own risk.

Application for Listing on the Stock Exchange

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange.

H SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS, established and operated by HKSCC.

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, September 9, 2025, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, September 9, 2025.

The H Shares will be traded in board lots of 100 H Shares each and the stock code of the H Shares will be 2543.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at https://dahon.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (for the **White Form eIPO** service only).

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or a Supervisor or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00am on September 1, 2025 and end at 12:00 noon on September 4, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	via the **White Form eIPO** service at **www.eipo.com.hk**;	Investors who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 am on September 1, 2025 to 11:30 a.m. on September 4, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on September 4, 2025, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Investors who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** service provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual Applicants	For Corporate Applicants
• Full name(s)[2] as shown on your identity document	• Full name(s)[2] as shown on your identity document
• Identity document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority: i. HKID card; or ii. National identification document; or iii. Passport; and	• Identity document type, with order of priority: i. LEI registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and
• Identity document number	• Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong Address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for shares in a public offer. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint account holders on FINI is capped at four in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above. "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange. "Statutory control" means you:

   - control the composition of the board of directors of the company;

   - control more than half of the voting power of the company; or

   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Sole Overall Coordinator, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	100 H Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The Offer Price is HK$49.5 per Share.

If you are applying through the HKSCC EIPO channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

DAHON TECH (SHENZHEN) CO., LTD.
(HK$49.50 per Hong Kong Offer Share)
NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application
	HK$		*HK$*		*HK$*		*HK$*
100	4,999.92	2,000	99,998.41	30,000	1,499,976.23	140,000	6,999,889.06
200	9,999.84	2,500	124,998.02	35,000	1,749,972.27	160,000	7,999,873.20
300	14,999.76	3,000	149,997.62	40,000	1,999,968.30	180,000	8,999,857.36
400	19,999.68	3,500	174,997.23	45,000	2,249,964.33	200,000	9,999,841.50
500	24,999.61	4,000	199,996.84	50,000	2,499,960.38	250,000	12,499,801.88
600	29,999.52	4,500	224,996.43	60,000	2,999,952.46	300,000	14,999,762.26
700	34,999.45	5,000	249,996.03	70,000	3,499,944.53	350,000	17,499,722.63
800	39,999.37	10,000	499,992.08	80,000	3,999,936.60	396,000[1]	19,799,686.16
900	44,999.29	15,000	749,988.11	90,000	4,499,928.68		
1,000	49,999.21	20,000	999,984.16	100,000	4,999,920.76		
1,500	74,998.81	25,000	1,249,980.19	120,000	5,999,904.90		

(1) Maximum number of Hong Kong Offer Share you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed " — *A. Applications for Hong Kong Offer Shares — 3. Information Required to Apply*" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply for any Global Offer Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorise us and/or the Sole Overall Coordinator, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons[*Note*], the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— *G. Personal Data — 3. Purposes and 4. Transfer of personal data*" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "*— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares*" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Sole Overall Coordinator will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the H Share Registrar or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

Note: The Relevant Persons would include the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through **White Form eIPO** service or **HKSCC EIPO channel**:		
Website	The designated results of allocation at **www.iporesults.com.hk** or **www.eipo.com.hk/eIPOAllotment** with a "search by ID Number" function.	24 hours, from 11:00 p.m., September 8, 2025 to 12:00 midnight on September 14, 2025 (Hong Kong time)

Platform		Date/Time
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "IPO Allotment Results" page of the **White Form eIPO** service.	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **https://dahon.com** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Monday, September 8, 2025 (Hong Kong time)
Telephone	+852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar	between Tuesday, September 9, 2025 and Friday, September 12, 2025, from 9:00 a.m. to 6:00 p.m. (Hong Kong time) on a business day

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Friday, September 5, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00p.m. on Friday, September 5, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the level of indications of interest in the Global Offer, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **https://dahon.com** by no later than 11:00 p.m. on September 8, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sole Overall Coordinator, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Applications for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Sole Overall Coordinator believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Public Offering Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the Global Offer. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid at 8:00 a.m. on September 9, 2025 (Hong Kong time), provided that the Global Offer has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of Share certificate[1]		
For application of 250,000 Hong Kong Offer Shares or more	Collection in person at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account
	Time: from 9:00 a.m. to 1:00 p.m. on September 9, 2025[2] (Hong Kong time)	
	If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	No action by you is required
	Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar.	
	Note: If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	

1 Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on September 8, 2025 rendering it impossible for the relevant share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the Share Registrar to arrange for delivery of the supporting documents and share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— *E. Severe Weather Arrangements*" in this section.

2 as agreed with the issuer and communicated to the subscribers in the relevant subscription channel/application forms (if any)

	White Form eIPO service	HKSCC EIPO channel
For application of less than 250,000 Hong Kong Offer Shares	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk Date: September 8, 2025	
Refund mechanism for surplus application monies paid by you		
Date	September 9, 2025	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	White Form e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on September 4, 2025 if, there is:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**"),

(collectively, "**Severe Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on September 4, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Severe** Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **https://dahon.com** of the revised timetable.

If a **Severe** Weather Signal is hoisted on September 9, 2025, the Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository's service counter so that they would be available for trading on September 9, 2025.

If a **Severe** Weather Signal is hoisted on September 9, 2025:

- for physical share certificates of 250,000 or more Offer Shares issued under your own name, you may pick them up from the Share Registrar's office after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of September 9, 2025 or on September 10, 2025).

If a Severe Weather Signal is hoisted on September 8, 2025:

- for physical share certificates of less than 250,000 offer shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the **Severe** Weather Signal is lowered or cancelled (e.g. in the afternoon of September 8, 2025 or on September 9, 2025).

Prospective investors should be aware that if they choose to receive physical share certificates issued in their own name, there may be a delay in receiving the share certificates.

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving bank(s) and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and White Form e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;

- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bank(s) and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-73, received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF DAHON TECH (SHENZHEN) CO., LTD. 大行科工(深圳)股份有限公司 (FORMERLY KNOWN AS SHENZHEN MEIDAHON TECHNOLOGY CO., LTD. 深圳市美大行科技有限公司) AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of Dahon Tech (Shenzhen) Co., Ltd. 大行科工(深圳)股份有限公司 (formerly known as Shenzhen Meidahon Technology Co., Ltd. 深圳市美大行科技有限公司) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-73, which comprises the consolidated statements of financial position of the Group as at December 31, 2022, 2023 and 2024 and April 30, 2025, the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and April 30, 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 of the Group for each of the three years ended December 31, 2024 and the four months ended April 30, 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-73 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated September 1, 2025 (the "Prospectus") in connection with the initial listing of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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 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" issued by the Hong Kong Institute of Certified Public Accountants (the "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 Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2 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 and the Company's financial position as at December 31, 2022, 2023 and 2024 and April 30, 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in note 2 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 four months ended April 30, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 2 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" 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 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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 13 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 1, 2025

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is 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, have been prepared in accordance with the HKFRS Accounting Standards issued by the HKICPA and were audited by us in accordance with Hong Kong Standards on Auditing issued by the 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.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,			Four months ended April 30,	
		2022	2023	2024	2024	2025
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Revenue	6	254,188	300,156	450,720	125,753	184,741
Cost of sales		(176,256)	(198,662)	(301,972)	(84,661)	(123,758)
Gross profit		77,932	101,494	148,748	41,092	60,983
Other income	7A	980	1,885	2,687	438	535
Other gains and losses, net	7B	3,011	280	(1,196)	(549)	(262)
Impairment losses under expected credit loss ("ECL") model, net of reversal	8	177	883	747	654	(50)
Selling and distribution costs		(15,988)	(29,576)	(47,462)	(13,358)	(19,732)
Administrative expenses		(19,070)	(23,041)	(23,289)	(8,248)	(9,232)
Research and development expenditure		(9,013)	(10,667)	(17,553)	(4,636)	(6,481)
Listing expenses		—	—	(66)	—	(154)
Finance costs	9	(1,301)	(925)	(872)	(311)	(251)
Share of result of an associate	17	(210)	—	—	—	—
Profit before tax		36,518	40,333	61,744	15,082	25,356
Income tax expense	10	(5,084)	(5,483)	(9,445)	(2,352)	(3,828)
Profit and total comprehensive income for the year/period		31,434	34,850	52,299	12,730	21,528
		RMB yuan	*RMB yuan*	*RMB yuan*	*RMB yuan*	*RMB yuan*
Earnings per share	14					
Basic		1.49	1.66	2.49	0.61	1.02
Diluted		1.49	1.60	2.34	0.58	0.96

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		The Group			
		As at December 31,			As at April 30,
		2022	2023	2024	2025
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	15	3,756	3,601	3,032	3,250
Right-of-use assets	16	19,410	15,368	14,154	13,545
Deposits paid for property, plant and equipment		334	345	191	422
Intangible assets	18	648	13,545	11,443	10,883
Amount due from an associate	17	167	—	—	—
Deferred tax assets	19	2,005	3,246	3,582	4,487
		26,320	36,105	32,402	32,587
Current assets					
Inventories	20	57,739	79,354	112,595	143,460
Trade and other receivables	21	23,987	31,314	54,680	67,419
Amount due from an associate	17	666	167	—	—
Amounts due from related parties	22	20,264	—	—	—
Pledged bank deposits	23	—	—	—	50,000
Cash and cash equivalents	23	56,773	45,895	101,788	59,024
		159,429	156,730	269,063	319,903
Current liabilities					
Trade and other payables	24	78,096	58,529	125,691	163,648
Contract liabilities	25	16,045	17,384	26,551	36,560
Lease liabilities	26	3,734	3,208	4,480	4,987
Amount due to related parties	22	2,230	—	—	—
Income tax payable		4,200	2,501	1,746	2,009
		104,305	81,622	158,468	207,204
Net current assets		55,124	75,108	110,595	112,699
Total assets less current liabilities		81,444	111,213	142,997	145,286

		The Group			
		As at December 31,			As at April 30,
		2022	**2023**	**2024**	**2025**
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Capital and reserves					
Registered capital/share capital	27	13,839	23,369	23,748	23,748
Reserves		40,966	66,286	102,006	105,821
Total equity		54,805	89,655	125,754	129,569
Non-current liabilities					
Contract liabilities	25	9,385	7,511	5,441	5,026
Lease liabilities	26	17,254	14,047	11,802	10,691
		26,639	21,558	17,243	15,717
		81,444	111,213	142,997	145,286

STATEMENTS OF FINANCIAL POSITION

		The Company			
		As at December 31,			As at April 30,
		2022	2023	2024	2025
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property, plant and equipment	15	2,116	2,088	1,859	1,995
Right-of-use assets	16	5,777	4,517	3,581	4,033
Investment in subsidiaries	34	6,293	6,293	7,263	7,412
Deposits paid for property, plant and equipment		334	320	100	317
Intangible assets	18	648	13,545	11,402	10,844
Amount due from an associate	17	167	—	—	—
Deferred tax assets	19	871	889	1,072	1,141
		16,206	27,652	25,277	25,742
Current assets					
Inventories	20	13,024	28,417	33,981	43,448
Trade and other receivables	21	4,864	12,189	23,346	30,415
Amount due from an associate	17	666	167	—	—
Amounts due from related parties	22	20,264	—	—	—
Amounts due from subsidiaries	22	25,759	42,189	14,120	30,657
Pledged bank deposits	23	—	—	—	50,000
Cash and cash equivalents	23	50,836	32,016	91,838	40,740
		115,413	114,978	163,285	195,260
Current liabilities					
Trade and other payables	24	42,470	26,881	38,022	55,277
Contract liabilities	25	14,440	17,069	26,225	36,234
Lease liabilities	26	1,137	1,267	1,475	1,960
Amount due to related parties	22	500	—	—	—
Amount due to a subsidiary	22	—	—	—	5,027
Income tax payable		3,135	1,765	954	710
		61,682	46,982	66,676	99,208
Net current assets		53,731	67,996	96,609	96,052
Total assets less current liabilities		69,937	95,648	121,886	121,794

		The Company			
		As at December 31,			As at April 30,
		2022	2023	2024	2025
	NOTES	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Capital and reserves					
Registered capital/share capital	27	13,839	23,369	23,748	23,748
Reserves	27	41,510	60,832	89,885	90,269
Total equity		55,349	84,201	113,633	114,017
Non-current liabilities					
Contract liabilities	25	9,385	7,511	5,441	5,026
Lease liabilities	26	5,203	3,936	2,812	2,751
		14,588	11,447	8,253	7,777
		69,937	95,648	121,886	121,794

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Registered capital/ share capital *RMB'000*	Share premium *RMB'000*	Statutory reserves *RMB'000* *(Note (i))*	Other reserves *RMB'000* *(Note (iii))*	Retained profits *RMB'000*	Total *RMB'000*
At January 1, 2022	10,000	—	3,691	—	31,681	45,372
Profit and total comprehensive income for the year	—	—	—	—	31,434	31,434
Transfer to statutory reserves	—	—	1,658	—	(1,658)	—
Dividend recognized as distribution *(note 13)*	—	—	—	—	(22,001)	(22,001)
Capital contribution from 2022 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31)	3,839	—	—	—	—	3,839
Reclassification in respect of shares subject to repurchase under 2022 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31) *(Note (iv))*	—	—	—	(3,839)	—	(3,839)
At December 31, 2022	13,839	—	5,349	(3,839)	39,456	54,805
Profit and total comprehensive income for the year	—	—	—	—	34,850	34,850
Transfer to statutory reserves	—	—	2,995	—	(2,995)	—
Conversion into a joint stock company *(Note (ii))*	8,661	42,884	(5,349)	—	(46,196)	—
Issue of shares pursuant to 2023 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31)	869	3,476	—	—	—	4,345
Reclassification in respect of shares subject to repurchase under 2023 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31) *(Note (iv))*	—	—	—	(4,345)	—	(4,345)
At December 31, 2023	23,369	46,360	2,995	(8,184)	25,115	89,655
Profit and total comprehensive income for the year	—	—	—	—	52,299	52,299
Transfer to statutory reserves	—	—	4,563	—	(4,563)	—
Dividend recognized as distribution *(note 13)*	—	—	—	—	(16,200)	(16,200)
Issue of shares pursuant to 2024 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31)	379	2,653	—	—	—	3,032
Reclassification in respect of shares subject to repurchase under 2024 Pre-IPO Employee Incentive Scheme (as defined and detailed in note 31) *(Note (iv))*	—	—	—	(3,032)	—	(3,032)
At December 31, 2024	23,748	49,013	7,558	(11,216)	56,651	125,754
Profit and total comprehensive income for the period	—	—	—	—	21,528	21,528
Dividend recognized as distribution *(note 13)*	—	—	—	—	(17,713)	(17,713)
At April 30, 2025	23,748	49,013	7,558	(11,216)	60,466	129,569
At January 1, 2024	23,369	46,360	2,995	(8,184)	25,115	89,655
Profit and total comprehensive income for the period (unaudited)	—	—	—	—	12,730	12,730
Dividend recognized as distribution *(note 13)* (unaudited)	—	—	—	—	(4,500)	(4,500)
At April 30, 2024 (unaudited)	23,369	46,360	2,995	(8,184)	33,345	97,885

Notes:

(i) It represents the statutory reserve of the Company in the People's Republic of China (the "PRC"). Pursuant to applicable PRC regulations, PRC entity is required to appropriate 10% of its profit after tax (after offsetting prior year losses) to the statutory reserve until such reserve reaches 50% of its registered capital. Transfers to this reserve must be made before distribution of dividends to shareholders. Upon approval by relevant authorities, the statutory reserve can be utilized to offset the accumulated losses or to increase the paid-up capital of the relevant entity.

(ii) The Company was converted into a joint stock company on August 28, 2023. Details are set out in note 27.

(iii) Other reserves represent registered capital/share capital and share premium subject to repurchase under the 2022 Pre-IPO Employee Incentive Scheme, 2023 Pre-IPO Employee Incentive Scheme and 2024 Pre-IPO Employee Incentive Scheme ("Pre-IPO Employee Incentive Schemes").

(iv) Represents the recognition of other reserves upon the recognition of liabilities as repurchase obligation under Pre-IPO Employee Incentive Schemes (note 24). This will remain in other reserves until the contingently returnable shares under the Pre-IPO Employee Incentive Schemes are vested and the relevant repurchase obligation is release and credit to other reserves.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
OPERATING ACTIVITIES					
Profit before tax	36,518	40,333	61,744	15,082	25,356
Adjustments for:					
Depreciation of property, plant and equipment	851	979	1,100	369	365
Depreciation of right-of-use assets	2,902	2,831	3,304	964	1,170
Amortization of intangible assets	208	2,044	2,457	827	852
Loss on written off of property, plant and equipment	—	4	8	—	—
Net changes in write-down of inventories	(20)	332	(298)	232	208
Impairment losses under ECL model, net of reversal	(177)	(883)	(747)	(654)	50
Interest income	(376)	(278)	(1,161)	(58)	(464)
Finance costs	1,301	925	872	311	251
Unrealized exchange (gain) loss, net	(2,492)	(289)	570	571	388
Share of result of an associate	210	—	—	—	—
Operating cash flows before movements in working capital	38,925	45,998	67,849	17,644	28,176
Decrease (increase) in inventories	222	(20,143)	(31,202)	(8,604)	(30,554)
Increase in trade and other receivables	(2,365)	(135)	(15,127)	(3,186)	(3,825)
Increase (decrease) in trade and other payables	20,133	(1,911)	60,861	26,321	22,830
Increase (decrease) in contract liabilities	4,835	(535)	7,097	6,053	9,594
(Increase) decrease in amount due from related parties	(3,377)	14,244	—	—	—
Decrease in amount due to related parties	(487)	(2,230)	—	—	—
Cash generated from operations	57,886	35,288	89,478	38,228	26,221
Income tax paid	(220)	(8,423)	(10,536)	(2,487)	(4,470)
NET CASH FROM OPERATING ACTIVITIES	57,666	26,865	78,942	35,741	21,751

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
INVESTING ACTIVITIES					
Additions of property, plant and equipment	(849)	(1,411)	(955)	(33)	(726)
Additions of intangible assets	(217)	(14,941)	(355)	—	(292)
Deposits paid for property, plant and equipment	(186)	(11)	—	—	(231)
Interest received	376	278	1,161	58	464
Placement of pledged bank deposits	—	—	—	—	(50,000)
Repayment from an associate	748	666	167	167	—
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(128)	(15,419)	18	192	(50,785)
FINANCING ACTIVITIES					
Repayment of bank borrowing	(12,012)	—	—	—	—
Repayment of principal of lease liabilities	(3,376)	(3,743)	(4,234)	(1,382)	(1,541)
Interest paid on bank borrowing	(226)	—	—	—	—
Interest paid on lease liabilities	(1,075)	(925)	(872)	(311)	(251)
Proceed from adoption of Pre-IPO Employee Incentive Schemes	3,839	4,345	3,032	—	—
Dividends paid	—	(22,001)	(16,200)	(4,500)	(6,000)
Issue costs paid	—	—	(4,793)	—	(5,938)
NET CASH USED IN FINANCING ACTIVITIES	(12,850)	(22,324)	(23,067)	(6,193)	(13,730)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	44,688	(10,878)	55,893	29,740	(42,764)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	12,085	56,773	45,895	45,895	101,788
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	56,773	45,895	101,788	75,635	59,024

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Company was incorporated in the PRC on December 13, 2016. The addresses of the registered office and the principal places of business of the Company are set out in the section headed "Corporate Information" to the Prospectus. On August 28, 2023, the Company was converted into a joint stock limited company under the Company Law of the PRC. Its ultimate controlling shareholder is Dr. Hon David Ta-Wei (韓德瑋) ("Dr. Hon").

The Company is engaged in trading of bicycles with Dahon's brand ("Dahon Bicycles") and related products, as well as granting license of trademarks. The Group is principally engaged in the manufacturing and trading of Dahon bicycles and related products through sales to distributors, offline direct sales, online direct sales and offshore sales, as well as granting license of trademarks.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with HKFRS Accounting Standards as issued by the HKICPA.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

The statutory financial statements of the Company prepared in accordance with the relevant accounting principles and regulations in the PRC were audited by Shenzhen HuaKai CPA & Co. (Limited Partnership)* 深圳華楷會計師事務所(普通合夥) for the year ended December 31, 2022, Shenzhen Great Wall CPA Limited* 深圳市長城會計師事務所有限公司 for the year ended December 31, 2023 and Shenzhen Huasi Certified Public Accountants* 深圳華思會計師事務所(普通合夥)for the year ended December 31, 2024, respectively.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with HKFRS Accounting Standards as issued by the HKICPA, which are effective for the accounting period beginning on January 1, 2025 throughout the Track Record Period.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standard	Annual Improvements to HKFRS Accounting Standards — Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after January 1, 2026
3 Effective for annual periods beginning on or after January 1, 2027

* *English name is for identification purpose only.*

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all amendments to HKFRS Accounting Standards will have no material impact on the Group's financial position and performance in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosure*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18 and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements and the directors of the Company anticipate that there will have no material impact on the Group's financial position and performance.

4. MATERIAL ACCOUNTING POLICY INFORMATION

For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investment in a subsidiary

Investment in a subsidiary is stated in the statements of financial position of the Company at cost less any identified impairment loss.

Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in note 6 and note 25.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment ECL model on financial assets (including trade and other receivables, amounts due from an associate/related parties, pledged bank deposits and cash and cash equivalents) which are subject to impairment assessment under HKFR 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables and amounts due from related parties (trade related). The ECL on these assets are assessed individually based on internal credit rating. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as 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 business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when 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 collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and amount due from related parties (trade-related) where the corresponding adjustment is recognized through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "other gains and losses, net" line item (note 7B) as part of the exchange gain (loss), net.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities at amortized cost

Financial liabilities including trade and other payables and amounts due to related parties are subsequently measured at amortized cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognized so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses.

Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred. Expenditure on development activities is recognized as an expense in the period in which it is incurred when it results in no internally-generated intangible asset.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted 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.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and

- the exercise price of a purchase option if the Group is reasonably certain to exercise the option.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognized in profit or loss in the period in which they arise.

Borrowing costs

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefits costs

Payments to defined contribution retirement benefits scheme are recognized as an expenses when employees have rendered services entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares granted to employees

For shares that are granted under the Pre-IPO Employee Incentive Schemes as detailed in note 31, the amount of fair value of the equity-settled share-based payments determined at the grant date, which taking into consideration paid by the grantees but without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

The Group recognized the consideration paid by the employees for equity-settled share based payment in liabilities due to the repurchase obligation by the Group in the situation that the employees do not meet the vesting conditions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use asset and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use asset or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include cash, which comprises of cash on hand and demand deposits.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the management of the Group is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables and amount due from related parties (trade related)

Trade receivables and amount due from related parties (trade related) are assessed for ECL individually based on the Group's internal credit ratings.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and amount due from related parties (trade related) are disclosed in note 29.

Net realized value of for inventories

The management of the Group estimates the net realizable value based on the estimated selling price in the ordinary course of business for inventories less all estimated costs of completion and costs necessary to make the sale. These estimates are based primarily on the latest transaction prices, current market conditions, and forecast usage and sales volume. In making allowance for obsolete and slow moving inventory items, the Group carries out an inventory review on a product-by-product basis at the end of each reporting period. The Group assesses the net realizable value of inventories as well as the required amount of write-down of inventory provision at the end of each reporting period, which involves significant judgement on determination of the estimated selling prices, costs to completion and costs necessary to make the sale. Where the actual transaction prices are less than expected, a loss may arise.

As at December 31, 2022, 2023 and 2024 and April 30, 2025, the carrying amount of inventories are RMB57,739,000 (net of allowance for inventories of RMB2,141,000), RMB79,354,000 (net of allowance for inventories of RMB2,473,000), RMB112,595,000 (net of allowance for inventories of RMB2,175,000) and RMB143,460,000 (net of allowance for inventories of RMB2,383,000), respectively.

6. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

	Year ended December 31,			Four months ended April 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods or services					
Dahon Bicycles and related products					
Dahon Bicycles	237,325	288,588	442,248	123,143	181,513
Accessories, apparel and other related products	13,584	6,776	3,425	945	946
	250,909	295,364	445,673	124,088	182,459
Licensing and royalty income	3,279	4,792	5,047	1,665	2,282
Total	254,188	300,156	450,720	125,753	184,741
Geographical markets					
PRC	198,030	279,821	420,895	114,835	174,336
Japan	20,839	10,444	14,923	5,540	4,577
Offshore (with each individual country contributed less then 10% of revenue)	35,319	9,891	14,902	5,378	5,828
Total	254,188	300,156	450,720	125,753	184,741
Timing of recognition					
A point in time	251,818	297,807	448,119	124,910	183,788
Overtime	2,370	2,349	2,601	843	953
Total	254,188	300,156	450,720	125,753	184,741
Sales Channels					
Domestic sales					
— Sales to distributors	155,778	211,501	307,123	90,255	128,441
— Offline direct sales	28,107	10,251	13,610	3,005	6,022
— Online direct sales	14,145	58,069	100,162	21,575	39,873
Offshore sales	56,158	20,335	29,825	10,918	10,405
Total	254,188	300,156	450,720	125,753	184,741

(ii) Performance obligations for contracts with customers

Dahon Bicycles and related products

The Group manufactures and sells Dahon Bicycles and related products to distributors, to customers through offline and online direct sales and offshore. A contract liability is recognized for advance payments received for sales in which revenue has yet been recognized.

Domestic — Sales to distributors

Revenue is recognized at a point in time upon the receipts of the goods by the distributors. Following receipts of the goods, the customers have full discretion over the manner of distribution, also have the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Domestic — Offline direct sales

Revenue is recognized at a point in time when control of the goods has transferred, upon the receipt of the goods.

Domestic — Online direct sales

For sales on the online e-commerce platforms (JD.com, Tmall and Douyin), revenue is recognized at a point in time upon the receipts of the goods by the customers.

Offshore

For sales channel in offshore, it consisted of sales to distributors and online direct sales. For sales to distributors, revenue is recognized at a point in time when control of the goods has transferred, being when the goods have been shipped to the customers' specific location (delivery). Following delivery of the goods, the customers have full discretion over the manner of distribution, also have the primary responsibility when on selling the goods and bear the risks of obsolescence and loss in relation to the goods. For online direct sales (Amazon and Walmart), revenue is recognized at a point in time upon the e-commerce platforms has shown that the corresponding goods have been shipped to the customer's specific location (delivery) by the logistic companies appointed by the e-commerce platform.

Sales returns

For domestic sales to distributors, domestic offline direct sales and offshore sales to distributors, based on the Group's sales contracts with the customers, they can only return or request for refund if the product delivered to them does not meet the pre-specified quality requirement; otherwise, the Group does not accept product returns or exchanges without the management's consent.

For domestic online direct sales, in accordance with relevant rules and regulations, all the e-commerce platforms has imposed a seven-day return/exchange policy, allowing consumers to return or exchange products within seven days after the delivery for no cause, and the Group follow by the return or exchange policies imposed by the e-commerce platforms.

Licensing and royalty income

The Group receives licensing and royalty income from granting license of trademarks. The Group charges its licensee: i) an upfront licensing fee upon the signing of contract, ii) a fixed rate royalty fee based on ex-factory price of licensing products for domestic licensee, and iii) a fixed rate royalty fee based on subsequent sale of licensing products for offshore licensee. For the upfront licensing fee, it is recognized as revenue over the licensing period. For the royalty fee based on the ex-factory price of licensing products for domestic licensee, it is recognized at a point in time when the licensee obtained the anti-counterfeiting label from the Group that will be used on the licensing product. For the royalty fee based on subsequent sale of licensing products for offshore licensee, it is recognized at a point in time when subsequent sale of licensing products from licensee occurs over the licensing period. For royalty fee based on subsequent sale of licensing products for offshore licensee, the credit term is normally 30 days after each quarter during the licensing period.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

Dahon Bicycles and related products are delivered within a period of less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Contracts for licensing income typically have a 1 to 10-year non-cancellable term in which the Group has received the upfront licensing fee from the licensee.

The transaction price allocated to the remaining performance obligations of licensing (unsatisfied or partially unsatisfied) as at December 31, 2022, 2023 and 2024 and April 30, 2025 and the expected timing of recognizing revenue are as follows:

	At December 31,			At April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	2,178	2,439	2,634	2,361
More than one year but not more than two years	2,088	2,219	1,919	1,453
More than two years	7,297	5,292	3,522	3,573
	11,563	9,950	8,075	7,387

Segment information

Information reported to the chief executive of the Company, being the chief operating decision maker ("CODM"), for the purposes of resources allocation and assessment of performance, focuses specifically on the revenue analysis by principal categories of the Group's business. The principal categories of the Group's business are manufacturing and trading of Dahon Bicycles and related products, and granting license of trademarks. No other discrete financial information is regularly provided to the CODM for the purposes of resources allocation and performance assessment other than the Group's results and financial performance as a whole. Accordingly, only entity-wide disclosures, including major customers and geographical information are presented.

Geographical information

The Group's operations are located in the PRC. All of Group's non-current assets are located in the PRC. Information about the Group's revenue from external customers by geographical location of registration are set out in note 6(i) above.

Information about major customers

Revenue from customers of the corresponding year/period contributing over 10% of the total revenue of the Group are as follows:

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Customer A	30,622	47,913	70,279	21,506	27,156

7A. OTHER INCOME

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Interest income	376	278	1,161	58	464
Government subsidies *(Note)*	558	1,559	1,262	363	66
Others	46	48	264	17	5
	980	1,885	2,687	438	535

Note: The amount mainly represents various subsidies received from the PRC government authorities. Unconditional government grants are recognized in profit and loss when received.

7B. OTHER GAINS AND LOSSES, NET

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Exchange gain (loss), net	2,492	289	(570)	(578)	(388)
Others	519	(9)	(626)	29	126
	3,011	280	(1,196)	(549)	(262)

8. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Impairment loss recognized (reversed) on:					
— Trade receivables	(242)	(883)	(747)	(654)	50
— Amount due from related parties	65	—	—	—	—
	(177)	(883)	(747)	(654)	50

9. FINANCE COSTS

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Interest on bank borrowings	226	—	—	—	—
Interest on lease liabilities	1,075	925	872	311	251
	1,301	925	872	311	251

10. INCOME TAX EXPENSE

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
PRC Enterprise Income Tax — current tax	5,447	6,724	9,781	2,457	4,733
Deferred tax (credit) charge *(note 19)*	(363)	(1,241)	(336)	(105)	(905)
	5,084	5,483	9,445	2,352	3,828

PRC Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC entities is 25% during the Track Record Period, except for group entities which entitled preferential tax rate as explained below.

Pursuant to relevant laws and regulations in the PRC, the Company is granted tax incentives for being qualified as a High and New Technology Enterprise and is entitled to a concessionary tax rate of 15% for 3 years from 2021 to 2023. The Company has renewed as a High and New Technology Enterprise in the year of 2024 and is entitled to a concessionary tax rate of 15% for 3 years from 2024 to 2026.

Pursuant to relevant laws and regulations in the PRC, SZ Dahon (as defined in note 34) and SZ Meidahon (as defined in note 34) are eligible as a Small Low-profit Enterprise (小型微利企業) and are subject to preferential tax treatments. From January 1, 2022 to December 31, 2022, for Small Low-profit Enterprises, the portion of less than RMB1.0 million of the annual taxable income, shall be reduced to 12.5% of taxable income and subject to income tax at a rate of 20%. The portion of annual tax income exceeding RMB1.0 million but not exceeding in RMB3.0 million shall be reduced to 25% of taxable income and subject to income tax at a rate of 20%. From January 1, 2023 to December 31, 2025, for Small Low-profit Enterprises, the portion of less than RMB3.0 million of the annual tax income shall be reduced to 25% of taxable income and subject to income tax at a rate of 20%.

Pursuant to relevant laws and regulations in the PRC, the Company is entitled to claim an additional 100% of the research and development costs incurred as tax deductible expenses in determining its tax assessable profits.

The income tax expense for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit before tax	36,518	40,333	61,744	15,082	25,356
Tax at the statutory PRC EIT rate of 25%	9,130	10,083	15,436	3,771	6,339
Tax effect of expenses not deductible for tax purpose	381	49	457	267	178
Additional deduction of research and development expenses	(843)	(766)	(1,295)	(475)	(665)
Income tax on preferential tax rates	(3,573)	(3,873)	(5,153)	(1,211)	(2,024)
Effect of different tax rate of subsidiary operating in other jurisdiction	(11)	(10)	—	—	—
	5,084	5,483	9,445	2,352	3,828

11. PROFIT FOR THE YEAR/PERIOD

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit for the year/period is arrived at after charging (crediting):					
Auditor's remuneration	36	40	55	18	18
Listing expenses	—	—	66	—	154
Cost of inventories recognized as expense	176,256	198,662	301,972	84,661	123,758
Including: (reversal of write-down) write-down of inventories	(20)	332	(298)	232	208
Depreciation of property, plant and equipment	1,388	1,562	1,670	557	508
Depreciation of right-of-use assets	4,043	4,052	4,475	1,476	1,546
Amortization of intangible assets	208	2,044	2,457	827	852
Total depreciation and amortization	5,639	7,658	8,602	2,860	2,906
Capitalized in inventories	(1,678)	(1,804)	(1,741)	(700)	(519)
	3,961	5,854	6,861	2,160	2,387
Directors' emoluments *(note 12)*	3,749	3,410	5,090	1,688	1,236
Employee benefits expenses (excluding directors' emoluments)	38,656	46,568	58,923	21,405	23,388
Capitalized in inventories	(12,647)	(12,276)	(13,514)	(5,026)	(4,313)
	26,009	34,292	45,409	16,379	19,075

12. DIRECTORS' EMOLUMENTS AND EMOLUMENTS OF EMPLOYEES

Directors' emoluments

The emoluments paid or payable to the directors of the Company (including emoluments for services as employee/directors/supervisors of the Group prior to becoming the directors/supervisors of the Company) during the Track Record Period disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance were as follows:

	Directors' fees	Salaries and other benefits	Performance related incentive payments	Contributions to retirement benefit schemes	Total emoluments
	RMB'000	*RMB'000*	*RMB'000* *(Notes (i))*	*RMB'000*	*RMB'000*
For the year ended 31 December 2022					
Executive directors					
Dr. Hon *(Notes (ii))*	—	733	587	—	1,320
Ms. Li Guiyu	—	246	217	26	489
Ms. Liu Guocun *(Notes (ii))*	—	158	205	17	380
Mr. Ma Zhusen *(Notes (ii) and (iii))*	—	79	—	—	79
Ms. Huo Min *(Notes (ii) and (iii))*	—	120	189	12	321
Ms. Lee Hsiu-Fen *(Note (iv))*	—	339	39	—	378
	—	1,675	1,237	55	2,967
Supervisors					
Ms. Huang Siqing *(Note (vi))*	—	217	175	13	405
Mr. Zhu Guocheng *(Note (vi))*	—	135	63	9	207
Mr. Kuang Wenbiao *(Note (vi))*	—	104	59	7	170
	—	456	297	29	782
	—	2,131	1,534	84	3,749

	Directors' fees *RMB'000*	Salaries and other benefits *RMB'000*	Performance related incentive payments *RMB'000* *(Notes (i))*	Contributions to retirement benefit schemes *RMB'000*	Total emoluments *RMB'000*
For the year ended December 31, 2023					
Executive directors					
Dr. Hon *(Note (ii))*	4	783	229	—	1,016
Ms. Li Guiyu	4	282	204	32	522
Ms. Liu Guocun *(Note (ii))*	4	187	182	23	396
Mr. Ma Zhusen *(Notes (ii) and (iii))*	4	79	—	—	83
Ms. Huo Min *(Notes (ii) and (iii))*	4	137	67	12	220
Ms. Lee Hsiu-Fen *(Note (iv))*	—	329	94	—	423
	20	1,797	776	67	2,660
Supervisors					
Ms. Huang Siqing *(Note (vi))*	—	226	69	13	308
Mr. Zhu Guocheng *(Note (vi))*	—	167	73	11	251
Mr. Kuang Wenbiao *(Note (vi))*	—	112	72	7	191
	—	505	214	31	750
	20	2,302	990	98	3,410

	Directors' fees *RMB'000*	Salaries and other benefits *RMB'000*	Performance related incentive payments *RMB'000* *(Notes (i))*	Contributions to retirement benefit schemes *RMB'000*	Total emoluments *RMB'000*
For the year ended December 31, 2024					
Executive directors					
Dr. Hon *(Note (ii))*	12	790	1,290	—	2,092
Ms. Li Guiyu	12	293	183	42	530
Ms. Liu Guocun *(Note (ii))*	12	255	289	36	592
Mr. Ma Zhusen *(Notes (ii) and (iii))*	12	79	—	—	91
Ms. Huo Min *(Notes (ii) and (iii))*	12	137	100	16	265
Ms. Lee Hsiu-Fen *(Note (iv))*	12	330	171	—	513
	72	1,884	2,033	94	4,083
Supervisors					
Ms. Huang Siqing *(Note (vi))*	12	242	109	21	384
Mr. Zhu Guocheng *(Note (vi))*	12	173	152	20	357
Mr. Kuang Wenbiao *(Note (vi))*	12	109	134	11	266
	36	524	395	52	1,007
	108	2,408	2,428	146	5,090

	Directors' fees *RMB'000*	Salaries and other benefits *RMB'000*	Performance related incentive payments *RMB'000* *(Notes (i))*	Contributions to retirement benefit schemes *RMB'000*	Total emoluments *RMB'000*
For the four months ended April 30, 2024 (unaudited)					
Executive directors					
Dr. Hon *(Note (ii))*	4	263	482	—	749
Ms. Li Guiyu	4	98	53	11	166
Ms. Liu Guocun *(Note (ii))*	4	66	100	8	178
Mr. Ma Zhusen *(Notes (ii) and (iii))*	4	26	—	—	30
Ms. Huo Min *(Notes (ii) and (iii))*	4	46	31	4	85
Ms. Lee Hsiu-Fen *(Note (iv))*	4	110	75	—	189
	24	609	741	23	1,397
Supervisors					
Ms. Huang Siqing *(Note (vi))*	4	75	20	4	103
Mr. Zhu Guocheng *(Note (vi))*	4	58	39	4	105
Mr. Kuang Wenbiao *(Note (vi))*	4	36	40	3	83
	12	169	99	11	291
	36	778	840	34	1,688

	Directors' fees *RMB'000*	Salaries and other benefits *RMB'000*	Performance related incentive payments *RMB'000* *(Notes (i))*	Contributions to retirement benefit schemes *RMB'000*	Total emoluments *RMB'000*
For the four months ended April 30, 2025					
Executive directors					
Dr. Hon *(Note (ii))*	4	263	102	—	369
Ms. Li Guiyu	4	101	20	22	147
Ms. Liu Guocun *(Note (ii))*	4	85	96	19	204
Mr. Ma Zhusen *(Notes (ii) and (iii))*	1	2	—	—	3
Ms. Huo Min *(Notes (ii) and (iii))*	1	4	1	2	8
Ms. Lee Hsiu-Fen *(Note (iv))*	4	112	38	—	154
	18	567	257	43	885
Supervisors					
Ms. Huang Siqing *(Note (vi))*	4	83	53	15	155
Mr. Zhu Guocheng *(Note (vi))*	4	37	17	7	65
Mr. Kuang Wenbiao *(Note (vi))*	4	72	41	14	131
	12	192	111	36	351
	30	759	368	79	1,236

Notes:

(i) Performance related incentive payments were determined having regard to the performance of directors/supervisors and the Group's operating results.

(ii) Dr. Hon, Ms. Liu Guocun, Mr. Ma Zhusen and Ms. Huo Min were appointed as an executive director on August 16, 2023.

(iii) Mr. Ma Zhusen and Ms. Huo Min resigned as an executive director on January 10, 2025.

(iv) Ms. Lee Hsin-Fen was appointed as an executive director on January 10, 2025.

(v) Dr. Lee Lai Sun Peter, Mr. Liu Xuequan and Mr. Zhao Gensheng were appointed as an independent non-executive director on January 10, 2025 and effective from the listing of the Company.

(vi) Ms. Huang Siqing, Mr. Zhu Guocheng and Mr. Kuang Wenbiao were appointed as a supervisor on August 16, 2023.

The executive directors'/supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

Dr. Hon is also the chief executive of the Company and his emoluments disclosed above included those for services rendered by him as the chief executive.

There was no arrangement under which the chief executive or an executive director waived or agreed to waive any emoluments during the Track Record Period.

Emoluments of Employees

During the years ended December 31, 2022, 2023 and 2024 and four months ended April 30, 2024 and 2025, of the five individuals with the highest emoluments of the Group, two, two, one, two (unaudited) and two of them were directors of the Company whose emoluments are included above, respectively. The emoluments of the remaining three, three, four, three (unaudited) and three individuals for the years ended December 31, 2022, 2023 and 2024 and four months ended April 30, 2024 and 2025, respectively, are disclosed as follows:

	Year ended December 31,			Four months ended April 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*unaudited*)	*RMB'000*
Salaries and other benefits	862	1,085	1,554	432	476
Performance related incentive payments	449	352	867	153	68
Contributions to retirement benefit schemes	33	23	112	11	31
	1,344	1,460	2,533	596	575

	Year ended December 31,			Four months ended April 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	No. of employees				
Their emoluments were within the following bands:					
Nil to Hong Kong Dollar ("HKD") HKD1,000,000	3	3	4	3	3

No emoluments were paid by the Group to the chief executive or the directors or the above individuals as an inducement to join the Group or as a compensation for loss of office during the Track Record Period.

13. DIVIDENDS

For the year end December 31, 2022

On December 30, 2022, the Company declared dividends of an aggregate amount of RMB23,535,000 in respect of the financial year. The rates of dividend on each class of shares share cannot be disclosed as there is only registered capital as of December 31, 2022. The amount of RMB23,535,000 was paid during the year ended December 31, 2023. The amount of RMB22,001,000 was recognized as dividend distributed to the shareholder and the amount of RMB1,534,000 was recognized in profit or loss for the 2022 Eligible Participants (as defined in note 31).

For the year end December 31, 2023

No dividend was paid or proposed by the Company and its subsidiaries in respect of the year ended December 31, 2023.

For the year end December 31, 2024

On January 18, 2024 and May 17, 2024, the Company declared dividends of RMB0.21 per share, in aggregate RMB5,000,000 and RMB0.56 per share, in aggregate RMB13,000,000, respectively, to its shareholders. The amount of RMB18,000,000 was paid during the year ended December 31, 2024. The amount of RMB16,200,000 was recognized as dividend distributed to the shareholder and the amount of RMB1,800,000 was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme.

For the four months ended April 30, 2024 (unaudited)

On January 18, 2024, the Company declared dividends of RMB0.21 per share, in aggregate RMB5,000,000 to its shareholders. The amount of RMB5,000,000 was paid during the four months period ended April 30, 2024. The amount of RMB4,500,000 was recognized as dividend distributed to the shareholder and the amount of RMB500,000 was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme.

For the four months ended April 30, 2025

On April 23, 2025, the Company declared dividends of RMB0.84 per share, in aggregate RMB20,000,000 to its shareholders. The amount of RMB6,000,000 was paid during the four months period ended April 30, 2025. The amount of RMB17,713,000 was recognized as dividend distributed to the shareholder and the amount of RMB2,287,000 was recognized in profit or loss for the grantees of the 2022 Pre-IPO Employee Incentive Scheme, 2023 Pre-IPO Employee Incentive Scheme and 2024 Pre-IPO Employee Incentive Scheme. The amount of dividends payable as at April 30, 2025 is RMB11,713,000.

14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Earnings figures:					
Profit for the year/period attributable to the owners of the Company for the purpose of basic and diluted earnings per share	31,434	34,850	52,299	12,730	21,528

	Year ended December 31,			Four months ended April 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
No. of shares:					
Weighted average number of ordinary shares for the purpose of basic earnings per share *(Note)*	21,032,165	21,032,165	21,032,165	21,032,165	21,032,165
Effect of dilutive potential ordinary shares	16,385	807,207	1,285,429	1,083,903	1,479,987
Weighted average number of ordinary shares for the purpose of diluted earnings per share	21,048,550	21,839,372	22,317,594	22,116,068	22,512,152

Note: Outstanding ordinary shares that are contingently returnable, representing shares under the Pre-IPO Employee Incentive Scheme as detailed in note 31, which the Company will repurchase the shares granted to the Eligible Participants (as defined in note 31), when the Eligible Participants fail to satisfy specified vesting conditions, are not treated as outstanding and are excluded from the calculation of basic earnings per share for the years ended December 31, 2022, 2023 and 2024 and four months ended April 30, 2024 (unaudited) and 2025 until the date the shares are no longer subject to recall.

The weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been determined on the assumption that the conversion into a joint stock company as disclosed in note 27 has been effective since January 1, 2022.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements *RMB'000*	Plant and machinery *RMB'000*	Furniture, fixtures and equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
COST					
At January 1, 2022	2,710	1,750	1,255	670	6,385
Additions	11	22	816	—	849
At December 31, 2022	2,721	1,772	2,071	670	7,234
Additions	—	246	682	483	1,411
Written off	—	(14)	(2)	—	(16)
At December 31, 2023	2,721	2,004	2,751	1,153	8,629
Additions	121	423	565	—	1,109
Written off	—	—	—	(10)	(10)
At December 31, 2024	2,842	2,427	3,316	1,143	9,728
Additions	106	191	189	240	726
Written off	—	(12)	—	—	(12)
At April 30, 2025	2,948	2,606	3,505	1,383	10,442
DEPRECIATION					
At January 1, 2022	819	762	450	59	2,090
Provided for the year	611	316	340	121	1,388
At December 31, 2022	1,430	1,078	790	180	3,478
Provided for the year	452	317	611	182	1,562
Eliminated on written off	—	(10)	(2)	—	(12)
At December 31, 2023	1,882	1,385	1,399	362	5,028
Provided for the year	468	300	691	211	1,670
Eliminated on written off	—	—	—	(2)	(2)
At December 31, 2024	2,350	1,685	2,090	571	6,696
Provided for the period	162	58	214	74	508
Eliminated on written off	—	(12)	—	—	(12)
At April 30, 2025	2,512	1,731	2,304	645	7,192
CARRYING VALUES					
At December 31, 2022	1,291	694	1,281	490	3,756
At December 31, 2023	839	619	1,352	791	3,601
At December 31, 2024	492	742	1,226	572	3,032
At April 30, 2025	436	875	1,201	738	3,250

The Company

	Leasehold improvements *RMB'000*	Plant and machinery *RMB'000*	Furniture, fixtures and equipment *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
COST					
At January 1, 2022	1,069	592	847	607	3,115
Additions	11	—	623	—	634
At December 31, 2022	1,080	592	1,470	607	3,749
Additions	—	12	420	483	915
At December 31, 2023	1,080	604	1,890	1,090	4,664
Additions	121	233	413	—	767
Written off	—	—	—	(10)	(10)
At December 31, 2024	1,201	837	2,303	1,080	5,421
Additions	19	16	178	238	451
Written off	—	(12)	—	—	(12)
At April 30, 2025	1,220	841	2,481	1,318	5,860
DEPRECIATION					
At January 1, 2022	231	372	338	58	999
Provided for the year	217	78	224	115	634
At December 31, 2022	448	450	562	173	1,633
Provided for the year	218	74	475	176	943
At December 31, 2023	666	524	1,037	349	2,576
Provided for the year	238	38	507	205	988
Eliminated on written off	—	—	—	(2)	(2)
At December 31, 2024	904	562	1,544	552	3,562
Provided for the period	78	13	152	72	315
Eliminated on written off	—	(12)	—	—	(12)
At April 30, 2025	982	563	1,696	624	3,865
CARRYING VALUES					
At December 31, 2022	632	142	908	434	2,116
At December 31, 2023	414	80	853	741	2,088
At December 31, 2024	297	275	759	528	1,859
At April 30, 2025	238	278	785	694	1,995

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	10%–20% or over the lease term, whichever is shorter
Plant and machinery	10%–33%
Furniture, fixtures and equipment	10%–33%
Motor vehicles	20%–33%

16. RIGHT-OF-USE ASSETS

The Group

	Leased properties *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
As at December 31, 2022			
Carrying amount	19,410	—	19,410
As at December 31, 2023			
Carrying amount	15,368	—	15,368
As at December 31, 2024			
Carrying amount	14,154	—	14,154
As at April 30, 2025			
Carrying amount	13,545	—	13,545
For the year ended December 31, 2022			
Depreciation charge	3,968	75	4,043
For the year ended December 31, 2023			
Depreciation charge	4,052	—	4,052
For the year ended December 31, 2024			
Depreciation charge	4,475	—	4,475
For the four months ended April 30, 2024 (unaudited)			
Depreciation charge	1,476	—	1,476
For the four months ended April 30, 2025			
Depreciation charge	1,546	—	1,546

	Year ended December 31,			Four months ended April 30,
	2022 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*	2025 *RMB'000*
Total cash outflow for leases	4,451	4,668	5,106	1,792
Additions of right-of-use assets	792	10	3,261	937

The Company

	Leased properties *RMB'000*	Motor vehicles *RMB'000*	Total *RMB'000*
As at December 31, 2022			
Carrying amount	5,777	—	5,777
As at December 31, 2023			
Carrying amount	4,517	—	4,517
As at December 31, 2024			
Carrying amount	3,581	—	3,581
As at April 30, 2025			
Carrying amount	4,033	—	4,033
For the year ended December 31, 2022			
Depreciation charge	1,260	75	1,335
For the year ended December 31, 2023			
Depreciation charge	1,260	—	1,260
For the year ended December 31, 2024			
Depreciation charge	1,297	—	1,297
For the four months ended April 30, 2024 (unaudited)			
Depreciation charge	569	—	569
For the four months ended April 30, 2025			
Depreciation charge	485	—	485

The Group and the Company leases various offices, warehouses, and motor vehicles for its operations. Lease contracts are entered into for fixed term of 1 year to 9 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group and the Company applies the definition of a contract and determines the period for which the contract is enforceable.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

17. INVESTMENT IN AN ASSOCIATE/AMOUNT DUE FROM AN ASSOCIATE

The Group and the Company

	At December 31, 2022	At December 31, 2023	At December 31, 2024	At April 30, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost of investment in an associate	210	210	210	210
Share of post-acquisition losses	(210)	(210)	(210)	(210)
	—	—	—	—

The Group's associate is accounted for using the equity method in the Historical Financial Information. Details of the Group's associate as at the end of each reporting period is as follows:

Name of entity	Place of establishment/ operations	Proportion of ownership interest held by the Group At December 31, 2022	2023	2024	At April 30, 2025	Proportion of voting right held by the Group At December 31, 2022	2023	2024	At April 30, 2025	Principal activities
		%	%	%	%	%	%	%	%	
東莞市鑫大航運動器材科技有限公司 Dongguan Xindahang Sports Equipment Technology Co., Ltd.* ("Xindahang")	PRC	35	35	35	35	35	35	35	35	Trading of bicycles and related products *(Note)*

* *English translated name for identification purposes only*

Note: Xindahang has became dormant since December 31, 2023.

	At December 31, 2022	At December 31, 2023	At December 31, 2024	At April 30, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Group's share of loss	(210)	—	—	—
The unrecognized share of loss for the year/period	105	220	—	—
Cumulative unrecognized share of loss	105	325	325	325

Amount due from an associate

The amount due from an associate is non-trade nature, secured by the property, plant and equipment of Xindahang, carried interest at 4% per annum and repayable on a quarterly basis until January 2024. There has not been any significant changes in the quality of the collateral. The Group has not recognized a loss allowance for the amount due from an associate as a result of the collaterals. The amount was fully repaid during the year ended December 31, 2024.

18. INTANGIBLE ASSETS

The Group

	Software *RMB'000*	**Trademarks and patent rights** *RMB'000*	**Total** *RMB'000*
COST			
At January 1, 2022	151	618	769
Additions	217	—	217
At December 31, 2022	368	618	986
Additions	538	14,403	14,941
At December 31, 2023	906	15,021	15,927
Additions	355	—	355
At December 31, 2024	1,261	15,021	16,282
Additions	292	—	292
At April 30, 2025	1,553	15,021	16,574
AMORTIZATION			
At January 1, 2022	25	105	130
Provided for the year	68	140	208
At December 31, 2022	93	245	338
Provided for the year	152	1,892	2,044
At December 31, 2023	245	2,137	2,382
Provided for the year	265	2,192	2,457
At December 31, 2024	510	4,329	4,839
Provided for the period	129	723	852
At April 30, 2025	639	5,052	5,691
CARRYING VALUES			
At December 31, 2022	275	373	648
At December 31, 2023	661	12,884	13,545
At December 31, 2024	751	10,692	11,443
At April 30, 2025	914	9,969	10,883

The Company

	Software	Trademarks and patent rights	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
At January 1, 2022	151	618	769
Additions	217	—	217
At December 31, 2022	368	618	986
Additions	538	14,403	14,941
At December 31, 2023	906	15,021	15,927
Additions	311	—	311
At December 31, 2024	1,217	15,021	16,238
Additions	292	—	292
At April 30, 2025	1,509	15,021	16,530
AMORTIZATION			
At January 1, 2022	25	105	130
Provided for the year	68	140	208
At December 31, 2022	93	245	338
Provided for the year	152	1,892	2,044
At December 31, 2023	245	2,137	2,382
Provided for the year	262	2,192	2,454
At December 31, 2024	507	4,329	4,836
Provided for the period	127	723	850
At April 30, 2025	634	5,052	5,686
CARRYING VALUES			
At December 31, 2022	275	373	648
At December 31, 2023	661	12,884	13,545
At December 31, 2024	710	10,692	11,402
At April 30, 2025	875	9,969	10,844

The above intangibles assets have finite useful lives and are amortized on a straight-line basis over the following periods:

Software	3–10 years
Trademarks and patent rights	3–10 years

19. DEFERRED TAX ASSETS (LIABILITIES)

The Group

	Write-down of inventories	Unrealized profit	Impairment losses under ECL	Right-of-use assets	Lease liabilities	Accrued staff cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	493	106	455	(4,954)	5,150	392	1,642
(Charge) credit to profit or loss	(14)	20	(49)	830	(695)	271	363
At December 31, 2022	479	126	406	(4,124)	4,455	663	2,005
Credit (charge) to profit or loss	110	888	(87)	862	(805)	273	1,241
At December 31, 2023	589	1,014	319	(3,262)	3,650	936	3,246
(Charge) credit to profit or loss	(72)	223	(159)	183	(127)	288	336
At December 31, 2024	517	1,237	160	(3,079)	3,523	1,224	3,582
Credit (charge) to profit or loss	47	527	13	189	(185)	314	905
At April 30, 2025	564	1,764	173	(2,890)	3,338	1,538	4,487

The Company

	Write-down of inventories	Impairment losses under ECL	Right-of-use assets	Lease liabilities	Accrued staff cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	71	272	(1,067)	1,115	316	707
Credit (charge) to profit or loss	12	(22)	200	(164)	138	164
At December 31, 2022	83	250	(867)	951	454	871
(Charge) credit to profit or loss	(39)	(156)	189	(171)	195	18
At December 31, 2023	44	94	(678)	780	649	889
(Charge) credit to profit or loss	(4)	(41)	141	(137)	224	183
At December 31, 2024	40	53	(537)	643	873	1,072
Credit (charge) to profit or loss	7	(3)	(68)	64	69	69
At April 30, 2025	47	50	(605)	707	942	1,141

20. INVENTORIES

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials and consumables	19,673	25,773	33,595	47,213	1,508	863	1,512	936
Work in progress	13,526	12,115	12,377	18,755	—	—	—	—
Finished goods	24,540	41,466	66,623	77,492	11,516	27,554	32,469	42,512
	57,739	79,354	112,595	143,460	13,024	28,417	33,981	43,448

21. TRADE AND OTHER RECEIVABLES

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables from contracts with customers	9,367	17,781	14,524	17,368	2,017	10,475	9,434	9,140
Receivables from an original equipment manufacturer ("OEM") supplier	4,508	5,811	4,842	4,870	—	—	—	—
Less: Allowances for credit losses	(697)	(1,435)	(688)	(738)	(43)	(629)	(352)	(330)
	13,178	22,157	18,678	21,500	1,974	9,846	9,082	8,810
Value-added tax recoverable	4,696	5,062	13,526	15,657	1,190	751	3,165	2,842
Other receivables and deposits	1,681	1,810	2,736	3,621	751	506	1,572	2,254
Prepayments to suppliers	3,400	1,103	8,354	7,943	136	63	269	21
Other prepayments	1,032	1,182	3,324	5,973	813	1,023	1,196	3,763
Deferred issue costs	—	—	8,062	12,725	—	—	8,062	12,725
Other receivables, deposits and prepayments	10,809	9,157	36,002	45,919	2,890	2,343	14,264	21,605
	23,987	31,314	54,680	67,419	4,864	12,189	23,346	30,415

As at January 1, 2022, trade receivables from contracts with customers (net of allowances for credit losses) amounted to RMB10,429,000.

The following is an ageing analysis of trade receivables presented based on invoice date at the end of each reporting period:

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
0–30 days	3,075	4,269	7,327	10,536	1,473	494	2,789	2,670
31–60 days	4,054	2,584	1,540	1,461	—	2,574	1,499	1,438
61–90 days	1,983	360	307	470	512	—	282	417
Over 90 days *(note)*	4,763	16,379	10,192	9,771	32	7,407	4,864	4,615
	13,875	23,592	19,366	22,238	2,017	10,475	9,434	9,140

Note:

As at December 31, 2022, 2023 and 2024 and April 30, 2025, including in the over 90 days ageing analysis consisted of trade receivable from an OEM supplier amounted to RMB4,508,000, RMB5,811,000, RMB4,842,000 and RMB4,870,000, respectively. The trade receivable from an OEM supplier represents a receivable from selling raw materials to the OEM supplier for the manufacturing of Dahon Bicycles, where the relevant sales was net-off with cost of sales during the year ended December 31, 2022, 2023 and 2024 and four months ended April 30, 2024 (unaudited) and 2025.

The Group allows a credit term from 0 to 60 days. As at December 31, 2022, 2023 and 2024 and April 30, 2025, included in the Group's and the Company's trade receivables balance are debtors with gross carrying amount of RMB12,558,000, RMB18,405,000, RMB17,967,000 and RMB19,463,000, respectively; RMB776,000, RMB7,904,000, RMB8,039,000 and RMB6,365,000, respectively, which are past due as at the reporting date. Out of the past due balances of the Group and the Company, RMB4,763,000, RMB16,379,000, RMB10,192,000 and RMB9,771,000, respectively; RMB32,000, RMB7,407,000, RMB4,864,000 and RMB4,615,000, respectively, has been past due 90 days or more and is not considered as in default since the directors of the Company are of the opinion that the balances are still considered recoverable due to the management's historical experience on the settlement pattern from these debtors.

Details of impairment assessment of trade and other receivables are set out in note 29.

22. AMOUNT(S) DUE FROM (TO) RELATED PARTIES

Amounts due from related parties

The Group

	At January 1, 2022	At December 31, 2022	2023	2024	At April 30, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature					
Dahon North America Inc. ("DNA") *(Notes i, ii and iii)*	13,325	19,199	—	—	—
深圳市騎吧運動科技有限公司 Shenzhen Riding Sports Technology Co., Ltd* ("SZ Riding Sports") *(Notes i and iv)*	1,980	2,686	—	—	—
DAHON GLOBAL CO., LTD ("Dahon Global") *(Notes i and ii)*	711	—	—	—	—
	16,016	21,885	—	—	—
Less: Allowances for credit losses	(1,556)	(1,621)	—	—	—
	14,460	20,264	—	—	—

* *English translated name for identification purpose only*

Notes:

(i) The entities are controlled by Dr. Hon. The amounts are unsecured, interest-free and repayable on demand.

(ii) These entities were not controlled by Dr. Hon since February 28, 2023 as they were sold by Dr. Hon to independent third parties during the year ended December 31, 2023.

(iii) During the year ended December 31, 2023, there were settlement of balances from DNA and the remaining net carrying amount of RMB6,598,000 was reclassified to trade and other receivables as at December 31, 2023.

(iv) The entity was de-registered on May 21, 2024.

The Company

	At January 1, 2022	At December 31, 2022	2023	2024	At April 30, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature					
DNA	13,325	19,199	—	—	—
SZ Riding Sports	3	2,686	—	—	—
	13,328	21,885	—	—	—
Less: Allowances for credit losses	(1,540)	(1,621)	—	—	—
	11,788	20,264	—	—	—

The following is an ageing analysis of amount due from related parties presented based on invoice date at the end of each reporting period:

	The Group				The Company			
	At December 31, 2022	2023	2024	At April 30, 2025	At December 31, 2022	2023	2024	At April 30, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
0–30 days	10	—	—	—	10	—	—	—
31–60 days	—	—	—	—	—	—	—	—
61–90 days	1,705	—	—	—	1,705	—	—	—
Over 90 days	20,170	—	—	—	20,170	—	—	—
	21,885	—	—	—	21,885	—	—	—

As at December 31, 2022, included in the Group's and the Company's amount due from related parties are debtors with gross carrying amount of RMB20,170,000, which has been past due 90 days or more and is not considered as in default since the directors of the Company are of the opinion that the balances are still considered recoverable due to the management's historical experience on the settlement pattern from these debtors. Details of impairment assessment of amount due from related parties are set out in note 29.

Amounts due to related parties

The Group

	At December 31,			At April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature				
大行科技(深圳)有限公司 (Dahon Technology (Shenzhen) Co., Ltd*) ("Dahon Technology") *(Note i)*	34	—	—	—
DNA *(Notes i and ii)*	274	—	—	—
Dahon Global *(Notes i and ii)*	1,157	—	—	—
SZ Riding Sports *(Note i)*	765	—	—	—
	2,230	—	—	—

* *English translated name for identification purpose only*

Notes:

(i) The entities are controlled by Dr. Hon. The amounts are unsecured, interest-free and repayable on demand.

(ii) These entities were not controlled by Dr. Hon since February 28, 2023 as they were sold by Dr. Hon to independent third parties during the year ended December 31, 2023.

The Company

	At December 31,			At April 30,
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature				
DNA	274	—	—	—
Dahon Technology	2	—	—	—
Dahon Global	224	—	—	—
	500	—	—	—

Amounts due from subsidiaries

	At January 1, 2022	At December 31, 2022	2023	2024	At April 30, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature					
HZ Dahon (as defined in note 34)	23,211	24,585	35,829	1,820	—
SZ Meidahon (as defined in note 34)	—	1,156	3,690	7,626	18,272
SZ Dahon (as defined in note 34)	3	18	—	4,669	12,033
Dahon HK (as defined in note 34)	—	—	2,670	5	352
	23,214	25,759	42,189	14,120	30,657

The following is an ageing analysis of amount due from subsidiaries (net of allowance of credit losses, if any) presented based on invoice date at the end of each reporting period:

	At December 31, 2022	2023	2024	At April 30, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0–30 days	948	5,271	1,917	16,552
31–60 days	9,553	—	4,963	13,758
61–90 days	11,000	5,000	2	—
Over 90 days	4,258	31,918	7,238	347
	25,759	42,189	14,120	30,657

Amount due to a subsidiary

	At December 31, 2022	2023	2024	At April 30, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature				
HZ Dahon (as defined in note 34)	—	—	—	5,027

23. CASH AND CASH EQUIVALENTS/PLEDGED BANK DEPOSITS

Cash and cash equivalents and pledged bank deposits held by the Group and the Company are short-term bank deposits with an original maturity of three months or less and carry interest at market rates which range from 0% to 1.65%, 0% to 1.25%, 0% to 2.35% per annum and 0% to 2.35% per annum as at December 31, 2022, 2023 and 2024 and April 30, 2025, respectively. The pledged bank deposits are used to secure the bills payables as disclosed in note 24.

24. TRADE AND OTHER PAYABLES

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade payable	34,439	27,507	82,049	103,293	1,120	1,093	1,852	4,510
Bills payables *(Note)*	—	—	—	1,881	—	—	—	—
Other payables and accrued charges	4,434	9,140	9,600	11,759	4,295	8,463	9,289	10,809
Dividend payable	23,535	—	—	11,713	23,535	—	—	11,713
Repurchase obligation under Pre-IPO Employee Incentive Schemes	3,839	8,184	11,216	11,216	3,839	8,184	11,216	11,216
Accrued staff costs	9,377	12,801	17,609	16,976	7,634	9,141	11,593	11,640
Value-added tax and other tax payables	2,472	897	1,948	4,816	2,047	—	803	3,395
Accrued issue costs	—	—	3,269	1,994	—	—	3,269	1,994
	78,096	58,529	125,691	163,648	42,470	26,881	38,022	55,277

Note:

These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognise these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the consolidated statement of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

The following is an ageing analysis of trade and bills payables and presented based on the invoice date at the end of each reporting period:

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
0–90 days	34,018	27,329	75,359	101,565	1,019	1,069	1,852	4,510
91–180 days	113	127	928	3,042	—	—	—	—
Over 180 days	308	51	5,762	567	101	24	—	—
	34,439	27,507	82,049	105,174	1,120	1,093	1,852	4,510

The average credit period on purchases of goods and services of the Group and Company is 0 to 90 days.

25. CONTRACT LIABILITIES

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current								
Sale of Dahon Bicycles and related products	13,867	14,945	23,917	34,199	12,262	14,630	23,591	33,873
Licensing income	2,178	2,439	2,634	2,361	2,178	2,439	2,634	2,361
	16,045	17,384	26,551	36,560	14,440	17,069	26,225	36,234
Non-current								
Licensing income	9,385	7,511	5,441	5,026	9,385	7,511	5,441	5,026
	25,430	24,895	31,992	41,586	23,825	24,580	31,666	41,260

As at January 1, 2022, the Group and the Company had contract liabilities of RMB20,595,000 and RMB20,569,000, respectively, which included contract liabilities for sale of Dahon Bicycles and related products amounting to RMB7,087,000 and RMB7,061,000, and licensing income amounting to RMB13,508,000 and RMB13,508,000, respectively.

The following table shows the revenue recognized to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Sale of Dahon Bicycles and related products								
Balance at the beginning of the year/period	7,087	13,867	14,945	23,917	7,061	12,262	14,630	23,591
Decrease in contract liabilities as a result of recognition of revenue during the year/period	(7,087)	(13,867)	(14,945)	(23,917)	(7,061)	(12,262)	(14,630)	(23,591)
Increase in contract liabilities as a result of receiving prepayments for sale of Dahon Bicycles and related products during the year/period	13,867	14,945	23,917	34,199	12,262	14,630	23,591	33,873
Balance at the end of the year/period	13,867	14,945	23,917	34,199	12,262	14,630	23,591	33,873

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Licensing income								
Balance at the beginning of the year/period	13,508	11,563	9,950	8,075	13,508	11,563	9,950	8,075
Decrease in contract liabilities as a result of recognition of revenue during the year/period	(2,370)	(2,349)	(2,601)	(953)	(2,370)	(2,349)	(2,601)	(953)
Increase in contract liabilities as a result of receiving upfront licensing fee during the year/period	425	736	726	265	425	736	726	265
Balance at the end of the year/period	11,563	9,950	8,075	7,387	11,563	9,950	8,075	7,387

26. LEASE LIABILITIES

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities payable:								
Within one year	3,734	3,208	4,480	4,987	1,137	1,267	1,475	1,960
Within a period of more than one year but not exceeding two years	3,208	3,461	4,827	5,009	1,267	1,407	1,629	2,092
Within a period of more than two years but not exceeding five years	10,581	9,594	6,975	5,682	3,936	2,529	1,183	659
Within a period of more than five years	3,465	992	—	—	—	—	—	—
	20,988	17,255	16,282	15,678	6,340	5,203	4,287	4,711
Less: Amount due for settlement within 12 months shown under current liabilities	(3,734)	(3,208)	(4,480)	(4,987)	(1,137)	(1,267)	(1,475)	(1,960)

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Amount due for settlement after 12 months shown under non-current liabilities	17,254	14,047	11,802	10,691	5,203	3,936	2,812	2,751

The weighted average incremental borrowing rates applied to lease liabilities at 4.90% per annum during the year ended December 31, 2022, range at 4.75% to 4.90% per annum during the years ended December 31, 2023 and 2024 and range at 4.75% to 4.90% per annum during the four months ended April 30, 2025, respectively.

27. SHARE CAPITAL AND RESERVES

The Group and the Company

	Number of shares	Amount
		RMB'000
Registered capital/issued and fully paid share capital:		
At January 1, 2022	N/A	10,000
Capital contribution from 2022 Pre-IPO Employee Incentive Scheme	N/A	3,839
At December 31, 2022	N/A	13,839
Conversion into a joint stock company *(Note (i))*	22,500,000	8,661
Issue of shares pursuant to 2023 Pre-IPO Employee Incentive Scheme	868,900	869
At December 31, 2023	23,368,900	23,369
Issue of shares pursuant to 2024 Pre-IPO Employee Incentive Scheme	378,941	379
At December 31, 2024 and April 30, 2025	23,747,841	23,748

Note:

(i) On August 28, 2023, the Company was converted from a limited liability company into a joint stock company with a share capital of RMB22,500,000. The Company issued and allotted 22,500,000 ordinary shares with a nominal value of RMB1 each to the respective then shareholders of the Company in accordance with the proportion of their registered capital to the Company as at April 30, 2023. The Company capitalized statutory reserves of RMB5,349,000 and retained profits of RMB46,196,000 as part of the process.

Reserves of the Company

Below table sets out details of the reserves of the Company:

	Share premium *RMB'000*	Statutory reserves *RMB'000*	Other reserves *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*
At January 1, 2022	—	3,691	—	34,513	38,204
Profit and total comprehensive income for the year	—	—	—	29,146	29,146
Transfer to statutory reserves	—	1,658	—	(1,658)	—
Dividend recognized as distribution *(note 13)*	—	—	—	(22,001)	(22,001)
Reclassification in respect of shares subject to repurchase under 2022 Pre-IPO Employee Incentive Scheme	—	—	(3,839)	—	(3,839)
At December 31, 2022	—	5,349	(3,839)	40,000	41,510
Profit and total comprehensive income for the year	—	—	—	28,852	28,852
Transfer to statutory reserves	—	2,995	—	(2,995)	—
Conversion into a joint stock company	42,884	(5,349)	—	(46,196)	(8,661)
Issue of shares pursuant to 2023 Pre-IPO Employee Incentive Scheme	3,476	—	—	—	3,476
Reclassification in respect of shares subject to repurchase under 2023 Pre-IPO Employee Incentive Scheme	—	—	(4,345)	—	(4,345)
At December 31, 2023	46,360	2,995	(8,184)	19,661	60,832
Profit and total comprehensive income for the year	—	—	—	45,632	45,632
Transfer to statutory reserves	—	4,563	—	(4,563)	—
Dividend recognized as distribution *(note 13)*	—	—	—	(16,200)	(16,200)
Issue of shares pursuant to 2024 Pre-IPO Employee Incentive Scheme	2,653	—	—	—	2,653
Reclassification in respect of shares subject to repurchase under 2024 Pre-IPO Employee Incentive Scheme	—	—	(3,032)	—	(3,032)
At December 31, 2024	49,013	7,558	(11,216)	44,530	89,885
Profit and total comprehensive income for the period	—	—	—	18,097	18,097
Dividend recognized as distribution *(note 13)*	—	—	—	(17,713)	(17,713)
At April 30, 2025	49,013	7,558	(11,216)	44,914	90,269

28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of lease liabilities, net of cash and cash equivalents and equity. The management of the Group reviews the capital structure periodically and considers the cost of capital and the risks associated with each class of capital and balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debts.

29. FINANCIAL INSTRUMENTS

Categories of financial instruments

	The Group				The Company			
	At December 31,			At April 30,	At December 31,			At April 30,
	2022	**2023**	**2024**	**2025**	**2022**	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets								
At amortized cost	92,729	70,029	123,202	134,145	100,417	84,724	116,612	132,461
Financial liabilities								
At amortized cost	67,265	43,232	99,476	135,884	32,717	16,209	19,259	40,227
Lease liabilities	20,988	17,255	16,282	15,678	6,340	5,203	4,287	4,711

Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade and other receivables, amounts due from (to) an associate/related parties/subsidiaries, pledged bank deposits and cash and cash equivalents and trade and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

Currency risk

Certain Group entities have sales and purchases denominated in Euro ("EUR"), Hong Kong Dollar ("HKD"), United States Dollar ("USD"), Great Britain Pound ("GBP"), Japanese Yen ("JPY") and Canadian Dollar ("CAD"), other than the functional currency of respective entities, which expose the Group and the Company to market risk arising from changes in foreign exchange rates. The management closely monitors foreign currency exposure and will consider hedging significant foreign currency exposure should the need arise.

The Group's and the Company's monetary assets and liabilities denominated in EUR, HKD, USD, GBP, JPY and CAD at the end of each reporting period and the carrying amounts are as follows:

The Group

	Assets				Liabilities			
	As at December 31,			At April 30,	As at December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Currency								
EUR	9,343	10,950	6,587	1,235	1,889	—	5,989	7,394
HKD	241	729	128	395	—	—	—	—
USD	28,362	8,486	14,179	12,670	989	620	408	1,730
GBP	—	—	163	52	—	—	—	—
JPY	727	244	583	84	1	—	—	—
CAD	—	—	—	26	—	—	—	—

The Company

	Assets				Liabilities			
	As at December 31,			At April 30,	As at December 31,			At April 30,
	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Currency								
EUR	124	2,695	—	—	—	—	—	4
HKD	2	—	—	—	—	—	—	—
USD	28,248	8,441	13,531	12,352	446	246	53	819
JPY	727	159	578	79	—	—	—	—
CAD	—	—	—	26	—	—	—	—

The following table details the Group's and the Company's sensitivity to a 5% increase and decrease in RMB against EUR, HKD, USD, GBP, JPY and CAD. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase in post-tax profit for the year where EUR, HKD, USD, GBP, JPY and CAD strengthens 5% against RMB. For a 5% weakening of EUR, HKD, USD, GBP, JPY and CAD against RMB, there would be an opposite impact on the post-tax profit for the year/period.

	At December 31,			At April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Group				
Impact on profit or loss				
— EUR	280	410	22	(231)
— HKD	9	27	5	15
— USD	1,163	334	585	465
— GBP	—	—	6	2
— JPY	31	10	25	4
— CAD	—	—	—	1

	As at December 31,			At April 30,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The Company				
Impact on profit or loss				
— EUR	5	115	—	—*
— HKD	—	—	—	—
— USD	1,182	348	573	490
— JPY	31	7	25	3
— CAD	—	—	—	1

* *Impact less than thousand*

The sensitivity rates used represents management's assessment of the reasonably possible change in foreign exchange rates. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as each year/period end exposure does not reflect the exposure during the Track Record Period.

Interest rate risk

The Group and the Company is exposed to fair value interest rate risk in relation to pledged bank deposits. The Group and the Company is also exposed to cash flow interest rate risk in relation to variable-rate bank balances which is mainly concentrated on the fluctuation of benchmark deposit interest rates in the PRC. The management of the Group closely monitors interest rate movement and manages the potential risk. The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

No sensitivity analysis is presented as the management of the Group determines that the impact from changes in interest rates is insignificant considering the historical movement in deposit interest rates in the PRC for the Track Record Period.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's and the Company's counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group's and the Company's credit risk exposure are primarily attributable to trade receivables, other receivables and deposits, amounts due from an associate/related parties/subsidiaries, pledged bank deposits and bank balances. Other than amount due from an associate amounting to RMB833,000, RMB167,000, nil and nil as at December 31, 2022, 2023 and 2024 and April 30, 2025, respectively, the Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables/amount due from related parties (trade related)/amount due from subsidiaries (trade related)

The Group and the Company has concentration of credit risk on certain individual customers as at December 31, 2022, 2023 and 2024 and April 30, 2025.

For the Group, the two largest trade receivable balances (including amount due from related parties (trade related)), accounted for 66%, 62%. 49% and 43% of the trade receivables and the largest trade receivable balance was approximately 54%, 31%, 25% and 22% of the Group's total trade receivables respectively.

For the Company, the two largest trade receivable balances (including amount due from related parties (trade related)) accounted for 92%, 93%, 65% and 85% of the trade receivables and the largest trade receivable balance was approximately 80%, 69%, 49% and 50% of the Group's total trade receivables respectively.

In order to minimize the credit risk of those receivables, the management of the Group closely monitors the recoverability of the amount due. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

In order to minimize the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group has applied the simplified approach of HKFRS 9 to measure the loss allowance at lifetime ECL. In additions, the Group performs impairment assessment under ECL model on trade receivables and amount due from related parties/subsidiaries (trade related) individually.

No ECL has been provided on the amount due from subsidiaries (trade related) as the director of the Company considered the ECL is not material and the good repayment history from the subsidiaries.

Other receivables and deposits and amounts due from an associate (non-trade related)

The Group has taken into account the economic outlook of the industries in which the counterparties operate, and concluded that there has been no significant increase in credit risk since initial recognition. The ECL on deposits and other receivables and amounts due from an associate are assessed based on 12m ECL and are considered to be insignificant.

Cash and cash equivalents/Pledged bank deposits

The credit risk on liquid funds is limited because the counterparties are reputable banks in the PRC or banks with high credit-ratings assigned by international credit-rating agencies and the Group has limited exposure to any single financial institution. As of December 31, 2022, 2023 and 2024 and April 30, 2025, the Group performed impairment assessment on bank balances by reference to the average loss rates for respective credit rating grades published by international credit-rating agencies and concluded that the ECL is insignificant.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables/ Amount due from related parties/ subsidiaries (trade related)	Other financial assets
Low risk	The counterparty has a low risk of default	Lifetime ECL — not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL — not credit-impaired	12m ECL

Internal credit rating	Description	Trade receivables/ Amount due from related parties/ subsidiaries (trade related)	Other financial assets
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group/ the Company has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below details the credit risk exposures of the Group's and the Company's financial assets:

The Group

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount			
					At December 31,			As at April 30,
					2022	2023	2024	2025
					RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables — contracts with customers	21	N/A	Low risk	Lifetime ECL	2,749	5,316	7,380	11,003
			Watch list	Lifetime ECL	3,634	2,114	2,524	1,750
			Doubtful	Lifetime ECL	2,984	10,351	4,620	4,615
Trade receivables — receivables from an OEM supplier	21	N/A	Doubtful	Lifetime ECL	4,508	5,811	4,842	4,870
Other receivables and deposits	21	N/A	Low risk	12m ECL	1,681	1,810	2,736	3,621
Amount due from an associate (non-trade related)	17	N/A	Low risk	12m ECL	833	167	—	—
Amount due from related parties (trade related)	22	N/A	Watch list	Lifetime ECL	2,686	—	—	—
			Doubtful	Lifetime ECL	19,199	—	—	—
Pledged bank deposits	23	A	N/A	12m ECL	—	—	—	50,000
Cash and cash equivalents	23	Aa2 to Baa3	N/A	12m ECL	56,773	45,895	101,788	59,024

The Company

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount			
					At December 31,			As at April 30,
					2022	2023	2024	2025
					RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables — contracts with customers	21	N/A	Low risk	Lifetime ECL	243	2,701	2,960	4,327
			Watch list	Lifetime ECL	1,774	583	1,854	198
			Doubtful	Lifetime ECL	—	7,191	4,620	4,615
Other receivables and deposits	21	N/A	Low risk	12m ECL	751	506	1,572	2,254
Amount due from an associate (non-trade related)	17	N/A	Low risk	12m ECL	833	167	—	—
Amount due from related parties (trade related)	22	N/A	Watch list	Lifetime ECL	2,686	—	—	—
			Doubtful	Lifetime ECL	19,199	—	—	—
Amount due from subsidiaries (trade related)	22	N/A	Watch list	Lifetime ECL	25,759	42,189	14,120	30,657
Pledged bank deposits	23	A	N/A	12m ECL	—	—	—	50,000
Cash and cash equivalents	23	Aa2 to Baa3	N/A	12m ECL	50,836	32,016	91,838	40,740

The average loss rates for trade receivables (contract with customers and receivables from an OEM supplier), amount due from related parties/subsidiaries (trade related) as at December 31, 2022, 2023 and 2024 and April 30, 2025 are as follows:

	At December 31,			At April 30,
	2022	2023	2024	2025
Low risk	0.1%	0.6%	0.6%	0.6%
Watch list	2.4%	3.3%	3.3%	3.5%
Doubtful	8.1%	8.3%	5.9%	6.4%

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

The following table shows the movement in lifetime ECL that has been recognized for trade receivables (contract with customers and receivables from an OEM supplier)/amount due from related parties (trade related) for the Group and the Company using internal credit rating:

The Group

	RMB'000
At January 1, 2022	2,495
Impairment loss under ECL reversed, net	(177)
At December 31, 2022	2,318
Impairment loss under ECL reversed, net	(883)
At December 31, 2023	1,435
Impairment loss under ECL reversed, net	(747)
At December 31, 2024	688
Impairment loss under ECL recognized, net	50
At April 30, 2025	738

The Company

	RMB'000
At January 1, 2022	1,812
Impairment loss under ECL recognized, net	(148)
At December 31, 2022	1,664
Impairment loss under ECL reversed, net	(1,035)
At December 31, 2023	629
Impairment loss under ECL reversed, net	(277)
At December 31, 2024	352
Impairment loss under ECL reversed, net	(22)
At April 30, 2025	330

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curve at the end of each reporting period.

The Group

	Weighted average contractual interest rate	On demand or less than 1 month	1 month to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2022								
Trade and other payables	—	64,614	113	308	—	—	65,035	65,035
Amount due to related parties	—	2,230	—	—	—	—	2,230	2,230
		66,844	113	308			67,265	67,265
Lease liabilities	4.9	377	753	3,537	15,817	3,549	24,033	20,988
At December 31, 2023								
Trade and other payables	—	41,387	1,715	130	—	—	43,232	43,232
Lease liabilities	4.8	348	697	2,946	14,375	1,000	19,366	17,255
At December 31, 2024								
Trade and other payables	—	79,887	12,886	6,703	—	—	99,476	99,476
Lease liabilities	4.9	437	903	3,814	12,618	—	17,772	16,282
At April 30, 2025								
Trade and other payables	—	104,635	27,640	3,609	—	—	135,884	135,884
Lease liabilities	4.9	458	916	4,212	11,191	15	16,792	15,678

The Company

	Weighted average contractual interest rate	On demand or less than 1 month	1 month to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2022								
Trade and other payables	—	32,177	35	5	—	—	32,217	32,217
Amount due to related parties	—	500	—	—	—	—	500	500
		32,677	35	5			32,717	32,717
Lease liabilities	4.9	116	231	1,070	5,674	—	7,091	6,340
At December 31, 2023								
Trade and other payables	—	16,106	—	103	—	—	16,209	16,209
Lease liabilities	4.9	121	243	1,123	4,187	—	5,674	5,203
At December 31, 2024								
Trade and other payables	—	19,259	—	—	—	—	19,259	19,259
Lease liabilities	4.9	134	269	1,242	2,929	—	4,574	4,287
At April 30, 2025								
Trade and other payables	—	35,200	—	—	—	—	35,200	35,200
Amount due to a subsidiary	—	5,027	—	—	—	—	5,027	5,027
		40,227	—	—	—	—	40,227	40,227
Lease liabilities	4.9	169	339	1,581	2,889	15	4,993	4,711

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank borrowings	Lease liabilities	Dividend payable	Repurchase obligation *(note 24)*	Accrued issue costs	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022	12,012	23,572	—	—	—	35,584
Interest accrued	226	1,075	—	—	—	1,301
Financing cash flows	(12,238)	(4,451)	—	3,839	—	(12,850)
New leases entered	—	792	—	—	—	792
Dividend declared	—	—	23,535	—	—	23,535
At December 31, 2022	—	20,988	23,535	3,839	—	48,362
Interest accrued	—	925	—	—	—	925
Employee benefits expenses *(note 13)*	—	—	(1,534)	—	—	(1,534)
Financing cash flows	—	(4,668)	(22,001)	4,345	—	(22,324)
New leases entered	—	10	—	—	—	10
At December 31, 2023	—	17,255	—	8,184	—	25,439
Interest accrued	—	872	—	—	—	872
Dividend declared	—	—	18,000	—	—	18,000
Employee benefits expenses *(note 13)*	—	—	(1,800)	—	—	(1,800)
Financing cash flows	—	(5,106)	(16,200)	3,032	(4,793)	(23,067)
New leases entered	—	3,261	—	—	—	3,261
Deferred issue costs	—	—	—	—	8,062	8,062
At December 31, 2024	—	16,282	—	11,216	3,269	30,767
Interest accrued	—	251	—	—	—	251
Dividend declared	—	—	20,000	—	—	20,000
Employee benefits expenses *(note 13)*	—	—	(2,287)	—	—	(2,287)
Financing cash flows	—	(1,792)	(6,000)	—	(5,938)	(13,730)
New leases entered	—	937	—	—	—	937
Deferred issue costs	—	—	—	—	4,663	4,663
At April 30, 2025	—	15,678	11,713	11,216	1,994	40,601
At January 1, 2024	—	17,255	—	8,184	—	25,439
Interest accrued	—	311	—	—	—	311
Dividend declared	—	—	4,908	—	—	4,908
Employee benefits expenses *(note 13)*	—	—	(328)	—	—	(328)
Financing cash flows	—	(1,693)	(4,580)	—	—	(6,273)
New leases entered	—	2,573	—	—	—	2,573
At April 30, 2024 (unaudited)	—	18,446	—	8,184	—	26,630

31. SHARE-BASED PAYMENT

Pre-IPO Employee Incentive Scheme

a. Background

2022 Pre-IPO Employee Incentive Scheme (as defined below)

During the year ended December 31, 2022, the Group has adopted the 2022 pre-IPO employee incentive scheme (the "2022 Pre-IPO Employee Incentive Scheme") and established two limited partnership, 深圳美大行企業管理諮詢合夥企業(有限合夥) Shenzhen Meidahon Enterprise Management Consulting Partnership (L.P.)* ("Meidahon LP") and 深圳大行企業管理諮詢合夥企業(有限合夥) Shenzhen Dahon Enterprise Management Consulting Partnership (L.P.)* ("Dahon LP") as the pre-IPO employee incentive platforms, with a view to improve the enthusiasm and creativity of the eligible participants of the 2022 Pre-IPO Employee Incentive Scheme (the "2022 Eligible Participants"), promoting the sustainable growth of the performance of the Group, bringing value-added benefits to the 2022 Eligible Participants while enhancing the value of the Group, and thus realizing the common development of both the 2022 Eligible Participants and the Group.

Meidahon LP and Dahon LP had, in turn, subscribed for RMB511,200 and RMB186,700 registered capital, representing approximately 4.78% and 1.75% of the total registered capital (as at the date of the adoption of the 2022 Pre-IPO Employee Incentive Scheme), respectively.

The 2022 Eligible Participants of the pre-IPO employee incentive platforms shall subscribe for partnership interest therein according to the amount approved by the board of directors of the Company, and make the corresponding contribution in accordance with the arrangement of the board of directors of the Company, thereby holding indirect interest in the registered capital of the Company.

The corresponding interests in Meidahon LP and Dahon LP were granted to 2022 Eligible Participants on May 27, 2022 and all contribution payments have been paid in full. The 2022 Eligible Participants made aggregate contribution payments of RMB3,839,000 into the pre-IPO employee incentive platforms, which in turn subscribed for RMB3,839,000 registered capital of Company.

On August 28, 2023, the Company was converted from a limited liability company into a joint stock company with a share capital of RMB22,500,000. The registered capital hold by Meidahon LP and Dahon LP had, in turn, became 1,075,164 and 392,671 shares, representing approximately 4.78% and 1.75% of the then total issued shares, respectively.

2023 Pre-IPO Employee Incentive Scheme (as defined below)

During the year ended December 31, 2023, the Group has adopted the 2023 pre-IPO employee incentive scheme (the "2023 Pre-IPO Employee Incentive Scheme") and established two limited partnership, 深圳大行科企業管理諮詢合夥企業(有限合夥) Shenzhen DahonTech Enterprise Management Consulting Partnership (L.P.)* ("DahonTech LP") and 深圳大行工企業管理諮詢合夥企業(有限合夥) Shenzhen DahonInd Enterprise Management Consulting Partnership (L.P.)* ("DahonInd LP") as the pre-IPO employee incentive platforms, with a view to improve the enthusiasm and creativity of the eligible participants of the 2023 Pre-IPO Employee Incentive Scheme (the "2023 Eligible Participants"), promoting the sustainable growth of the performance of the Group, bringing value-added benefits to the 2023 Eligible Participants while enhancing the value of the Group, and thus realizing the common development of both the 2023 Eligible Participants and the Group.

DahonTech LP and DahonInd LP had, in turn, subscribed for 676,050 and 192,850 shares, representing approximately 2.89% and 0.83% of the total issued shares (as at the date of the adoption of the 2023 Pre-IPO Employee Incentive Scheme), respectively.

The 2023 Eligible Participants of the pre-IPO employee incentive platforms shall subscribe for partnership interest therein according to the amount approved by the board of directors of the Company, and make the corresponding contribution in accordance with the arrangement of the board of directors of the Company, thereby holding indirect interest in the shares of the Company.

The corresponding interests in DahonTech LP and DahonInd LP were granted to 2023 Eligible Participants on October 13, 2023 and all contribution payments have been paid in full. The 2023 Eligible Participants made aggregate contribution payments of RMB4,345,000 into the pre-IPO employee incentive platforms, which in turn subscribed for 868,900 shares of the Company.

2024 Pre-IPO Employee Incentive Scheme (as defined below)

On December 2, 2024, the Group has adopted the 2024 pre-IPO employee incentive scheme (the "2024 Pre-IPO Employee Incentive Scheme"). One limited partnership, Shenzhen Dahon Tech Enterprise Management Consulting Partnership (L.P.) (深圳大行科工企業管理諮詢合夥企業(有限合夥)) ("Dahon Tech Enterprise LP") was established as the pre-IPO employee incentive platform, with a view to improve the enthusiasm and creativity of the eligible participants of the 2024 Pre-IPO Employee Incentive Scheme (the "2024 Eligible Participants"), promoting the sustainable growth of the performance of the Group, bringing value-added benefits to the 2024 Eligible Participants while enhancing the value of the Group, and thus realizing the common development of both the 2024 Eligible Participants and the Group.

Dahon Tech Enterprise LP had, in turn, subscribed for 378,941 shares, representing approximately 1.60% of the total issued shares (as at the date of the adoption of the 2024 Pre-IPO Employee Incentive Scheme). The 2024 Eligible Participants of the pre-IPO employee incentive platform, shall subscribe for partnership interest therein according to the amount approved by the board of directors of the Company, and make the corresponding contribution in accordance with the arrangement of the board of directors of the Company, thereby holding indirect interest in the shares of the Company.

The corresponding interests in Dahon Tech Enterprise LP were granted to 2024 Eligible Participants on December 2, 2024 and all contribution payments have been paid in full. The 2024 Eligible Participants made aggregate contribution payments of RMB3,032,000 into the pre-IPO employee incentive platforms, which in turn subscribed for 378,941 shares of the Company.

Based on the Pre-IPO Employee Incentive Schemes, the Company will repurchase the shares granted to the 2022 Eligible Participants, 2023 Eligible Participants and 2024 Eligible Participants ("Eligible Participants") when the Eligible Participants fail to satisfy specified vesting conditions. The total consideration paid by the Eligible Participants are recognized as liabilities, and will only be reversed by portion to other reserve when the shares are vested.

Five limited partnerships were set up for the purpose of administering the Pre-IPO Employee Incentive Schemes and holding the shares, and hereby regarded as trustees of the Company and consolidated to the Group accordingly.

b. Transfer restrictions

The shares of the Company shall subject to transfer restrictions, which is also the vesting condition, and such restrictions shall be released in the following manner:

- Meidahon LP, DahonTech LP and Dahon Tech Enterprise LP: From the business day following the third anniversary of the date of listing.
- Dahon LP and DahonInd LP: From the business day following the second anniversary of the date of listing.

In addition to the timetable sets forth above, the release of the shares shall be further subject to the achievement of the certain performance targets of the Company and the grantee respectively (individually and collectively, the "Performance Target(s)"). The remuneration and appraisal committee of the board of directors of the Company shall review and determine the fulfilment of the Performance Target(s), and report to the board of directors of the Company accordingly.

Details of the Eligible Participants comprising directors, supervisors, senior management and staff of the Company under the Pre-IPO Employee Incentive Schemes are set out in "Appendix VI — Statutory and General Information" of the Prospectus.

c. Others

The directors determined the fair value of shares granted under the Pre-IPO Employee Incentive Schemes at grant date, based on the equity value of the Company which was derived by calibrating the result of the valuation of latest transaction price. The fair value of the aforesaid granted shares at grant date, after net of the cash consideration received would be recognized as expense on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. The corresponding share-based payment expense has not been recognized in profit or loss for the years ended December 31, 2022, 2023 and 2024 as the vesting condition is not probable to satisfy.

During the year ended 31 December 2024, the Company modified the terms and conditions in the 2022 Pre-IPO Employee Incentive Scheme and 2023 Pre-IPO Employee Incentive Scheme, by including Hong Kong Stock Exchange as one of the listing market destination. The incremental fair value arising from the modification will be expensed over the vesting period of the 2022 Pre-IPO Employment Scheme and 2023 Pre-IPO Employment Scheme when the vesting condition is probable to satisfy.

32. RETIREMENT BENEFITS SCHEMES

Employees of the Company and its subsidiaries in the PRC are covered by the retirement and pension schemes defined by local practice and regulations. The Company and subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement and pension schemes. The calculation of contributions for PRC eligible staff is based on certain percentage of the applicable payroll costs. The only obligation of the Group in respect of the retirement benefits scheme is to make the specified contribution.

33. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Historical Financial Information, the Group entered into the following transactions with related parties:

Name of related parties	Relationship	Nature of transaction	For the year ended December 31,			Four months ended April 30,	
			2022	2023	2024	2024	2025
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
SZ Riding Sports	Controlled by Dr. Hon	Sales to related parties	19,828	—	—	—	—
		Services provided to related parties	309	—	—	—	—
		Purchases from related parties	2,806	204	—	—	—
		Services received from related parties	600	5	—	—	—

Name of related parties	Relationship	Nature of transaction	For the year ended December 31, 2022	2023	2024	Four months ended April 30, 2024	2025
			RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Dahon Technology	Controlled by Dr. Hon	Service provided to related parties	57	52	—	—	—
		Purchases from related parties	2	142	—	—	—
		Repayment of principal of lease liabilities to related parties	160	—	—	—	—
		Repayment of interest of lease liabilities to related parties	4	—	—	—	—
		Services received from related parties	39	—	—	—	—
深圳市協進五金製品有限公司 (Shenzhen Xiejin Hardware Products Co., Ltd*) ("Shenzhen Xiejin") *(Note (ii))*	An associate of Dahon Technology	Purchases from related parties	3,288	N/A	N/A	N/A	N/A
DNA	Controlled by Dr. Hon	Acquisition of trademarks *(Note (i))*	—	14,403	N/A	N/A	N/A
		Sales to related parties	5,331	—	N/A	N/A	N/A
		Service provided to related parties	589	—	N/A	N/A	N/A
Dahon Global	Controlled by Dr. Hon	Purchase from related parties	895	1,063	N/A	N/A	N/A
Xindahang	An associate of the Company	Purchase from related parties	171	—	—	—	—
深圳博康科工有限公司 (Shenzhen Clinair Tech Co., Ltd.*)	Controlled by Dr. Hon	Granting of patent rights	N/A	N/A	142	—	—

* *English translated name for identification purpose only.*

Notes:

(i) During the year ended December 31, 2023, the Company has acquired the trademarks from DNA which have useful lives from 3–10 years.

(ii) Shenzhen Xiejin ceased to be a related party from June 29, 2022 as it was disposed by Dahon Technology to an independent third party.

The remuneration of key management of the Group was as follows:

	For the year ended December 31, 2022	2023	2024	Four months ended April 30, 2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Salaries and other benefits	2,131	2,322	2,516	810	789
Performance-related incentive payments	1,534	990	2,428	844	368
Post-employment benefits	84	98	146	34	79
	3,749	3,410	5,090	1,688	1,236

34. INVESTMENT IN SUBSIDIARIES/PARTICULARS OF SUBSIDIARIES

The Company

	At December 31, 2022	2023	2024	As at April 30, 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Unlisted investments, at cost	6,293	6,293	7,263	7,412

Name of subsidiaries	Place of incorporation or registration/ establishment, legal form	Date of incorporation or registration/ establishment	Paid up issued share capital/ registered capital/ authorized capital/total capital	Proportion of ownership interest/voting rights held by the Company: At December 31, 2022 %	2023 %	2024 %	At April 30, 2025 %	At date of this report	Principal activities	*Notes*
惠州市美大行科技有限公司 Huizhou Dahon Technology Co., Ltd.* ("HZ Dahon")	PRC, limited liability company	September 5, 2019	Registered RMB5,000,000	100	100	100	100	100	Production of bicycles and related accessories	(a)
深圳市美大行商貿有限公司 Shenzhen Meidahon Trading Co., Ltd.* ("SZ Meidahon")	PRC, limited liability company	August 24, 2021	Registered RMB1,000,000	100	100	100	100	100	Sales of bicycles and related accessories	(b)
深圳市大行商貿有限公司 Shenzhen Dahon Trading Co., Ltd.* ("SZ Dahon")	PRC, limited liability company	August 24, 2021	Registered RMB1,000,000	100	100	100	100	100	Sales of bicycles and related accessories	(b)
美大行科技(香港)有限公司 Dahon Technology (HK) Limited. ("Dahon HK")	HK, limited liability company	February 10, 2022	HKD100,000	100	100	100	100	100	Sales of bicycles and related accessories	(c)
Meidahon LP	PRC, limited partnership	May 7, 2022	Registered RMB2,811,600	100	100	100	100	100	Investment holding	(d)
Dahon LP	PRC, limited partnership	May 7, 2022	Registered RMB1,026,850	100	100	100	100	100	Investment holding	(d)
DahonTech LP	PRC, limited partnership	August 28, 2023	Registered RMB3,380,250	N/A	100	100	100	100	Investment holding	(e)
DahonInd LP	PRC, limited partnership	August 28, 2023	Registered RMB964,250	N/A	100	100	100	100	Investment holding	(e)
Dahon Tech Enterprise LP	PRC, limited partnership	November 14, 2024	Registered RMB3,380,250	N/A	N/A	100	100	100	Investment holding	(f)
深圳大行共享科技有限公司 Shenzhen Dahon Sharing Technology Co., Ltd.*	PRC, limited liability company	July 16, 2024	Registered RMB1,000,000	N/A	N/A	100	100	100	Sales of bicycles and related accessories	(g)
Vitesse Biki Inc.	United States of America, limited liability company	October 14, 2024	Authorized USD10,000	N/A	N/A	100	100	100	Sales of bicycles and related accessories	(f)

Name of subsidiaries	Place of incorporation or registration/ establishment, legal form	Date of incorporation or registration/ establishment	Paid up issued share capital/ registered capital/ authorized capital/total capital	Proportion of ownership interest/voting rights held by the Company					Principal activities	Notes
				At December 31,			At April 30,	At date of this report		
				2022	2023	2024	2025			
				%	%	%	%			
Dahon Europe OÜ	Estonia, limited liability company	November 7, 2024	Total EUR1	N/A	N/A	100	100	100	Sales of bicycles and related accessories	(f)
Dahon International Inc.	United States of America, limited liability company	April 28, 2025	Authorized USD10,000	N/A	N/A	N/A	100	100	Sales of bicycles and related accessories	N/A
大金科工(天津)車業有限公司 DAGOLD Technology (Tianjin) Vehicle Industry Co., Ltd.*	PRC, limited liability company	May 29, 2025	Registered RMB10,000,000	N/A	N/A	N/A	N/A	51	Sales of bicycles and related accessories	N/A
大金科工(天津)金屬製品有限公司 DAGOLD Metal Products (Tianjin) Co., Ltd.	PRC, limited liability company	August 19, 2025	Registered RMB1,000,000	N/A	N/A	N/A	N/A	100	Sales of bicycles and related accessories	N/A

All subsidiaries have a financial year end of December 31. None of the subsidiaries had issued any debt securities during the Track Record period.

Notes:

(a) The statutory financial statements for each of the years ended December 31, 2022, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Shenzhen HuaKai CPA & Co. (Limited Partnership)* 深圳華楷會計師事務所(普通合夥), Shenzhen Great Wall CPA Limited* 深圳市長城會計師事務所有限公司 and Shenzhen Huasi Certified Public Accountants* 深圳華思會計師事務所(普通合夥), respectively.

(b) The statutory financial statements for each of the years ended December 31, 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Shenzhen Great Wall CPA Limited* 深圳市長城會計師事務所有限公司 and Shenzhen Juxin Certified Public Accountants* 深圳聚鑫會計師事務所(普通合夥). No statutory financial statements for the year ended December 31, 2022 have been prepared for these entities as these entities were not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdiction of incorporation.

(c) The statutory financial statements for each of the years ended December 31, 2022 and 2023 were prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and were audited by United CPA & Co. As the date of this report, the statutory financial statements of Dahon HK for the year ended December 31, 2024 is not yet issued.

(d) No statutory financial statements for the period/years ended December 31, 2022, 2023 and 2024 have been prepared for these entities as these entities were not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdiction of incorporation.

(e) No statutory financial statements for the period/year ended December 31, 2023 and 2024 have been prepared for these entities as these entities were not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdiction of incorporation.

(f) No statutory financial statements for the period ended December 31, 2024 have been prepared for these entities as these entities were not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdiction of incorporation.

(g) The statutory financial statements for the period ended December 31, 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Shenzhen Juxin Certified Public Accountants* 深圳聚鑫會計師事務所(普通合夥).

* *English translated name for identification purpose only.*

35. EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to April 30, 2025.

36. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to April 30, 2025.

*The information set out in this Appendix II does not form part of the accountants' report on the historical financial information of the Group for the Track Record Period (the "**Accountants' Report**") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set out in Appendix I to this prospectus and is included herein for information only.*

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial information" of this prospectus and the Accountants' Report set forth in Appendix I, to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Global Offering (as defined in this prospectus) on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at April 30, 2025, as if the proposed Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at April 30, 2025 or any future dates following the Global Offering.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at April 30, 2025 as derived from the Accountants' Report, the text of which is set out in Appendix I to this prospectus, and adjusted as follows:

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at April 30, 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at April 30, 2025	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at April 30, 2025 per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on Offer Price of HK$49.50 per Offer Share	118,686	312,606	431,292	14.90	16.32

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at April 30, 2025 is arrived at after deducting intangible assets of RMB10,883,000 from the audited consolidated net assets attributable to owners of the Company of RMB129,569,000 as at April 30, 2025, as shown in the audited consolidated statements of financial position, the text of which is set in Appendix I to this prospectus.

(2) The estimated net proceeds from the Global Offering are based on 7,920,000 H Shares to be issued at the Offer Price of HK$49.50 per Offer Share, after deduction of the underwriting fees and commissions and other related expenses payable by the Company (excluding the listing expense that have been charged to profit or loss during the Track Record Period). It does not take into account (i) any Shares which may be allotted and issued upon the exercise of the Over-allotment Option, or (ii) any Shares which may be issued or repurchased by the Company pursuant to the general mandates.

For the purpose of calculating the estimated net proceeds from the Global Offering, the amount denominated in Hong Kong dollars has been converted into Renminbi at an exchange rate of HK$1 to RMB0.91285, which was the exchange rate prevailing on August 24, 2025 with reference to the rate published by the People's Bank of China. No representation is made that Hong Kong dollar amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate or at any other rates or at all.

(3) The number of shares used for the calculation of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is based on 28,952,165 Shares, comprising 23,747,841 Shares in issue as at April 30, 2025 excluding 2,715,676 shares issued as at April 30, 2025 under Pre-IPO Employee Incentive Schemes, which represent ordinary shares that are contingently returnable as detailed in note 31 of the Accountants' Report and 7,920,000 H Shares to be issued, assuming the Global Offering had been completed on April 30, 2025. It does not take into account (i) any Shares which may be allotted and issued upon the exercise of the Over-allotment Option, or (ii) any Shares which may be issued or repurchased by the Company pursuant to the general mandates.

(4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share is converted from Renminbi to Hong Kong dollars at the rate of HK$1 to RMB0.91285, which was the exchange rate prevailing on August 24, 2025 with reference to the rate published by the People's Bank of China. No representation is made that the Renminbi amounts have been, would have been or may be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at April 30, 2025 to reflect any operating results or other transactions of the Group entered into subsequent to April 30, 2025.

B. REPORTING ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Dahon Tech (Shenzhen) Co., Ltd. 大行科工(深圳)股份有限公司

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Dahon Tech (Shenzhen) Co., Ltd. 大行科工(深圳)股份有限公司 (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets as at April 30, 2025 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated September 1, 2025 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Global Offering (as defined in the Prospectus) on the Group's financial position as at April 30, 2025 as if the Global Offering had taken place at April 30, 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's historical financial information for each of the three years ended December 31, 2024 and four months ended April 30, 2025, on which an accountant's report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at April 30, 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma 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:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 1, 2025

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is subject to change or adjustment and may have retrospective effect. No issues on PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/appreciation tax, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Share.

TAXATION IN THE PRC

Taxation on Dividends

Individual Investor

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 its implementation rules, for individual income including interest, dividend and bonus, individual income tax with applicable proportional tax rate of 20% shall be paid. Unless otherwise provided by the competent financial and taxation authorities under the State Council, all the interest, dividend and bonus are deemed as derived from the PRC whether the payment place is in the PRC. Pursuant to the Circular on Certain Issues Concerning *the Policies of Individual Income Tax* (《關於個人所得稅若干政策問題的通知》) promulgated on 13 May 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises.

Enterprise Investors

In accordance with the EIT Law and its implementation rules, a uniform enterprise income tax rate of 25% is imposed on all resident enterprises in China, including foreign-invested enterprises; a non-resident enterprise is generally subject to enterprise income tax at a rate of 10% on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable 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 Circular on Issues relating to *the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-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》), which was issued by the SAT on 6 November 2008, further clarifies that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends distributed to overseas non-resident enterprise shareholders of H Shares in 2008 and any subsequent year. In addition, *the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares* (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was issued by the SAT on 24 July 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends distributed to overseas non-resident enterprise shareholders of H Shares in 2008 and any subsequent year. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Pursuant to *the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion* (《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. The Fifth Protocol of the Arrangement between the Mainland of China and *the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion* (《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), which came in to effect on 6 December 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, after taking into account all relevant facts and conditions, are reasonably deemed to be obtaining such benefits, except when the grant of such benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the statutory requirements of PRC tax law documents, such as *the Notice of the SAT on the Issues Concerning the Enforcement of the Dividend Clauses of Tax Treaties* (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-PRC resident investors residing in countries which have entered into treaties for the avoidance of double taxation with the PRC or residing in Hong Kong or Macau are entitled to a reduction of the withholding taxes imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties/Arrangements with a number of countries and regions including Hong Kong, Macau, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant income tax treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the withholding tax in excess of the agreed tax rate, and the refund payment is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

Individual Investor

According to the IIT Law and its implementation rules, gains realized on the sale of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%.

Pursuant to *the Circular on Continuing to Temporarily Exempt Individual Income Tax on Income from the Transfer of Shares by Individuals* (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the SAT in March 1998, from 1 January 1997, income of individuals from transfer of the shares of listed enterprises shall continue to be exempted from individual income tax. On 31 December 2009, the MOF, the SAT and CSRC jointly issued *the Circular on Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Company* (《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》), this circular provides that any individual's income from the transfer of listed shares 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 of the MOF, the STA and the CSRC on Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Company* (《財政部、國家稅務總局、證監會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》) jointly issued by the abovementioned three departments on 10 November 2010).

As of the Latest Practicable Date, no aforesaid provisions had expressly provided that whether individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges. To the knowledge of our Company, in practice, the PRC tax authorities have not levied income tax from non-PRC resident individuals on gains from the transfer of PRC resident enterprises listed on overseas stock exchange. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

Enterprise Investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise is generally subject to enterprise income tax at the rate of a 10% 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 premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable 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. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to *the Stamp Duty Law of the PRC* (《中華人民共和國印花稅法》) issued by the SCNPC on 10 June 2021 and implemented on 1 July 2022, the PRC stamp duty applies to entities and individuals that conclude taxable documents and conduct securities transactions within the PRC and the entities and individuals that conclude taxable documents outside the PRC which are used within the PRC. Therefore, the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies does not apply to the acquisition and disposal of H shares outside the PRC by non-PRC investors.

Estate Duty

The PRC currently does not impose any estate duty.

MAJOR TAXES ON OUR COMPANY IN THE PRC

EIT

According to the EIT Law, which was promulgated on 16 March 2007 and amended from time to time, together with its implementation rules, enterprises are classified into resident enterprises and non-resident enterprises. Enterprises, which are incorporated in the PRC or incorporated pursuant to the foreign laws with their "de facto management bodies" located in the PRC, are deemed as "resident enterprise" and subject to an enterprise income tax rate of 25% on their global income. Non-resident enterprises are subject to (i) an enterprise income tax rate of 25% on their income generated by their establishments or places of business in the PRC and their income derived outside the PRC which are effectively connected with their establishments or places of business in the PRC; and (ii) an enterprise income tax rate of 10% on their income derived from the PRC but not connected with their establishments or places of business located in the PRC. Non-resident enterprises without establishment or place of business in the PRC are subject to an enterprise income tax of 10% on their income derived from the PRC.

Value-Added Tax

According to *the Provisional Regulations on the VAT of the PRC* (《中華人民共和國增值稅暫行條例》), which was promulgated on 13 December 1993 and latest amended on 19 November 2017, together with its implementation rules, entities and individuals engaged in selling goods or labor services of processing, repair or maintenance, selling services, intangible assets or immovables within the PRC or importing goods to the PRC are subject to the payment of value-added tax. Pursuant to *the Notice of the Ministry of Finance of the PRC and State Taxation Administration of the PRC on Adjusting Value-Added Tax Rates* (《財政部、稅務總局關於調整增值稅稅率的通知》) effective on 1 May 2018, a taxpayer who is previously subject to 17% on value-added tax-taxable sales activities shall have the applicable tax rate adjusted to 16%. 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 came into effect on 1 April 2019, for value-added tax-taxable sales or imported goods of a value-added tax general taxpayer where the value-added tax rate of 16% and 10% applies currently, it shall be adjusted to 13% and 9% respectively.

On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC(《中華人民共和國增值稅法》), which will come into effective on January 1, 2026, and replace *the Provisional Regulations on the VAT of the PRC*.

TAXATION IN HONG KONG

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 us.

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 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 realized 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 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 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 ten times the duty payable may be imposed.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable, and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to *the PRC Foreign Currency Administration Rules* (《中華人民共和國外匯管理條例》) promulgated on 29 January 1996 and amended from time to time, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the SAFE or its designated banks is obtained.

According to *the Circular 16*, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign currency capital and foreign debts) may convert from foreign currency into RMB on self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

According to *the SAFE Circular on Further Promoting Cross-border Trade and Investment Facilitation* (《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》) which was promulgated on 23 October 2019, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to law on the condition that the current Special Administrative Measures for Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

On 26 December 2014, *the SAFE issued the Notice of the State Administration of Foreign Exchange 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》). Pursuant to the notice, a domestic company shall, within 15 business days of the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange 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. A domestic company (except for bank financial institutions) shall present its certificate of overseas listing to open a "special account for overseas listing of domestic company" at a local bank for its initial public offering (or follow-on offering) and repurchase business to handle the exchange, remittance, and transfer of funds for the business concerned.

SUMMARY OF PRINCIPAL PRC LEGAL AND REGULATORY PROVISION

This Appendix contains a summary of laws and regulations on companies and securities in the PRC. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to us. This summary is with no intention to include all the information which may be important to the potential investors. For discussion of laws and regulations specifically governing the business of the Company, see "Regulatory Overview".

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance. According to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法(2023修正)》) (the "**Legislation Law**"), the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State in accordance with the Constitution. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC 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 the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the State Audit Administration, organs endowed with administrative functions directly under the State Council and the organizations prescribed by laws may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, ecological civilization development, grassroots governance, and historical and cultural protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture 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 Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which 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 congresses 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 a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC 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, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher level people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**") was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, and its latest version has come into effect on 1 January 2024. The Civil Procedure Law sets forth the criteria for instituting a civil action, 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 judgment 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 a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity. However, if the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest, or if other circumstances specified in Article 300 of the Civil Procedure Law occur, the people's court shall, upon examination, not to recognize or enforce such judgment or ruling.

THE PRC COMPANY LAW, TRIAL MEASURES AND GUIDANCE FOR ARTICLES OF ASSOCIATION

A joint stock company which was incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law (《中華人民共和國公司法》) which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively. The latest amendment was implemented on July 1, 2024;

- The Trial Measures and its five guidelines which were promulgated by the CSRC on 1 February 2023 and came into effect on 31 March 2023, applicable to the overseas offering and listing of joint stock limited companies; and

- The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidance for Articles of Association**") which was latest amended and came into effect on December 15, 2023 by the CSRC. The related Guidance for Articles of Association are set out in the Articles of Association of the Company, the summary of which is set out in the section entitled "Appendix V — Summary of Articles of Association" in this document. The CSRC promulgated the Guidelines for Articles of Association of Listed Companies (Draft for Solicitation of Comments) (《上市公司章程指引(徵求意見稿)》) on December 27, 2024. The consultation period will end on January 26, 2025. As of the Latest Practicable Date, it has not yet been finalized or come into effect.

Set out below is a summary of the major provisions of the PRC Company Law, Trial Measures and Guidance for Articles of Association.

General

A joint stock company refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

Incorporation

A joint stock company may be incorporated by promotion or public subscription.

To incorporate a joint stock company by promotion, there must be more than one but not more than 200 promoters, with at least half residing within the PRC.

For a joint stock company incorporated by promotion, the timing and voting procedures for the inaugural meeting are determined by the company's articles of association or the promoters' agreement. For a joint stock company incorporated by public subscription, the promoters must convene the inaugural meeting within thirty days from the date when the full subscription payment for the shares is received. The promoters are required to notify all subscribers or make a public announcement of the meeting date at least fifteen days in advance. The inaugural meeting can only be held if more than half of the shareholders with voting rights are present. The meeting will discuss and adopt the company's articles of association and elect directors and supervisors. Any resolutions made at the inaugural meeting must be approved by a majority of the voting rights held by the shareholders present.

Within 30 days following the conclusion of the inaugural meeting, an authorized representative of the board of directors must apply for the registration of the joint stock company's incorporation with the company registration authority.

If a promoter fails to pay for the shares they have subscribed to, or if the actual value of non-monetary assets contributed as capital is significantly less than the value of the subscribed shares, the other promoters shall bear joint responsibility for the deficiency.

Share Capital

The promoters of a company can make capital contributions in cash or in kind, which can be valued in currency and transferable according to law such as intellectual property rights or land use rights based on their appraised value.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares.

A company shall issue registered share.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorise the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

According to the PRC Company Law, a company must decide between issuing par value shares or no-par value shares as specified in its articles of association.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council.

A joint stock company must maintain a register of shareholders at the company, detailing the following: (i) the name and domicile of each shareholder; (ii) the types and numbers of shares held by each shareholder; (iii) the serial numbers of printed share certificates; and (iv) the date on which each shareholder acquired the shares.

The shareholders' register cannot be modified within 20 days prior to the shareholders' meeting or within five days before the record date set by the company for dividend distribution.

Allotment and Issue of Shares

All issue of shares of a joint stock company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The offering price of par value shares can be equal to or greater than the nominal value, but it must not be less than the nominal value.

Increase of Share Capital

According to the PRC Company Law, when the joint stock company issues new shares, resolutions shall be passed by a shareholders' general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance, the class and amount of new shares to be issued to existing shareholders, and the amount of funds raised from the issuance of new shares that is recorded as registered capital (in the case of issuing no-par value shares). 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, the change shall be registered with the company registration authorities and an announcement shall be made.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders' general meeting;
- it shall inform its creditors of the capital reduction within 10 days and publish an announcement of the reduction in the newspaper or the national enterprise credit information public disclosure system within 30 days after the resolution approving the reduction has been passed;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts; and
- it shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

Repurchase of Shares

According to the PRC Company Law, a joint stock company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders' general meeting; (v) use of shares for conversion of corporate bonds issued by the company that can be converted into stock; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' interest.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' general meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be canceled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total issued shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the PRC Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

Under the PRC Company Law, shares issued prior to the public offering cannot be transferred within one year from the listing date of the shares on a stock exchange. Directors, supervisors, and senior management of a joint stock company are prohibited from transferring more than 25% of the total shares they hold in the company annually during their tenure (as determined at the time they assume their positions), and the shares they held in the company cannot neither be transferred within one year from the listing date of the shares nor within half a year after such person has left office. The articles of association may set other restrictive requirements on the transfer of the company's shares held by its directors, supervisors and senior management.

Under PRC law, our Domestic Unlisted Shares, which are denominated and subscribed for in Renminbi, may only be subscribed for and traded by the government or government authorized departments, PRC legal persons, natural persons, qualified foreign institutional investors, or eligible foreign strategic investors. Overseas listed shares, which are denominated in Renminbi and subscribed for in a foreign currency other than Renminbi, may only be subscribed for, and traded by investors from Hong Kong, Macau or Taiwan Region of the People's Republic of China or any country and territory outside the PRC, or qualified domestic institutional investors. However, qualified institutional investors and individual investors may trade Southbound Hong Kong trading Link and Northbound Shanghai trading Link (or the Northbound Shenzhen trading Link) shares via participating in Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

When the application for "full circulation" has been approved by the CSRC, the domestic unlisted shares of the H share listed company might be listed and circulated on the Hong Kong Stock Exchange.

Shareholders

In accordance with and subject to the Company Law and the Guidance for Articles of Association, the rights of holders of ordinary shares of a joint stock company include:

- the right to require, convene, preside over, participate in or send proxies of shareholders to attend shareholders' general meeting and to exercise the corresponding voting rights according to the law;
- the right to transfer, donate or pledge their shares in accordance with laws, administrative regulations and provisions of the articles of association;
- the right to supervise, make suggestions on or question the Company's operations;
- the right to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of shareholder's general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports;
- any shareholder who has a different view on a resolution on the merger or division of the Company made by a shareholders' general meeting has the right to require the Company to buy back his/its shares;
- the right to receive dividends and other types of interest distributed in proportion to the number of shares held;
- in the event of the termination or liquidation of the company, the right to participate in the distribution of the company's residual properties in accordance with the types and proportions of shares held; and
- other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include adhering to the company's articles of association, paying the subscription monies for the shares subscribed in accordance with the prescribed form of capital contributions, being liable to the company to the extent of the shares subscribed, and fulfilling any other obligations specified in the company's articles of association.

Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law.

Under the PRC Company Law, the shareholders' general meeting exercises the following principal powers:

- to elect or replace the directors and supervisors (other than the representative of the employees of the company) and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution, liquidation or change of company form and other matters;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association. Shareholders' annual general meetings are required to be held once every year.

Under the PRC Company Law, an extraordinary shareholders' general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is fewer than the number required by law or less than two-thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total paid-in share capital;
- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors so requests; or
- other circumstances as provided for in the articles of associations.

Under the PRC Company Law, shareholders' general meetings 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 does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the PRC Company Law, notice of shareholders' general meeting shall state the time, venue and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholder's general meetings shall be given to all shareholders 15 days prior to the meeting. Under the Guidance for Articles of Association, after the notice of the general meeting of shareholders is issued, the general meeting of shareholders shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of general meeting of shareholders shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

Shareholders who individually or collectively hold 1% or more of the company's shares may submit interim proposals to the board of directors in writing at least ten days before the general meeting of shareholders. Interim proposals must include clear topics and specific resolutions. The board of directors shall notify other shareholders within two days of receiving the proposal and submit the interim proposal to the general meeting of shareholders for deliberation, unless the interim proposal violates laws, administrative regulations, the articles of association, or falls outside the authority of the general meeting of shareholders. The company shall not increase the shareholding percentage requirement for shareholders to submit interim proposals.

Under the PRC Company Law, shareholders attending the general meeting have one vote per share they hold, except for shares with different voting rights issued by the company. However, shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the PRC Company Law and the Guidance for Articles of Association, resolutions of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the merger, division, dissolution, liquidation or change in the form of the company; (iv) any purchase or sale of major assets or any provision of guarantee within one year in an amount in excess of 30% of the Company's latest audited total assets; (v) any equity incentive scheme; and (vi) any other matters specified by laws, administrative regulations or the Articles of Association and other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the PRC Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

Under the PRC Company Law, a joint stock company shall have a board of directors comprising more than three members. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and 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 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 mainly exercises the following powers:

- to convene the shareholders' general meetings and report on its work to the shareholders' general meetings;
- to implement the resolutions passed in shareholders' general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;

- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to determine the establishment of internal management structures within the company;
- to determine the appointment or dismissal of the company's general manager and their remuneration, and to determine the appointment or dismissal or remuneration of the company's deputy general manager, chief financial officer based on the general manager's recommendations;
- to formulate the company's basic management system; and
- to exercise any other powers under the articles of association or as granted by the shareholders' general meeting.

Board Meetings

Under the PRC Company Law, meetings of the board of directors of a joint stock company shall be convened at least twice a year. Notice 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 voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall beheld only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director is entitled to one vote on resolutions of the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution by the board of directors violates the laws, administrative regulations, the articles of association, or resolutions of the shareholders' general meetings, resulting in serious losses for the company, the directors involved 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 may be released from that liability.

Chairman of the Board

Under the PRC Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The PRC Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;
- a person who has been convicted of bribery, corruption, embezzlement, misappropriation of property, or destruction of the socialist market economy order; or who has been deprived of political rights due to crimes, in cases where less than five years have passed since completing the sentence; or who has been deprived of political rights due to crimes, in cases where less than two years have passed since completing the probation period;
- 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;
- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation; or
- a person who is liable for a relatively large amount of debts that are overdue or is designated by the people's court as an untrustworthy debtor.

Board of Supervisors

A joint stock company may establish a supervisory committee composed of not less than three members. The board of supervisors is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise.

A joint stock company may, in accordance with the provisions of its articles of association, establish an audit committee composed of directors within the board of directors to perform the supervisory committee functions stipulated by the Company Law, eliminating the need to set up a supervisory committee or appoint supervisors.

The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint one or more vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and 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 term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The board of supervisors of a company shall hold at least one meeting every six months.

Under the PRC Company Law, the board of supervisors mainly exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the dismissal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' general meeting under the Company Law;
- to initiate proposals for resolutions to shareholders' general meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and

- Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Manager and Senior Management

According to the PRC Company Law and the Guidance for Articles of Association, a manager shall be appointed by the company, with their hiring or dismissal determined by the board of directors. The manager is accountable to the board and exercises authority in accordance with the articles of association or as authorized by the board. The manager should be present at board meetings.

According to the PRC Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and they have fiduciary duties to the company. Directors, supervisors and senior management are prohibited from:

- encroachment of company assets and embezzlement of company funds;
- depositing the company's funds into an account opened under their personal name or another individual's name;
- utilizing their official position to bribe or accept illegal income;
- claiming commissions from others' transactions with the company for personal gain;
- unauthorized disclosure of company secrets; or
- other actions that violate the duty of loyalty to the company.

A director, supervisor, or senior management member who violates any law, regulation, or the company's articles of association while performing their duties, causing any loss to the company, shall be liable for compensation.

Derivative Action by Minority Shareholders

The PRC Company Law grants shareholders of a joint stock company the right to act if directors or senior management violate laws, regulations, or the company's articles of association while performing their duties and cause damage to the company. Shareholders who individually or jointly hold more than 1% of the company's shares for over 180 consecutive days may submit a written request to the supervisory committee to initiate proceedings in the people's court. In the event that supervisors violate laws, regulations, or the company's articles of association while performing their duties and cause damage to the company, the above said shareholders may send written request to the board of directors to initiate proceedings in the people's court. Upon receipt of aforesaid 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 from the date of receipt of the request, or if under urgent situations, failure of initiating immediate proceeding 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 people's court in their own name.

Finance and Accounting

Under the PRC Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the PRC Company Law, the company shall make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. A joint stock company that publicly issues shares shall disclose its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into the legal accumulation fund (except where the fund has reached 50% of its registered capital).

If its legal accumulation fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the legal accumulation fund pursuant to the above provisions.

After allocation of the legal accumulation fund from after-tax profits, it may, upon a resolution passed at the shareholders' general meeting, allocate the optional accumulation fund from after-tax profits.

The premium from issuing par value shares above their nominal value, or funds from issuing no-par value shares not included in the registered capital, along with other items specified by the Ministry of Finance under the State Council for inclusion in the capital accumulation fund, should be classified as the company's capital accumulation fund.

The company's accumulation fund is utilized to cover losses, expand business operations, or convert into registered capital. When using the capital accumulation fund to cover losses, the optional accumulation fund and the legal accumulation fund should be used first; if these are insufficient, the capital accumulation fund can be used according to regulations. When the legal accumulation fund is converted into the registered capital, the remaining legal accumulation fund must be no less than 25% of the previously registered capital.

The Company shall have no other accounting books except the statutory accounting books. Company funds should not be kept in accounts registered under any individual's name.

Appointment and Retirement of Accounting Firms

Pursuant to the PRC Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' general meeting or board of directors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting or board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

Distribution of Profits

The remaining after-tax profits after making up losses and allocation of the accumulation fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Shares held by the Company shall not be entitled to any distribution of profit.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed.

Dissolution and Liquidation

According to the PRC Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders' general meeting have resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders.

If (i) or (ii) occurs and the company's residual assets have not yet been allocated to shareholders, it may continue its existence by amending its articles of association or through a resolution at the shareholders' general meeting. Such amendments or resolutions must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidating group shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution. The directors of the company are liquidation obligors.

The company's liquidating group consists of directors unless the articles of association or a shareholders' general meeting resolution specifies otherwise. If a liquidating group is not formed within the stipulated time or is formed but does not conduct liquidation, interested parties may apply to the people's court to appoint relevant personnel to form a alternative liquidating group and proceed with liquidation. The people's court should accept the application and promptly organize a alternative liquidating group to carry out the liquidation.

The liquidating group shall exercise the following powers during the liquidation period:

- to handle the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to allocate the company's remaining assets after settling its debts; and
- to represent the company in civil lawsuits.

The liquidating group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or the national enterprise credit information public disclosure system within 60 days. A creditor shall lodge his claim with the liquidating group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidating group shall register such creditor rights. The liquidating group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidating group shall draw up a liquidation plan to be submitted to the shareholders' general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidating group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a bankruptcy liquidation.

Once the people's court accepts the application, the liquidating group must hand over the liquidation affairs to the bankruptcy administrator appointed by the court.

After the liquidation process is completed, the liquidating group must prepare a liquidation report, submit it to the shareholders' general meeting or the court for confirmation, and then report to the company registration authority to apply for the cancellation of the company's registration.

Members of the liquidating group must fulfill their fiduciary duties. If they neglect their responsibilities, causing losses to the company, they are liable for compensation. Additionally, they are responsible for compensation if they intentionally or through gross negligence cause losses to creditors.

Overseas Listing

Subject to specific circumstances, the Trial Measures and its guidelines require that, among other things, (i) initial public offerings or listings on overseas markets of domestic companies shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas; and (iv) if the overseas offering or listing has not been completed within one year upon the completion of the filing with CSRC, the filing documents shall be updated if such overseas offering or listing is going to further proceed.

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

SECURITIES LAW AND REGULATIONS

CSRC, a ministerial-level public institution directly under the State Council, performs a unified regulatory function, according to the relevant laws and regulations, and with the authority by the State Council, over the securities and futures market of China, maintains an orderly securities and futures market order, and ensure a legal operation of the capital market.

The PRC Securities Law (《中華人民共和國證券法》("**PRC Securities Law**") took effect on 1 July 1999 and was revised on 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by 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 shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Termination of Listing

The PRC Securities Law stipulates that the trading of shares of a company of a stock exchange may be terminated if so decided by the stock exchange.

Where the stock exchange decides on delisting of securities, it shall promptly announce and file records with the securities regulatory authority of the State Council.

The Trial Measures requires that, upon the occurrence of voluntary or mandatory delisting after an issuer has offered and listed securities on an overseas market, the issuer shall submit a report to CSRC within three working days after the occurrence and public announcement of such event.

JUDICIAL JUDGMENT AND ITS ENFORCEMENT

According to *the Arrangements of the Supreme People's Court for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region* (《最高人民法院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》), effective on 29 January 2024, and promulgated by the Supreme People's Court, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court regarding civil and commercial cases, excluding certain types, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court.

China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan, and many other countries. Additionally, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in the United States or any of the other jurisdictions mentioned above may be recognized and enforced in China or Hong Kong, considering the treaties providing for the reciprocal enforcement of judgments between China and the country where the judgment was made.

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 by the Standing Committee of the NPC on 31 August 1994, became effective on 1 September 1995 and was amended on 27 August 2009 and 1 September 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association 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 except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final 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. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, shall apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on 10 June 1958 pursuant to a resolution of the Standing Committee of the NPC passed 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 recognized and enforced by all 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 application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement titled *the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong* (《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》) (the "**Arrangement**") was established between Mainland China and Hong Kong. The Arrangement was promulgated in Mainland China on January 24, 2000, as a judicial interpretation by the Supreme People's Court and took effect on February 1, 2000. On November 26, 2020, the Supreme People's Court promulgated *the Supplemental Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong* (《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》) (the "**Supplemental Arrangement**"), which amended the Arrangement. The Supplemental Arrangement took effect on November 27, 2020. Under the Arrangement and the Supplemental Arrangement, subject to certain requirements being met, arbitral awards rendered by arbitration institutions in Mainland China pursuant to the Arbitration Law can be enforced in Hong Kong, and arbitral awards made in Hong Kong can similarly be enforced in Mainland China.

LOSS OF SHARE CERTIFICATES

If a registered share certificate is lost, stolen or destroyed, the relevant shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court to declare such certificate invalid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for a replacement share certificate.

DIVIDENDS

The company has the authority, 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 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 power to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

SHARES

Issuance of Shares

The shares of our Company are evidenced by share certificates, and our Company's share certificates shall be in registered form.

Shares of our Company shall be issued in an open, fair and just manner. Shares of the same class shall rank *pari passu* with each other. For the same class of shares under the same issuance, each share shall be issued under the same conditions and at the same price. For the shares subscribed by any entity or individual, the price payable for each share shall be the same.

Increase, Reduction and Repurchase of Shares

Based on the needs of operation and development, our Company may increase capital by the following means in accordance with the provisions of laws and regulations after the resolution is passed by the general meeting:

(I) public offering of shares;

(II) non-public offering of shares;

(III) distributing bonus shares to existing shareholders;

(IV) conversion of the accumulation fund into share capital;

(V) other methods approved by laws, administrative regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**SEHK Listing Rules**") and other methods approved by the securities regulatory authority of the State Council and other relevant regulatory bodies.

After our Company's capital increase to issue new shares is approved according to the provisions of the Articles of Association and the SEHK Listing Rules, it shall be handled according to the procedures specified in the relevant laws and administrative regulations of the PRC, the Articles of Association and the SEHK Listing Rules.

Without violating the laws, regulations, the SEHK Listing Rules, and the provisions of the Articles of Association, our Company may repurchase its own shares under the following circumstances, in accordance with the laws, administrative regulations, departmental rules, and the provisions of the Articles of Association:

(I) to decrease the registered capital of our Company;

(II) to merge with another company holding shares of our Company;

(III) to utilize shares for employee stock ownership plans or equity incentives;

(IV) shareholders who object to resolutions on our Company's merger or division passed at the shareholders' general meeting, demanding that our Company purchase their shares;

(V) to satisfy the conversion of the corporate bonds convertible into shares issued by our Company with shares;

(VI) to safeguard corporate value and the interests of the shareholders as necessary;

(VII) other circumstances permitted in laws, administrative regulations and the SEHK Listing Rules.

Where our Company acquires its shares for circumstances set out in items (I) and (II) above, it shall be subject to approval by the general meeting; where our Company acquires its shares for circumstances set out in items (III), (V) and (VI) above, it can be carried out in accordance with the provisions of the Articles of Association or authorization of the general meeting upon resolution by more than two-thirds of the directors present at a board meeting.

If our Company acquires its own shares according to the above provisions and it falls under item (I), the shares must be canceled within 10 days from the acquisition date. If it falls under items (II) or (IV), the shares must be transferred or canceled within 6 months. In cases falling under items (III), (V), or (VI), our Company shall not hold more than 10% of the total issued shares and must transfer or cancel the shares within 3 years.

If the laws, administrative regulations, or relevant provisions of the securities regulatory authority where our Company's stock is listed have different stipulations regarding the aforementioned share repurchase, those provisions shall take precedence.

When doing so, it must adhere to the procedures outlined in the Company Law, the SEHK Listing Rules, and other relevant regulations, as well as the provisions of the Articles of Association.

Transfer of Shares

Unless otherwise stipulated by laws, administrative regulations, or the securities regulatory authority where our Company's stock is listed, shares of our Company can be freely transferred. Our Company shares may be gifted, inherited, and pledged in accordance with relevant laws, administrative regulations, and the provisions of the Articles of Association. Our Company does not accept its own shares as collateral for pledges.

Shares issued before our Company's public issuance shall not be transferred within one year from the date our Company's shares are listed and traded on the stock exchange. Directors, supervisors, and senior management must declare their holdings of our Company's shares and any changes in such holdings. During their tenure, they may transfer no more than 25% of their total shares in our Company each year. Their shares may not be transferred within one year from the date our Company's stock is listed for trading.

All transfers of H shares shall be effected by transfer instrument in writing in a general or common form or in any other form acceptable to the Board, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The transfer instrument may be signed by hand or stamped with our Company's seal (where the transferor or transferee is a corporation) only. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong or its nominee, the transfer instrument may be signed by hand or in printed form. All the transfer instruments shall be kept at the legal address of our Company or an address designated by the Board from time to time.

Register of Members

Our Company maintains a register of shareholders based on the certificates provided by the securities registration institution. This register serves as conclusive evidence of a shareholder's ownership of our Company shares. A shareholder is a person who legally holds our Company shares and whose name is recorded in the register. Shareholders enjoy rights and assume obligations according to the types and amounts of shares they hold; those holding the same type of shares enjoy equal rights and assume the same obligations. The H-share register should be kept in Hong Kong for shareholders' access.

When our Company holds a shareholders' general meeting, distributes dividends, liquidates, or engages in other activities requiring shareholder identity confirmation, the board of directors (the "**Board**") or the convener of the shareholders' general meeting will set the date of record. Those registered as shareholders after the close of business on the date of record are entitled to the relevant rights and benefits.

SHAREHOLDERS AND GENERAL MEETINGS

Rights and Obligations of Shareholders

Ordinary shareholders of our Company are entitled to the following rights:

(I) to receive dividends and other benefit distributions according to their shareholding proportions;

(II) to legitimately request, convene, chair, attend, or appoint proxies to attend the shareholders' general meeting, speak at the meeting, and exercise voting rights (except where voting rights must be waived on specific matters according to securities regulatory rules where our Company's stock is listed);

(III) to supervise our Company's operations, propose suggestions, or make inquiries;

(IV) to transfer, donate, or pledge their shares in accordance with laws, administrative regulations, relevant securities regulators' rules, and the Articles of Association;

(V) to obtain relevant information in accordance with the Articles of Association, including:

(i) a copy of the Articles of Association upon payment of costs;

(ii) free access and the right to copy, upon payment of a reasonable fee, the complete register of shareholders, and personal data of directors, supervisors, and senior management;

(iii) the report on the issued capital status of our Company;

(iv) the report on the total nominal value, quantity, highest and lowest price of each class of shares repurchased by our Company since the previous fiscal year, and all expenses paid by our Company for this purpose (segmented into non-listed shares and H shares);

(v) special resolutions of the shareholders' general meetings;

(vi) the most recent audited financial statements of our Company, and reports of the Board, the auditor, and the board of supervisors;

(vii) a copy of the latest annual report submitted to the industry and commerce administration of China or other competent authorities;

(viii) minutes of the shareholder's general meeting.

The Hong Kong branch of the shareholder register must be accessible for shareholders' inspection, but our Company may temporarily suspend shareholder registration handling under terms equivalent to Section 632 of the Companies Ordinance (Cap. 622).

In compliance with applicable laws, administrative regulations, and securities regulatory rules where our Company's stock is listed, our Company may refuse to provide information if the content to be inspected and copied involves our Company's business secrets, insider information, or personal privacy of relevant personnel.

(VI) upon the dissolution or liquidation of our Company, to participate in the distribution of remaining assets in proportion to their shareholding;

(VII) dissenting shareholders who object to resolutions on our Company's merger or division passed at the shareholders' general meeting are entitled to demand that our Company purchase their shares;

(VIII) other rights as provided by laws, administrative regulations, departmental rules, normative documents, listing regulatory rules where our Company's stock is listed, or the Articles of Association.

Shareholders of our Company shall undertake the following obligations:

(I) to comply with laws, administrative regulations, and the Articles of Association;

(II) to pay subscription monies according to the shares subscribed for and the method of subscription;

(III) not to make divestments unless in circumstances stipulated by laws and administrative regulations;

(IV) not to misuse shareholder rights to harm the interests of our Company or other shareholders; not to misuse the independent legal status of our Company and the limited liability of shareholders to harm the interests of our Company's creditors;

(V) to fulfill other obligations stipulated by laws, administrative regulations, the SEHK Listing Rules, and the Articles of Association.

Shareholders who misuse their rights and cause losses to our Company or other shareholders shall be liable for compensation according to the law.

Shareholders who misuse the independent legal status of our Company and the limited liability of shareholders to evade debts and severely harm the interests of our Company's creditors shall bear joint liability for our Company's debts.

Proxies

Shareholders may attend the shareholders' general meeting in person or appoint a proxy (who does not need to be a shareholder of our Company) to attend and vote on their behalf.

The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall specify:

(I) the name of the proxy and the number of shares represented by the proxy;

(II) whether or not the proxy has any voting rights;

(III) instructions to vote for, against, or abstain from voting on each matter under consideration included in the agenda of the general meeting;

(IV) whether there are voting rights for temporary proposals that may be included in the agenda of the shareholders' general meeting, and if there are voting rights, specific instructions on how to exercise such voting rights;

(V) the date of issue and validity period of the power of attorney;

(VI) signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed or the power of attorney should be signed by an authorized representative;

(VII) other matters required to be specified by the listing regulatory rules of the stock exchange where our Company's stock is listed.

The power of attorney shall be kept at our Company's domicile or at such other place as specified in the notice of the meeting at least 24 hours prior to the convening of the meeting at which the power of attorney authorizes voting, or 24 hours prior to the designated voting time. If the power of attorney for voting by proxy is signed by the authorized person of the principal, the letter of authority for signing or other authorization documents shall be notarized. The notarized power of attorney and other authorization documents shall, together with the power of attorney for voting, be kept at our Company's domicile or at such other place as specified in the notice of the meeting.

Power of the Shareholders' General Meeting and Matters to be Determined

The general meeting is the authoritative body of our Company and shall exercise the following functions and powers in accordance with the law:

(I) to elect dismissed and replace directors and supervisors who are not staff representatives and to decide on matters relating to their remuneration;

(II) to consider and approve reports from the Board;

(III) to consider and approve reports from the board of supervisors;

(IV) to consider and approve our Company's profit distribution plans and loss coverage plans;

(V) to decide on increases or reductions in our Company's registered capital;

(VI) to make resolutions on the issuance of corporate bonds, other securities, and proposals for listing;

(VII) to decide on mergers, divisions, dissolutions, liquidations, or changes in the form of our Company;

(VIII) to amend the Articles of Association, Rules of Procedure for Shareholders' General Meetings, Rules of Procedure for the Board, and Rules of Procedure for the Board of Supervisors;

(IX) to make resolutions regarding our Company's appointments, removals, or non-renewals of accounting firms, as well as their compensation;

(X) to consider and approve transactions or external guarantees that should be decided by the shareholders' general meeting according to the Articles of Association and the Rules of Procedure for Shareholders' General Meetings;

(XI) to consider and approve matters related to the purchase or sale of significant assets exceeding 30% of our Company's total audited assets in the most recent year;

(XII) to consider and approve changes in the intended use of the raised funds;

(XIII) to consider and approve related-party transactions, discloseable transaction external investments, asset mortgages, external financing, and donations that require the approval of the shareholders' general meeting according to the SEHK Listing Rules;

(XIV) to consider the equity incentive plan and employee stock ownership plan;

(XV) to consider proposals submitted by shareholders who individually or collectively hold more than 1% of the voting shares of our Company;

(XVI) to consider other matters that should be decided by the shareholders' general meeting as stipulated by laws, administrative regulations, departmental rules, normative documents, the Articles of Association, or the SEHK Listing Rules.

The aforementioned authority of the shareholders' general meeting cannot be delegated to the Board or other organizations and individuals for exercise. Without violating laws, regulations, and the mandatory provisions of the securities regulatory authorities where our Company's stock is listed, the shareholders' general meeting may authorize or entrust the Board to manage matters it has authorized or entrusted.

The following external guarantee issues by our Company must be considered and approved by the general meeting of shareholders:

(I) any guarantee provided after the total amount of external guarantees by our Company and its subsidiaries exceeds 50% of the most recent audited net assets;

(II) any guarantee provided for entities with a debt-to-asset ratio over 70%;

(III) any single guarantee that exceeds 10% of the most recent audited net assets;

(IV) any guarantee resulting in the total amount of guarantees exceeding 30% of our Company's most recent audited total assets within twelve consecutive months;

(V) any guarantee provided after the total amount of our Company's external guarantees exceeds 30% of the most recent audited total assets;

(VI) any guarantee provided to shareholders, the actual controller, and their related parties;

(VII) other situations stipulated by laws, administrative regulations, departmental rules, the SEHK Listing Rules, or the Articles of Association.

The aforementioned external guarantee matters that require the shareholders' general meeting for approval must first be considered and approved by the Board before being submitted to the general meeting of shareholders. The resolution on item (IV) must be approved by more than two-thirds of the voting rights held by shareholders present at the meeting.

When the shareholders' general meeting considers proposals to provide guarantees for shareholders, the actual controller, and their related parties, related shareholders or shareholders controlled by the actual controller shall not participate in the voting. The resolution must be approved by more than half of the voting rights held by other shareholders present at the meeting.

If directors or senior management violate laws, administrative regulations, or the Articles of Association regarding the consideration and approval authority and procedure for external guarantees, causing losses to our Company, they shall be liable for compensation. Our Company may file a lawsuit against them in accordance with the law.

Transactions where our Company unilaterally gains benefits, such as receiving donated cash assets, obtaining debt relief, accepting guarantees, and receiving subsidies, are exempt from the requirement to follow the shareholders' general meeting consideration and approval procedures as stipulated in the above provisions.

Resolutions at general meetings are categorized as ordinary and special resolutions.

Ordinary resolutions require approval by more than half of the voting rights held by shareholders (including their proxies) present at the meeting.

Special resolutions require approval by more than two-thirds of the voting rights held by shareholders (including their proxies) present at the meeting.

Shareholders (including their proxies) shall exercise their voting rights according to the number of shares with voting rights they represent, except when voting rights must be waived for specific matters according to the securities regulatory rules of the stock exchange where our Company's stock is listed. Each share carries one vote.

When voting, shareholders (including their proxies) with two or more votes are not required to cast all their votes in favor or against.

Shares in our Company that are held by our Company do not carry any voting rights and are not included in the total number of voting shares represented by shareholders present at the general meeting.

The following matters shall be approved by an ordinary resolution at the shareholders' general meeting:

(I) work reports from the Board and the board of supervisors;

(II) profit distribution plans and loss coverage plans proposed by the Board;

(III) appointments and removals of members of the Board and the board of supervisors, including their remunerations and payment methods;

(IV) annual reports of our Company;

(V) appointments, removals, or non-renewals of accounting firms, including their compensation;

(VI) other significant matters exceeding the investment and decision-making authority of the Board as stipulated in the Articles of Association;

(VII) other matters that, except as required by laws, administrative regulations, departmental rules, normative documents, the listing rules where our Company's stock is listed, the SEHK Listing Rules, and the Articles of Association, shall be approved by a special resolution.

The following matters shall be approved by a special resolution at the shareholders' general meeting:

(I) making resolutions concerning the increase or decrease of our Company's registered capital and the issuance of any type of shares, warrants, and other similar securities;

(II) making resolutions regarding the issuance of corporate bonds, other securities, and listing;

(III) making resolutions on mergers, divisions, dissolutions, liquidations, or changes in the form of our Company;

(IV) amending the Articles of Association;

(V) considering and approving the purchase or sale of significant assets exceeding 30% of our Company's total audited assets in the most recent period within a year;

(VI) share schemes;

(VII) matters required by laws, administrative regulations, the SEHK Listing Rules, or the Articles of Association, as well as other matters that may have a significant impact on our Company as approved by an ordinary resolution of the shareholders' general meeting.

Convening, Proposal and Notice of the Meeting

Shareholders who individually or collectively hold 10% or more of our Company's shares have the right to request the Board to convene an extraordinary general meeting and add proposals to the meeting agenda. The request must be submitted in writing to the Board and clarify the topics of the meeting. The Board shall provide written feedback on its consent or refusal to convene an extraordinary general meeting within 10 days of receiving the request, pursuant to laws, administrative regulations, or the Articles of Association, and shall not delay or obstruct without cause. If the Board agrees to convene the extraordinary general meeting, a notice convening the meeting shall be issued within 5 days after the Board resolves to do so. Consent from relevant shareholders shall be sought for any alteration to the original request specified in the notice. If the Board does not agree to convene the extraordinary general meeting or does not reply in writing within 10 days of receiving the request, shareholders who individually or collectively hold 10% or more of our Company's shares have the right to request the board of supervisors to convene an extraordinary general meeting. The request must be submitted in writing to the board of supervisors. If the board of supervisors agrees to convene the extraordinary general meeting, it shall issue a notice thereof within 5 days of receiving the request, and any amendment made in the notice to the original proposals shall be subject to the consent of the relevant shareholders. If the board of supervisors fails to issue a notice of the general meeting within the specified period, it shall be deemed that the board of supervisors will not convene and preside over the general meeting, and shareholders who individually or collectively hold 10% or more of our Company's shares for more than 90 consecutive days are entitled to convene and preside over the meeting themselves.

Contents of a proposal must align with the terms of reference of the general meeting, have clear themes and specific matters for resolutions, and comply with relevant laws, administrative regulations, the listing rules of the location where our Company's stock is listed, and the Articles of Association. The proposal must be submitted in writing.

For the general meeting convened by our Company, the Board, the board of supervisors, and shareholders who individually or collectively hold 1% or more of our Company's shares are entitled to submit proposals to our Company.

Shareholders who individually or collectively hold 1% or more of our Company's shares may submit extraordinary proposals to the convener in writing 10 days before the meeting or within the timeframe stipulated by the listing rules where our Company's stock is listed. The convener shall issue a supplementary notice of the general meeting to announce the content of the extraordinary proposals within 2 days after receiving them or within the timeframe stipulated by the listing rules where our Company's stock is listed.

Except as stipulated above, once the notice of the general meeting has been published by the convener, the proposals listed in the notice shall not be altered, and new proposals shall not be added.

Proposals not included in the notice of the shareholders' general meeting or that do not comply with the Articles of Association shall not be voted on or resolved at the shareholders' general meeting.

General meetings are categorized as annual general meetings and extraordinary general meetings. An annual general meeting must be held once a year and occur within six months after the end of the previous financial year.

Our Company shall convene an extraordinary general meeting within two months if any of the following situations arise:

(I) when the number of directors falls below the statutory minimum required by the Company Law or is less than two-thirds of the number of directors stipulated by the Articles of Association;

(II) when our Company's unrecovered losses reach one-third of its total paid-in share capital;

(III) when requested by shareholders who individually or collectively hold 10% or more of our Company's shares (excluding treasury stocks, in case) (the number of shares held shall be based on the date of the shareholder's written request);

(IV) when the Board deems it necessary;

(V) when the board of supervisors proposes to convene;

(VI) other circumstances as provided by laws, administrative regulations, departmental rules, the SEHK Listing Rules, the listing rules of the place where our Company's stock is listed, and the Articles of Association.

If the extraordinary general meeting is convened in accordance with the listing rules of the place where our Company's stock is listed, the actual date of the extraordinary general meeting may be adjusted based on the approval progress of the stock exchange in the listing location, if applicable.

Notice of the shareholders' general meeting shall be given in writing and include the following contents:

(I) the time, location, and duration of the meeting;

(II) the matters and proposals to be submitted for consideration at the meeting;

(III) a clear statement indicating that all shareholders have the right to attend the shareholders' general meeting, and may appoint a proxy in writing to attend the meeting and participate in voting. The proxy does not need to be a shareholder of our Company;

(IV) the date of record for shareholders entitled to attend the shareholders' general meeting;

(V) the name and telephone number of the permanent contact person for the meeting;

(VI) information and explanations necessary for shareholders to make informed decisions on the matters to be discussed. This principle includes (but is not limited to) providing the specific terms and contracts (if any) of proposed transactions and offering a thorough explanation of their causes and consequences when our Company proposes mergers, share repurchase, capital restructuring, or other reorganizations;

(VII) the nature and extent of directors, supervisors, managers, and other senior management's interest if they have a significant interest in the matters to be discussed. If the discussed matters affect these personnel as shareholders differently from other shareholders of the same category, this difference must be explained;

(VIII) the full text of any special resolutions proposed to be passed at the meeting;

(IX) the delivery time and location of the power of attorney for the proxies voting at the meeting;

(X) the voting time and procedures for online or other voting methods;

(XI) other matters stipulated by laws, administrative regulations, normative documents, and the SEHK Listing Rules.

The notice and supplementary notice of the shareholders' general meeting must fully and completely disclose the specific content of all proposals. If independent non-executive directors need to express their opinions on the discussed matters, their opinions and reasons must be disclosed alongside the issuance of the shareholders' general meeting notice or supplementary notice.

If the shareholders' general meeting uses alternative voting methods, the notice should also specify the voting time and matters for these methods. For meetings using online or other methods, the notice must clearly state the voting time and procedures for these methods. The starting time for online or other voting methods must not be earlier than 3:00 PM on the day before the on-site shareholders' general meeting, and not later than 9:30 AM on the day of the on-site shareholders' general meeting. The closing time must not be earlier than 3:00 PM on the day the on-site shareholders' meeting concludes.

The interval between the date of record and the meeting date must comply with the regulations of the relevant regulatory authorities where our Company's stock is listed. Once the date of record is confirmed, it cannot be changed.

DIRECTORS AND SENIOR MANAGEMENT

Appointment, Removal and Retirement

Directors are elected or replaced by the general meeting of shareholders. Each term of office lasts three years and is renewable upon re-election and re-appointment after expiration.

The Board consists of seven members. The Board shall have one chairman. The chairman is elected by a majority vote of all the directors.

Directors shall comply with laws, administrative regulations, this Articles of Association, and the SEHK Listing Rules, and have the following loyalty duties to our Company to safeguard its interests:

(I) not to use their official position to accept bribes or other illegal income;

(II) not to exploit their position for the benefit of the actual controller, shareholders, employees, themselves, or other third parties to the detriment of our Company's interests;

(III) not to embezzle company funds or misappropriate company assets;

(IV) not to deposit company assets or funds into an account opened under their personal name or another individual's name;

(V) not to lend company funds to others or provide guarantees using company assets, in violation of the Articles of Association or without the consent of the shareholders' general meeting or the Board meeting;

(VI) not to enter into contracts or conduct transactions with our Company, in violation of the Articles of Association or without the consent of the shareholders' general meeting;

(VII) not to use their official position to seek business opportunities that should belong to our Company for themselves or others, or engage in or operate businesses similar to our Company's for themselves or others, without the consent of the shareholders' general meeting;

(VIII) not to accept commissions from transactions with our Company for personal gain;

(IX) not to disclose company secrets without authorization;

(X) not to use their related party relationships to harm our Company's interests;

(XI) safeguard our Company's financial security and not assist or condone the controlling shareholder and its subsidiaries in misappropriating company assets;

(XII) comply with other loyalty duties as stipulated by laws, administrative regulations, departmental rules, the SEHK Listing Rules, and the Articles of Association.

Any income obtained by directors in violation of the above provisions shall belong to our Company; if losses are caused to our Company, they shall be liable for compensation.

Directors shall comply with laws, administrative regulations, departmental rules, the SEHK Listing Rules, and the Articles of Association, and have the following diligence duties to our Company to safeguard its interests:

(I) exercise the rights granted by our Company with caution, diligence, and dedication to ensure that our Company's commercial activities comply with national laws, administrative regulations, and various national economic policies, and that business activities do not exceed the scope specified in the business license;

(II) treat all shareholders fairly;

(III) stay informed about our Company's business operations and management status;

(IV) provide written confirmation opinions on periodic reports. Ensure that the information disclosed by our Company is true, accurate, and complete. If directors cannot guarantee the authenticity, accuracy, or completeness of the securities issuance documents and periodic report contents or have objections, they should express their opinion and state their reasons in the written confirmation, which our Company should disclose. If the company does not disclose it, the director may apply for disclosure directly;

(V) provide truthful information and materials to the board of supervisors and not obstruct the board of supervisors or supervisors from exercising their powers;

(VI) fulfill other diligence duties as stipulated by laws, administrative regulations, departmental rules, the CSRC, the Hong Kong Stock Exchange, the SEHK Listing Rules, and the Articles of Association.

The director of our Company must be a natural person without any of the following circumstances applying:

(I) a person with no or limited civil capacity;

(II) a person who, due to corruption, bribery, embezzlement, misappropriation of property, or disrupting the socialist market economy order, is sentenced to punishment, and the execution period has not exceeded five years, or is deprived of political rights due to a crime, and the execution period has not exceeded five years or if suspension of the sentence is announced, it has not been two years since completion of probation;

(III) a person who has been a former director, factory manager, or general manager of a company or enterprise that entered into insolvent liquidation and was personally liable for the insolvency, where less than three years have passed since the completion of the bankruptcy and liquidation of the company or enterprise;

(IV) a person who served as a legal representative of a company or enterprise that had its business license revoked due to legal violations and was ordered to close down, and was personally responsible, where less than three years have passed since the revocation or order of closedown date;

(V) a person is listed as a dishonest judgement debtor who is liable for a relatively large amount of debts that are overdue;

(VI) a person subject to securities market entry restrictions imposed by the CSRC, with the restriction period not yet expired;

(VII) other content stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the company's stock is listed.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Accounts and Audit

The financial and accounting systems of our Company are formulated by our Company in accordance with laws, administrative regulations and the requirements of relevant authorities of the State.

At the end of each fiscal year, our Company prepares financial accounting reports, which are audited by the accounting firm in accordance with the law. The financial accounting reports are prepared in compliance with relevant laws, administrative regulations, departmental rules, and the SEHK Listing Rules.

Our Company is required to submit, disclose, and/or present annual reports, interim reports, preliminary results announcements, and other documents to shareholders in accordance with laws, administrative regulations, the regulations of the CSRC, and the securities regulatory rules of the stock exchange where our Company's stock is listed.

Profit Distribution

In distributing this year's profit after tax, 10% shall be allocated to our Company's legal accumulation fund. Once the fund reaches 50% or more of our Company's registered capital, no further appropriations are needed.

If the legal accumulation fund is insufficient to cover the previous year's losses, current year profits must first address these losses before allocation to the legal accumulation fund as per the aforementioned provision.

After allocating profits to the legal accumulation fund, our Company may allocate profits to the optional accumulation fund upon a resolution at the shareholders' general meeting.

Remaining after-tax profits, after covering losses and allocations to the accumulation fund, may be distributed to shareholders in proportion to their holdings unless specified otherwise by the Articles of Association.

If the shareholders' general meeting distributes profits improperly before covering losses and allocating to the legal accumulation fund, shareholders must return the improperly distributed profits.

Shares of our Company held by our Company do not participate in profit distribution.

The accumulation fund shall be used to cover losses, expand production operations, or be converted to increase our Company's share capital.

When the legal accumulation fund is converted into share capital, the remaining amount of that fund must not be less than 25% of our Company's registered capital before conversion.

MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF OUR COMPANY

In the event of a merger involving our Company, the parties shall execute a merger agreement and formulate a balance sheet and a list of assets. Our Company will notify creditors within 10 days of the resolution date and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days of receiving notice or within 45 days of the announcement if they have not received notice, require our Company to settle its debt or provide a relevant guarantee.

Upon a merger, the claims and debts of involved parties shall be assumed by the surviving company or newly established company.

In the event of a division of our Company, its properties shall be allocated accordingly.

For the division, a balance sheet and a list of assets shall be formulated. Our Company shall notify creditors within 10 days of the merger resolution and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days.

The company is dissolved for the following reasons:

(I) the term of operations specified in the Articles of Association has expired, or another circumstance for dissolution outlined in the Articles of Association has occurred;

(II) the general meeting decides to dissolve it;

(III) it is necessary to dissolve due to a merger or division of our Company;

(IV) its business license is canceled, or it is ordered to close down or dissolve according to the law;

(V) when our Company faces severe operational and management difficulties, its continuous existence may cause material losses to shareholders' interests, and such difficulties cannot be resolved otherwise, shareholders holding more than 10% of the voting rights may apply to the people's court to dissolve our Company.

If our Company is to be dissolved according to the provisions of sub-paragraphs (I), (II), (IV), (V) of the preceding Article, a liquidating group shall be established, and liquidation shall commence within 15 days from the date the cause for dissolution arises. The liquidating group shall consist of personnel determined by the directors or the general meeting. If our Company fails to establish the liquidating group and carry out the liquidation within the time limit, its creditors may petition the people's court to appoint relevant persons to form a liquidating group and proceed with the liquidation.

The liquidating group must notify creditors within 10 days of its establishment and make public announcements in newspapers or the National Enterprise Credit Information Publicity System within 60 days of its establishment. Creditors should declare their claims to the liquidating group within 30 days from receiving the written notice or, if they did not receive a written notice, within 45 days from the announcement date.

When declaring their claims, creditors must explain the particulars relevant to their claims and provide supporting documentation. The liquidating group shall register the claims.

During the claims declaration period, the liquidating group shall not repay the debts to creditors.

After the liquidation group has liquidated our Company's property and formulated a balance sheet and a list of assets, it shall draft a liquidation plan and submit it to the general meeting or the people's court for confirmation. Our Company's property remaining after payment of the liquidation expenses, employee wages, social insurance premiums, statutory compensation for the employees, taxes owed, and all our Company's debts shall be distributed to the shareholders in proportion to the shares they hold.

During liquidation, our Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. Our Company's property will not be distributed to the shareholders until its debts are repaid in accordance with the preceding provision.

If the liquidating group, after liquidating our Company's property and formulating a balance sheet and a list of assets, finds that our Company's property is insufficient to fully pay its debts, it shall apply to the people's court for a bankruptcy declaration in accordance with the law.

Once the people's court declares our Company bankrupt, the liquidating group shall transfer the liquidation matters to the people's court.

After completing the liquidation of our Company, the liquidating group shall formulate a liquidation report, submit it to the general meeting or the people's court for confirmation, and to our Company's registration authority to apply for company deregistration, and announce the termination of our Company.

OTHER PROVISIONS MATERIAL TO OUR COMPANY AND OUR SHAREHOLDERS

General Provisions

Our Company is a joint stock limited company, with perpetual duration.

From the date the Articles of Association take effect, they shall serve as a legally binding document regulating our Company's organization and conduct, as well as the rights and obligations between our Company and its shareholders, and among the shareholders themselves. This document is legally binding on our Company, shareholders, directors, supervisors, and senior management. The aforementioned personnel may assert their rights related to Company matters in accordance with the Articles of Association. Under the Articles of Association, shareholders may sue other shareholders, directors, supervisors, the general manager, and other senior management of our Company. Similarly, our Company may sue shareholders, directors, supervisors, the general manager, and other senior management.

The Board

The Board exercises the following powers:

(I) responsible for convening the shareholders' general meeting and reporting work progress to it;

(II) implement the resolutions of the shareholders' general meeting;

(III) decide on our Company's business plans and investment proposals;

(IV) formulate our Company's profit distribution plans and loss coverage plans;

(V) formulate plans for our Company to increase or reduce registered capital, issue bonds or other securities, and listing plans;

(VI) draft plans for significant acquisitions, repurchase of our Company's shares, mergers, divisions, dissolution, and changes in company form;

(VII) approve related transactions, external investments, asset mortgages, external financing, and donations as stipulated by the listing rules of the stock exchange where our Company's stock is listed;

(VIII) consider external guarantees except those requiring approval by the shareholders' general meeting;

(IX) consider the purchase and sale of assets except those requiring approval by the shareholders' general meeting;

(X) determine the structuring of our Company's internal management institutions;

(XI) determine the appointment or dismissal of the general manager, secretary to the Company, and decide their remuneration, rewards, and penalties. Based on the general manager's nomination, determine the appointment or dismissal of deputy general managers, the person in charge of finance, and other senior management, and decide their remuneration, rewards, and penalties;

(XII) formulate our Company's basic management system;

(XIII) draft the establishment plan for the Board's special committees and submit it to the shareholders' general meeting for approval, and determine the selection of personnel for the Board's special committees;

(XIV) formulate amendments to the Articles of Association;

(XV) manage our Company's information disclosure matters;

(XVI) propose to the shareholders' general meeting to appoint or replace the accounting firm for our Company's audit;

(XVII) hear the general manager's work report and inspect the general manager's work;

(XVIII) exercise other powers granted by laws, administrative regulations, departmental rules, the SEHK Listing Rules, or the Articles of Association.

Matters exceeding the approval authority granted by the shareholders' general meeting as specified above, and matters that must be submitted to the shareholders' general meeting for consideration and approval according to laws, administrative regulations, departmental rules, the SEHK Listing Rules, and the Articles of Association, shall be submitted by the Board to the shareholders' general meeting for consideration and approval.

A Board meeting can occur only if more than half of the directors are present. To pass a resolution, it must receive approval from more than half of all directors.

Voting on Board resolutions follows a one-person, one-vote principle.

When our Company's directors, supervisors, the general manager, or other senior management have a direct or indirect material interest in our Company's existing or proposed contracts, transactions, or arrangements (excluding employment contracts between our Company and its directors, supervisors, the general manager, and other senior management), they must promptly disclose the nature and extent of their interests to the Board, regardless of whether the matter requires Board approval under normal circumstances. If a director or their associate (as defined under the prevailing SEHK Listing Rules) has a related interest or material interest in matters or entities being resolved in a Board meeting, unless permitted by laws, regulations, or the securities regulatory rules where our Company's stock is listed:

(I) the director shall not exercise voting rights on such resolutions and shall not proxy the voting rights of other directors;

(II) when determining whether a quorum is present at the Board meeting, the director shall not be counted, and the Board meeting shall be held with the presence of more than half of the unrelated directors, and resolutions of the Board meeting shall be passed by more than half of the unrelated directors;

(III) if fewer than three unrelated directors attend the Board meeting, the matter shall be submitted to the shareholders' general meeting for consideration.

The Board's resolutions concerning "related transactions" as defined under the SEHK Listing Rules must comply with the relevant provisions of the SEHK Listing Rules.

Special Committees of the Board

The Board has the audit committee, the nomination committee, the remuneration and appraisal committee, and the strategic and ESG committee. These special committees are accountable to the Board and perform their duties in accordance with the Articles of Association and the Board's authorization. The proposals of the special committees must be submitted to Board meetings for consideration and approval. All members of the special committees are directors. The chairman of the audit committee must be appointed by the Board and must be an independent non-executive director. The chairman of the audit committee should be a professional accountant with the appropriate professional qualifications or relevant accounting or financial management expertise as required by the SEHK Listing Rules. The chairman of the nomination committee must be either the chairman of the Board or an independent non-executive director from among the committee members and appointed by the Board. The chairman of the remuneration and appraisal committee is appointed by the Board and must be an independent non-executive director. The Board is responsible for formulating the working rules of the special committees to regulate their operations. The Board is also responsible for formulating the rules of procedure for each special committee, specifying matters such as their composition, powers, and procedures. Each special committee may engage intermediary organizations to provide professional advice, with the related costs borne by our Company.

Independent Non-Executive Directors

Our Company shall have independent non-executive directors. Unless otherwise required, the provisions of the Articles of Association regarding the qualifications and obligations of the directors shall apply to the independent non-executive directors. Matters related to our Company's independent non-executive directors should be conducted in accordance with laws, administrative regulations, relevant regulatory authorities, and the stock exchange rules.

The Board consists of seven directors, including three independent non-executive directors elected by the general meeting of shareholders. At any time, there must be no fewer than three independent non-executive directors, who must comprise more than one-third of the total number of board members. Among our Company's independent non-executive directors, at least one must possess appropriate accounting or relevant financial management expertise. Independent non-executive directors should have sufficient commercial or professional experience to perform their duties competently, fulfill their responsibilities faithfully, and protect our Company's interests. They must particularly ensure that the legal rights of public shareholders are not infringed, thereby ensuring the interests of all shareholders are fully represented. At least one independent non-executive director must be a permanent resident of Hong Kong.

General Manager

Our Company will appoint one general manager, nominated by the Chairman of the Board and hired or dismissed by the Board. The general manager's term of office is three years per term, renewable upon re-election and re-appointment after expiration. The general manager shall be accountable to the Board and exercise the following powers:

(I) preside over our Company's production, operations, and management; organize the implementation of board meeting resolutions; and report work progress to the Board;

(II) organize the implementation of our Company's annual business plans and investment proposals; execute our Company's financial budget plans;

(III) draft proposals for structuring our Company's internal management institutions;

(IV) draft our Company's basic management system;

(V) formulate our Company's specific regulations;

(VI) propose to the Board the appointment or dismissal of deputy general managers and the person in charge of finance;

(VII) decide on the appointment or dismissal of management, except for those whose appointment or dismissal is decided by the Board;

(VIII) decide on matters regarding external guarantees, external investments, external financing, purchase or sale of assets, asset mortgages, and related transactions that do not require approval from the shareholders' general meeting, the board meeting, or the chairman of the Board;

(IX) other powers granted by the Articles of Association, the Board, or the chairman of the Board;

The general manager attends board meetings but does not have voting rights if they are not a member of the Board.

Company Secretary

Our Company shall have one Company Secretary responsible for preparing shareholders' general meetings and board meetings, maintaining documents, managing shareholders' information, and handling information disclosure matters. The Company Secretary should be a natural person with the necessary professional knowledge and experience and must meet the requirements under the listing rules where our Company's stock is listed. The secretary to the Board is nominated by the chairman of the Board and appointed or dismissed by the Board. Each term of office for a secretary to the Board shall be three years, renewable upon re-election and re-appointment after expiration.

Board of Supervisors

Directors, the general manager, and other senior management shall not serve as supervisors during their term of office.

Each supervisor's term is 3 years, renewable upon re-election and re-appointment after expiration.

Our Company has a board of supervisors, consisting of three supervisors, with one chairperson. The chairperson is elected by a majority of all supervisors and convenes and presides over the board of supervisors' meetings. If the chairperson is unable or fails to perform these duties, more than half of the supervisors can jointly elect one supervisor to convene and preside over the meetings.

The board of supervisors includes representatives of shareholders and employees, with employee representatives making up at least one-third of the board. Employee representatives are elected democratically by the employees through an employee representative assembly, employee assembly, or other forms.

The board of supervisors is accountable to the shareholders' general meeting and exercises the following powers in accordance with the law:

(I) review the periodic reports prepared by the Board and provide written audit opinions;

(II) inspect our Company's financial affairs;

(III) supervise the conduct of directors and senior management in performing their duties for our Company and propose the removal of directors and senior management who violate laws, administrative regulations, the Articles of Association, or resolutions of the shareholders' general meeting;

(IV) require directors and senior management to rectify their conduct when they harm our Company's interests;

(V) propose the convening of an extraordinary shareholders' general meeting and convene and preside over shareholders' general meetings when the Board fails to fulfill its duties to convene and preside over such meetings as stipulated by the Company Law and other laws, regulations, and listing rules of the place where our Company's stock is listed;

(VI) submit proposals to the shareholders' general meeting;

(VII) propose the convening of an extraordinary board meeting;

(VIII) attend board meetings and raise inquiries or suggestions regarding matters resolved by the Board;

(IX) initiate litigation against directors and senior management in accordance with the Company Law and the Articles of Association;

(X) conduct investigations when any abnormal business operations of our Company are discovered, and, if necessary, engage professional institutions such as accounting firms or law firms to assist in its work, with the expenses borne by our Company;

(XI) other powers granted by laws, administrative regulations, departmental rules, normative documents, the SEHK Listing Rules, and the Articles of Association.

Meetings of the board of supervisors shall be convened at least once every six months. Supervisors may propose holding an extraordinary meeting.

Amendments to Constitutional Documents of our Company

Under any of the following circumstances, our Company shall amend the Articles of Association:

(I) if amendments to the Company Law, the SEHK Listing Rules, or relevant laws and administrative regulations result in conflicts with the provisions of the Articles of Association;

(II) if changes in our Company's status quo lead to inconsistencies with the matters recorded in the Articles of Association;

(III) if the shareholders' general meeting decides to amend the Articles of Association.

The Board shall amend the Articles of Association in accordance with the resolutions of the shareholders' general meeting and the approval opinions of the relevant competent authorities. Amendments to the Articles of Association passed by the shareholders' general meeting that require approval from the competent authorities must be submitted for their approval. If the amendments involve matters of company registration, the changes must be registered in accordance with the law. If the amendments to the Articles of Association pertain to information required by law or regulations to be disclosed, they shall be announced as prescribed.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company, formerly known as Shenzhen Meidahon Technology Co., Ltd. (深圳市美大行科技有限公司), was incorporated in the PRC on December 13, 2016. On August 28, 2023, our Company was converted from a limited liability company into a joint stock company with limited liability and renamed to Dahon Tech (Shenzhen) Co., Ltd. (大行科工(深圳)股份有限公司). Our registered office is located at 801, Yizhan Business Building, No.8 Yizhan 4th Road, Shapu Community, Songgang Street, Bao'an District, Shenzhen, the PRC.

Our Company has established a principal place of business in Hong Kong at 28/F, Henley Building, 5 Queen's Road Central, Central, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on February 4, 2025. Our Company has appointed DeHeng Law Offices (Hong Kong) LLP as its authorized representative under the Companies Ordinance for the acceptance of service of process and notices in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company is incorporated in the PRC, we are subject to relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in Appendix IV and Appendix V to this prospectus, respectively.

2. Changes in the share capital of our Company

Save as disclosed in "History, Development and Corporate Structure — Corporate Development — Our Company — Our major historical changes in registered capital and shareholdings", there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus.

3. Shareholders' resolutions of our Company

Pursuant to the general meeting held on January 10, 2025, the following resolutions, among others, were duly passed by our Shareholders:

(a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Stock Exchange;

(b) the number of H Shares to be issued before the exercise of the Over-allotment Option shall be approximately 25% of the enlarged share capital of our Company upon completion of the Global Offering (in fulfillment of the lowest applicable public float requirement pursuant to the Listing Rules) and granting the Underwriters the Over-allotment Option of no more than 15% of the above number of H Shares to be issued;

(c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date; and

(d) authorization of our Board and its authorized persons to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares on the Stock Exchange.

4. Changes in the registered capital of our subsidiaries

The list of our subsidiaries is set out in Note 34 to the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

The following alterations in the share capital of our subsidiaries have taken place within two years immediately preceding the date of this prospectus:

(a) Shenzhen Dahon Sharing Technology Ltd. (深圳大行共享科技有限公司)

Shenzhen Dahon Sharing Technology Ltd. (深圳大行共享科技有限公司) was established in the PRC on July 16, 2024 with a total registered capital of RMB1 million. It is a wholly-owned subsidiary of our Company.

(b) Vitesse Biki Inc.

Vitesse Biki Inc. was established in the United States on October 14, 2024 with a total authorized capital of USD10,000. It is an indirect wholly-owned subsidiary of our Company.

(c) Dahon Europe OÜ

Dahon Europe OÜ was established in Estonia on November 7, 2024 with a total capital of EUR1. It is an indirect wholly-owned subsidiary of our Company.

(d) Dahon International Inc.

Dahon International Inc. was established in the United States on April 28, 2025 with a total authorized capital of USD10,000. It is an indirect wholly-owned subsidiary of our Company.

(e) DAGOLD Technology (Tianjin) Vehicle Industry Co., Ltd. (大金科工(天津)車業有限公司)

DAGOLD Technology (Tianjin) Vehicle Industry Co., Ltd. (大金科工(天津)車業有限公司) was established in the PRC on May 29, 2025 with a total registered capital of RMB10 million. It is a non-wholly owned subsidiary of our Company.

(f) DAGOLD Metal Products (Tianjin) Co., Ltd. (大金科工(天津)金屬製品有限公司)

DAGOLD Metal Products (Tianjin) Co., Ltd. (大金科工(天津)金屬製品有限公司) was established in the PRC on August 19, 2025 with a total registered capital of RMB1 million. It is a non-wholly owned subsidiary of our Company.

Save as disclosed above, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

5. Restriction on share repurchases

For details of the restrictions on share repurchases by our Company, see "Summary of the Articles of Association" which is set out in Appendix V to this prospectus.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus, which is or may be material:

(a) the cornerstone investment agreement dated August 28, 2025 entered into among our Company, Allianz Global Investors Asia Pacific Limited and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$5,000,000 (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee);

(b) the cornerstone investment agreement dated August 28, 2025 entered into among our Company, Greater Bay Area Development Fund Management Limited for and on behalf of the Managed Account of Mega Prime Development Limited and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$2,400,000 (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee);

(c) the cornerstone investment agreement dated August 28, 2025 entered into among our Company, Harvest International Premium Value (Secondary Market) Fund SPC acting on behalf of and for the account of Harvest Oriental SP and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of Hong Kong dollar equivalent of US$2,800,000 (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee);

(d) the cornerstone investment agreement (基石投資協議) dated August 28, 2025 entered into among our Company, VEKEN (HONGKONG) ECONOMIC AND TRADE CO., LIMITED (維科(香港)經貿有限公司) and China Securities (International) Corporate Finance Company Limited with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of HK$20,000,000 (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee);

(e) the Hong Kong Underwriting Agreement; and

(f) the Deed of Non-competition.

2. Our material intellectual property rights

(a) Trademarks

(i) As of April 30, 2025, we have registered the following trademarks which we considered to be material to our business:

No.	Trademark	Registered Owner	Place of Registration	Classes	Registration Number	Validity Period
1	DAHON	Our Company	The PRC	12	3204938	From May 21, 2004 to May 20, 2034
2	大行	Our Company	The PRC	12	4587476	From February 7, 2008 to February 6, 2028
3		Our Company	The PRC	12	6094572	From December 14, 2009 to December 13, 2029
4		Our Company	The PRC	12	6094573	From December 14, 2009 to December 13, 2029
5	DAHON	Our Company	The PRC	12	6184139	From January 7, 2010 to January 6, 2030
6	DAHON	Our Company	The PRC	12	9026780	From July 28, 2015 to March 13, 2032
7		Our Company	The PRC	11	10613543	From July 21, 2013 to July 20, 2033
8		Our Company	The PRC	9	10613752	From July 7, 2013 to July 6, 2033
9	大行	Our Company	The PRC	9	10613753	From May 28, 2013 to May 27, 2033
10	大行	Our Company	The PRC	12	10613754	From May 21, 2013 to May 20, 2033
11		Our Company	The PRC	12	10613755	From May 21, 2013 to May 20, 2033
12	Dr.Hon	Our Company	The PRC	12	10974642	From October 7, 2013 to October 6, 2033

No.	Trademark	Registered Owner	Place of Registration	Classes	Registration Number	Validity Period
13	DAHON	Our Company	The PRC	12	24218689	From August 21, 2018 to August 20, 2028
14	DAHON	Our Company	The PRC	12	10488409	From April 7, 2013 to April 6, 2033
15		Our Company	The PRC	12	10488517	From April 7, 2013 to April 6, 2033
16	DAHON	Our Company	The PRC	6	7539113	From October 28, 2010 to October 27, 2030
17	DAHON	Our Company	The PRC	9	7539112	From June 28, 2011 to June 27, 2031
18	DAHON	Our Company	The PRC	18	8375910	From June 28, 2011 to June 27, 2031
19	DAHON	Our Company	The PRC	21	7539109	From November 7, 2010 to November 6, 2030
20	DAHON	Our Company	The PRC	34	54861058	From October 14, 2021 to October 13, 2031
21	DAHON	Our Company	The PRC	35	54867465	From December 14, 2023 to December 13, 2033
22	DAHON	Our Company	The PRC	28	54864950	From December 14, 2023 to December 13, 2033
23	DELTECABLE	Our Company	The PRC	12	74387477	From April 14, 2024 to April 13, 2034
24	DELTEC+	Our Company	The PRC	12	74399229	From June 14, 2024 to June 13, 2034
25	Deltech	Our Company	The PRC	12	74392138	From June 14, 2024 to June 13, 2034
26		Our Company	Hong Kong	12	301937999	From June 7, 2011 to June 6, 2031

No.	Trademark	Registered Owner	Place of Registration	Classes	Registration Number	Validity Period
27	DR.HON	Our Company	Hong Kong	12	301938006	From June 7, 2011 to June 6, 2031
28	DAHON	Our Company	Hong Kong	12	301842895	From February 25, 2011 to February 24, 2031
29	DAHON	Our Company	Singapore	6	40202132012W	From September 12, 2022 to December 31, 2031
30	DAHON	Our Company	Singapore	9	40202132015P	From September 12, 2022 to December 31, 2031
31	DAHON	Our Company	Singapore	11	40202132016Y	From September 12, 2022 to December 31, 2031
32	DAHON	Our Company	Singapore	12	40202132017U	From September 12, 2022 to December 31, 2031
33	DAHON	Our Company	Singapore	18	40202132018X	From September 12, 2022 to December 31, 2031
34	DAHON	Our Company	Singapore	25	40202132020Y	From September 12, 2022 to December 31, 2031
35	DAHON	Our Company	Singapore	12	T1004099I	From May 26, 2011 to April 6, 2030
36		Our Company	Singapore	12	T1110161D	From April 18, 2012 to July 25, 2031
37	DR.HON	Our Company	Singapore	12	T1110160F	From December 15, 2011 to July 25, 2031
38	Dr.Hon	Our Company	Taiwan	12	01563005	From February 1, 2013 to January 31, 2033
39	DAHON	Our Company	Taiwan	18	01405337	From April 16, 2010 to April 15, 2030
40		Our Company	Taiwan	9.18.25	01549451	From November 16, 2012 to November 15, 2032

No.	Trademark	Registered Owner	Place of Registration	Classes	Registration Number	Validity Period
41	Dr.Hon	Our Company	Taiwan	9.18.25	01598153	From September 1, 2013 to August 31, 2033
42	DAHON	Our Company	Taiwan	21	01405446	From April 16, 2010 to April 15, 2030
43	DAHON	Our Company	Taiwan	9	01404970	From April 16, 2010 to April 15, 2030
44	大行 DAHON	Our Company	Taiwan	12	00894364	From June 16, 2000 to March 15, 2029
45	DR.HON	Our Company	Taiwan	12	01513270	From April 16, 2012 to April 15, 2032
46	DAHON	Our Company	Taiwan	12	01377969	From September 16, 2009 to September 15, 2029
47	DAHON	Our Company	Taiwan	11	01405156	From April 16, 2010 to April 15, 2030
48	DAHON	Our Company	Taiwan	25	01405536	From April 16, 2010 to April 15, 2030
49	DAHON	Our Company	Japan	6	5274195	From October 16, 2009 to October 16, 2029
50	DAHON	Our Company	Japan	11	5274197	From October 16, 2009 to October 16, 2029
51	DAHON	Our Company	Japan	9	5274196	From October 16, 2009 to October 16, 2029
52	DAHON	Our Company	Japan	25	5294902	From January 15, 2010 to January 15, 2030
53	DAHON	Our Company	Japan	21	5294901	From January 15, 2010 to January 15, 2030
54	DAHON	Our Company	Japan	18	5294900	From January 15, 2010 to January 15, 2030

No.	Trademark	Registered Owner	Place of Registration	Classes	Registration Number	Validity Period
55	DAHON International	Our Company	Japan	9.18.25	6230608	From February 28, 2020 to February 28, 2030
56	DAHON	Our Company	Israel	12	229036	From May 19, 2011 to April 15, 2030
57		Our Company	Israel	12	238286	From March 21, 2013 to June 9, 2031
58	DR.HON	Our Company	Mexico	12	1294966	From July 6, 2012 to June 6, 2031
59		Our Company	Mexico	12	1290483	From June 12, 2012 to June 6, 2031
60	DAHON	Our Company	Colombia	12	440394	From February 7, 2012 to February 7, 2032
61	DR.HON	Our Company	Canada	12	TMA834619	From October 18, 2012 to October 18, 2027
62	DAHON	Our Company	Canada	12	TMA841684	From January 30, 2013 to January 30, 2028
63		Our Company	Canada	12	TMA826605	From June 19, 2016 to June 19, 2027
64	DAHON	Our Company	Canada	12	TMA409212	From March 5, 1993 to March 5, 2033
65		Our Company	Brazil	12	904063003	From December 2, 2014 to December 2, 2024
66	DR-HON	Our Company	Australia	12	1430269	From June 10, 2011 to June 10, 2031
67	DAHON	Our Company	Australia	12	1356463	From April 16, 2010 to April 16, 2030
68	DAHON	Our Company	United States	9.11.12	4397146	From September 3, 2013 to September 6, 2033

No.	Trademark	Registered Owner	Place of Registration	Classes	Registration Number	Validity Period
69	DAHON	Our Company	United States	12	1577680	From January 16, 1990 to January 16, 2030
70		Our Company	Malaysia	12	2011051478	From June 6, 2011 to June 6, 2031
71	DR.HON	Our Company	Malaysia	12	2011051477	From June 6, 2011 to June 6, 2031
72	DAHON	Our Company	Malaysia	12	2010006647	From April 15, 2010 to April 15, 2030
73	DAHON	Our Company	Malaysia	6	TM2021036872	From December 30, 2021 to December 30, 2031
74	DAHON	Our Company	Malaysia	9	TM2021036873	From December 30, 2021 to December 30, 2031
75	DAHON	Our Company	Malaysia	11	TM2021036877	From December 30, 2021 to December 30, 2031
76	DAHON	Our Company	Malaysia	12	TM2021036878	From December 30, 2021 to December 30, 2031
77	DAHON	Our Company	Malaysia	18	TM2021036880	From December 30, 2021 to December 30, 2031
78	DAHON	Our Company	Malaysia	25	TM2021036881	From December 30, 2021 to December 30, 2031
79	DAHON	Our Company	Indonesia	12	IDM000321275	From September 14, 2011 to April 14, 2030
80	DAHON	Our Company	Chile	12, 18, 25	1237949	From January 30, 2017 to January 31, 2027
81	ECOSMO	Our Company	Japan	12	5522823	From September 21, 2012 to September 21, 2032
82	DAHON	Our Company	Germany	12;35;37	302012003343	From April 2, 2012 to March 31, 2032

No.	Trademark	Registered Owner	Place of Registration	Classes	Registration Number	Validity Period
83	DAHON	Our Company	United Kingdom	6.9.11.12.18.25	UK00003736409	From May 27, 2022 to December 23, 2031
84	DAHON	Our Company	European Union (EU)	6.9.11.12.18.25	018663912	From July 2, 2022 to March 1, 2032
85	DAHON	Our Company	Hong Kong	12	305817781	From December 1, 2021 to November 30, 2031

(b) Patents

(i) As of April 30, 2025, we have registered the following patents which we considered to be material to our business:

No.	Patent	Registered Owner	Patent Number	Patent Type	Place of Registration	Date of Application
1	A kind of quickly detachable pedal device without instruments	Our Company	CN201010161406.X	Invention	The PRC	April 13, 2010
2	A kind of spanner tool	Our Company	CN201110041714.3	Invention	The PRC	February 22, 2011
3	Inflator	Our Company	CN201110266186.1	Invention	The PRC	September 7, 2011
4	Foldable bicycle frame with reinforced cable using down tube	Our Company	CN201521121799.6	Utility model	The PRC	December 31, 2015
5	A kind of folder	Our Company	CN201710175452.7	Invention	The PRC	March 22, 2017
6	Mid-engine electric-assisted bicycle	Our Company	CN202020564834.6	Utility model	The PRC	April 15, 2020
7	A kind of folding joint	Our Company	CN202120138265.3	Utility model	The PRC	January 19, 2021
8	Training wheel set and bicycle	Our Company	CN202221886354.7	Utility model	The PRC	July 20, 2022
9	Locking mechanism and bicycle	Our Company	CN202223326395.3	Utility model	The PRC	December 9, 2022
10	Frame and bicycle	Our Company	CN202322901342.8	Utility model	The PRC	October 27, 2023
11	Frame and bicycle	Our Company	CN202420253480.1	Utility model	The PRC	January 31, 2024
12	Handlebar component and bicycle	Our Company	CN202420253562.6	Utility model	The PRC	January 31, 2024

No.	Patent	Registered Owner	Patent Number	Patent Type	Place of Registration	Date of Application
13	Standpipe, frame and two-wheeled bicycle	Our Company	CN202420247907.7	Utility model	The PRC	January 31, 2024
14	Frame and bicycle	Our Company	CN202420392203.9	Utility model	The PRC	February 29, 2024
15	Inflator	Our Company	EP12829431.1	Invention	United Kingdom	April 9, 2012
16	Folding joint	Our Company	7502571	Invention	Japan	January 14, 2022

(c) Domain names

(i) As of April 30, 2025, our Group was the registered proprietor of the following domain names which we considered to be material to our business:

Domain name	Registered proprietor	Date of registration	Date of expiration
dahon.com.cn	Our Company	June 14, 2002	June 14, 2027
dahon.com	Our Company	May 3, 1997	May 4, 2027

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUPERVISORS

1. Particulars of Directors' and Supervisors' contracts

Each of our Directors and Supervisors has entered into a service contract or a letter of appointment with our Company. The service contracts or letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to enter into a service contract or a letter of appointment with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

2. Remuneration of Directors and Supervisors

For details of the remuneration or benefits in kind paid to our Directors and Supervisors during the Track Record Period, see "Directors, Supervisors and Senior Management" and Note 12 to the Accountants' Report in Appendix I to this prospectus.

During the Track Record Period, no fees were paid by our Group to any of our Directors, Supervisors or the five highest paid individuals as an inducement to join us or as compensation for loss of office, and there has been no arrangement under which a Director or Supervisor has waived or agreed to waive any emoluments.

D. DISCLOSURE OF INTERESTS

1. Disclosure of interests of Directors, Supervisors and chief executive of our Company

Immediately following the completion of the Global Offering, the interest and/or short position (as applicable) of our Directors, Supervisors and chief executives of our Company in the shares, underlying shares and debentures of our Company or its 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 interest 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 entered 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, once the H Shares are listed, will be as follows:

			Shares held as of the Latest Practicable Date and immediately prior to the Global Offering(1)		Shares held immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised)(1)	
Name of Director, Supervisor or chief executive of our Company	Nature of interest	Class of Shares	Number	Approximate percentage in the total share capital of our Company	Number	Approximate percentage in the total share capital of our Company
Dr. Hon	Beneficial Interest	Domestic Unlisted Shares	21,032,165(L)	88.56%	21,032,165(L)	66.41%
	Interest in controlled corporation(2)	Domestic Unlisted Shares	378,941(L)	1.60%	378,941(L)	1.20%

Notes:

1. The letter "L" denotes the entity/person's long position (as defined under Part XV of the SFO) in such Shares.

2. As of the Latest Practicable Date, Dr. Hon was the sole general partner of Dahon Tech Enterprise LP, our employee shareholding platform, which was interested in 378,941 Domestic Unlisted Shares. Accordingly, Dr. Hon is deemed to be interested in the Domestic Unlisted Shares held by Dahon Tech Enterprise LP under the SFO.

2. Disclosure of interests of substantial shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, our Directors are not aware of any person (other than our Director, Supervisor or chief executive of our Company) who will, immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

3. Disclaimers

Save as disclosed in the sections headed "Business" and "Substantial Shareholders" in this prospectus and the paragraphs headed "C. Further Information about our Directors and Supervisors" and "D. Disclosure of Interests" in this section:

(a) none of our Directors or chief executive has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(b) none of our Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(c) none of our Directors is interested in any business (other than the business of our Group) which competes or is likely to compete, directly or indirectly, with our business; and

(d) without taking into account any Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at shareholders' meetings of any member of our Group in the Shares or underlying Shares of our Company.

E. EMPLOYEE SHARE OWNERSHIP PLANS

We have established the employee share ownership plans ("**ESOP**") since 2022 in recognition of the contributions of our employees and to provide incentives that align the interests of our Company and employees. The terms of the ESOP are not subject to the provisions of Chapter 17 of the Listing Rules as the ESOP does not involve the grant of new Shares, options or awards by the Company after the Listing and there will be no dilution effect to the issued Shares after Listing.

As of the Latest Practicable Date, all the Shares underlying the ESOP had been issued and granted, and to the extent that there is any change to the grants under the ESOP after the Listing, our Company will comply with the applicable Listing Rules (including the requirements under Chapter 14A of the Listing Rules applicable to grants to connected persons, if any).

As of the Latest Practicable Date, we had established five employee shareholding platforms (the "**Employee Shareholding Platforms**"), namely Meidahon LP, Dahon LP, DahonTech LP, DahonInd LP and Dahon Tech Enterprise LP. As of the Latest Practicable Date, Meidahon LP, Dahon LP, DahonTech LP, DahonInd LP and Dahon Tech Enterprise LP held 4.53%, 2.85%, 1.65%, 0.81% and 1.60% of the issued share capital of our Company, respectively. For details of the Employee Shareholding Platforms, see "History, Development and Corporate Structure — Employee Shareholding Platforms".

The following is a summary of the principal terms of the ESOP:

(a) Purpose

The purpose of the ESOP is to incentivize our senior management, core personnel and certain other employees whom the Company believes should be incentivized to serve the Company for a long period of time, and to share the value of the Company's growth.

(b) Form of the ESOP

The grantees are granted partnership interests in the Employee Shareholding Platforms (the "**Awards**") according to the amount approved by the chairman of the Board, and shall make the corresponding contribution in accordance with the arrangement of the chairman of the Board, thereby holding indirect interest in the Shares.

(c) Eligibility

The eligible participants of the ESOP include the Group's senior management, core personnel and other employees who have a direct impact on the Group's business performance and future development.

Personnel with one of the following circumstances are not eligible to participate in the ESOP:

(i) having been prohibited from serving as directors, supervisors or senior management pursuant to the PRC Company Law;

(ii) having been criminally punished, criminally investigated or subjected to major administrative penalties for major offences in the last five years;

(iii) having been publicly reprimanded or declared as an inappropriate person by any stock exchange in the last three years;

(iv) having been dealt with by salary reduction, demotion or termination of employment contract for serious violation of the Company's management system in the last three years; or

(v) being involved in any other serious violation of his/her relevant agreements with the Company or relevant regulations of the Company as determined by the Company.

(d) Implementation and management of the ESOP

The approval and termination of the ESOP are determined by the Shareholders' meetings. The Board is responsible for the formulation, modification and implementation of the specific proposals for the ESOP within the scope of authorization by the Shareholders.

The Board is responsible for the following matters of the ESOP:

(i) determining the proportion of partnership interests to be subscribed by each grantee;

(ii) appointing and dismissing the administrator(s) of the Employee Shareholding Platform(s); and

(iii) handling other matters that should be considered and decided by the Board.

The Board may appoint an administrator for each Employee Shareholding Platform, who shall be responsible for the daily management and implementation of the ESOP.

(e) Rights attached to the Awards

Employees participating in the ESOP shall be entitled to the ownership of their respective partnership interests, the right to dividends and the right to appreciation of the value of the Shares (for the avoidance of doubt, such dividends and appreciation of the value of the incentive Shares shall be indirectly realized through the ESOP, and the details of which shall be subject to the provisions of the partnership agreements or other documents of the ESOP).

(f) Exit from the Employee Shareholding Platforms

Prior to the Listing, the grantees shall not dispose of the partnership interests in any way including but not limited to transfer with or without consideration, division of interests due to divorce, pledge, guarantee, or entrusting third party to hold such partnership interests on trust. Otherwise, the grantees shall unconditionally transfer all partnership interests held to the administrator of the Employee Shareholding Platform or a third party designated by the administrator based on original capital injection amount. If the grantee resigns from the Company and the resignation is agreed by the Company, such grantee may formally apply for the transfer of the partnership interests to the administrator of the Employee Shareholding Platform. In such case, the grantee shall unconditionally transfer all partnership interests held to the administrator of the Employee Shareholding Platform or a third party designated by the administrator based on the original capital injection amount. In the case of the grantee's resignation, the Board reserves the right to retain all or part of the grantee's partnership interests taking into account the grantee's contribution to the Company and other factors.

In order to safeguard the interests of the Company, the Board shall at any time have the right to unilaterally decide whether or not to withdraw all or part of the partnership interests of the grantees in the following circumstances: (1) in response to the request of the relevant PRC or overseas authorities for the purpose of a listing or an initial public offering of the Shares; (2) it is necessary to adjust the shareholding structure of the ESOP and/or the qualification for holding of partnership interests of the ESOP pursuant to the mandatory provisions of the law; or (3) the Company undergoes a major asset reorganization event including a change in control. In such cases, the Board has the right to appoint the general partner or any third party to be assigned the partnership interests held by the grantees based on the valuation of the Company at that time (net assets or market price, as determined by the Board).

After the Listing and subject to the expiry of the lock-up period, the grantees may transfer all or part of their partnership interests in accordance with the arrangement stipulated by the administrator of the Employee Shareholding Platform.

(g) Lock-up period

After the Listing, the Shares held by the grantees through the Employee Shareholding Platforms will become restricted Shares in accordance with the requirements of the relevant securities regulatory authorities or exchanges, and the lock-up period and sales restriction are as follows:

(1) With respect to core employees, Directors, Supervisors and senior management

The lock-up period and sales restriction for the Company's core employees, Directors, Supervisors and senior management (namely the general partners of Dahon LP and DahonInd LP, and all partners of Meidahon LP, DahonTech LP and Dahon Tech Enterprise LP) are as follows:

(i) within 36 months after the Listing, all grantees shall not sell the Shares indirectly held through the Employee Shareholding Platform(s); and

(ii) after the expiration of the above lock-up period, if any grantee decides to sell the Shares indirectly held through the Employee Shareholding Platform(s), the number of Shares to be sold each year shall not exceed 25% of the total number of the Shares indirectly held by such grantee prior to the Listing.

(2) With respect to non-core employees

The lock-up period and sales restriction for the Company's non-core employees (namely the limited partners of Dahon LP and DahonInd LP) are as follows:

(i) within 24 months after the Listing, all grantees shall not sell the Shares indirectly held through the Employee Shareholding Platform(s); and

(ii) after the expiration of the above lock-up period, if any grantee decides to sell the Shares indirectly held through the Employee Shareholding Platform(s), the number of Shares to be sold each year shall not exceed 25% of the total number of the Shares indirectly held by such grantee prior to the Listing.

After the expiration of the lock-up period, the proceeds from the sale of Shares by the Employee Shareholding Platforms shall be dealt with by the Employee Shareholding Platforms in accordance with the relevant provisions of the partnership agreement after deduction of the relevant transaction tax payable by the Employee Shareholding Platforms.

The sale of restricted Shares held by grantees through the Employee Shareholding Platforms after the expiry of the lock-up period shall be conducted in compliance with the relevant provisions of the Company Law of the PRC, the Securities Law of the PRC, the rules of the relevant stock exchange and other relevant provisions and the Articles of Association.

(h) Details of interests in the Employee Shareholding Platforms

As of the Latest Practicable Date, Awards granted under the ESOP corresponding to a total of 2,715,676 Shares, representing approximately 11.44% of our total issued Shares, have been granted pursuant to the ESOP. No Shares will be further granted after the Listing pursuant to the ESOP. Details of the Awards granted to Directors, Supervisors, senior management and connected persons of our Company under the ESOP are set out below:

Name	Position/Connected Relationship	Approximate partnership interests in the Employee Shareholding Platform	Approximate number of Shares corresponding to Awards held by the Employee Shareholding Platform	Approximate shareholding percentage corresponding to the Awards in the total number of Shares in issue immediately prior to the Global Offering
Dahon Tech Enterprise LP				
Dr. Hon	Chairman of the Board and executive Director	2.64%	10,000	0.04%
Ms. Li Guiyu	Executive Director and deputy general manager	14.66%	55,548	0.23%
Ms. Liu Guocun	Executive Director, assistant deputy general manager and director of the Board office	36.79%	139,406	0.59%
Ms. Lee Hsiu-Fen	Executive Director and chief financial officer	36.09%	136,748	0.58%
Mr. Zhu Guocheng	Supervisor	6.66%	25,239	0.11%
Mr. Kuang Wenbiao	Supervisor	2.64%	10,000	0.04%
Ms. Huang Siqing	Chairman of our supervisory committee	0.53%	2,000	0.01%
Total		**100%**	**378,941**	**1.60%**

F. 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 of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

3. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for listing of, and permission to deal in the H Shares to be issued by us pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option). Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of RMB4.5 million to act as the sponsor of our Company in connection with the proposed listing on the Stock Exchange.

4. Preliminary expenses

Our Company did not incur any material preliminary expenses.

5. Promoters

The promoters of our Company are Dr. Hon, Meidahon LP and Dahon LP.

Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

6. Qualifications of experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this prospectus, are as follows:

Name	Qualification
China Securities (International) Corporate Finance Company Limited	A licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities under the SFO
DeHeng Law Offices (Shenzhen)	Legal advisers to our Company as to the PRC law
World Law Office	Legal advisers to our Company as to Taiwan law
China Insights Industry Consultancy Limited	Independent industry consultant
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditor

7. Consents of experts

Each of the parties named above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

8. Taxation of holders of H Shares

(a) Hong Kong

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

(b) Consultation with professional advisers

Intending holders of the H Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the H Shares. It is emphasized that none of our Company, our Directors, Supervisors or the other parties involved in the Global Offering will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the H Shares or exercise of any rights attaching to them.

9. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, 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.

10. Related party transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this prospectus as mentioned in Note 33 to the Accountants' Report as set out in Appendix I.

11. No material adverse change

Our Directors believe that there has been no material adverse change in the financial or trading position or prospects of our Company since April 30, 2025 and up to the Latest Practicable Date.

12. Miscellaneous

Save as disclosed in the sections headed "History, Development and Corporate Structure", "Business", "Financial Information" and "Underwriting" in this prospectus and the paragraph headed "A. Further Information about our Group" in this section:

(a) within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be issued fully or partly paid either for cash or a consideration other than cash;

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

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries; and

(iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;

(b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(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;

(f) save for our H Shares to be issued in connection with the Global Offering, none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(g) our Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited liability company and does not expect to be subject to the Law of the PRC on Sino-foreign Equity Joint Ventures; and

(h) all necessary arrangements have been made to enable the H Shares to be admitted into CCASS for clearing and settlement.

13. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and Chinese language version of this prospectus, the English language version shall prevail.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, amongst other documents, a copy of each of the written consents referred to in "F. Other Information — 7. Consents of experts" in Appendix VI to this prospectus, and a certified copy of each of the material contracts referred to in "B. Further Information about our Business — 1. Summary of material contracts" in Appendix VI to this prospectus.

DOCUMENTS ON DISPLAY

The following documents will be published on the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**https://dahon.com**) up to and including the date which is 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus;

(c) the report from Deloitte Touche Tohmatsu in relation to unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;

(d) the audited consolidated financial statements of our Group for the years ended December 31, 2022, 2023 and 2024 and the four months ended April 30, 2025;

(e) the industry report prepared by China Insights Industry Consultancy Limited;

(f) the material contracts referred to in the paragraph headed "B. Further Information about Our Business — 1. Summary of material contracts" in Appendix VI to this prospectus;

(g) the written consents referred to in the paragraph headed "F. Other Information — Consents of experts" in Appendix VI to this prospectus;

(h) the legal opinion issued by DeHeng Law Offices (Shenzhen) as to the laws of the PRC, in respect of certain aspects of our Group in the PRC;

(i) the legal opinion issued by World Law Office as to certain aspects of Taiwan laws;

(j) the service contracts and the letters of appointment referred to in the paragraph headed "C. Further Information about Our Directors and Supervisors — 1. Particulars of Directors' and Supervisors' Contracts" in Appendix VI to this prospectus; and

(k) the PRC Company Law, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translations.

DAHON TECH (SHENZHEN) CO., LTD.

大行科工(深圳)股份有限公司