Application Proof of

Suzhou ecMAX Information Technology Co., Ltd.
蘇州極易科技股份有限公司

(the "**Company**")

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

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Suzhou ecMAX Information Technology Co., Ltd.
蘇州極易科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	:	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	:	**[REDACTED] per H Share plus [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal value	:	**RMB1.00 per H Share**

[REDACTED]

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Sole Sponsor, **[REDACTED]**

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IMPORTANT

[**REDACTED**]

IMPORTANT

[**REDACTED**]

EXPECTED TIMETABLE

[**REDACTED**]

EXPECTED TIMETABLE

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CONTENTS

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this document. You should read the whole document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set forth in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are China's leading end-to-end digital retail service provider[1] and Silk Road E-commerce service provider[2]. We are also a brand asset manager — driven by AI and digital intelligence, we are committed to driving brand growth through digital intelligence technology and efficient operations and enhancing brand value. With a decade of dedication to brand e-commerce service industry, we have developed industry-leading service capabilities covering brands' entire value chain. Depending on the specific needs of our brand partners, we provide comprehensive end-to-end digital retail services. According to Frost & Sullivan, we ranked second among end-to-end digital retail service providers in China and fifth among brand e-commerce service providers[3] in China in terms of GMV in 2024. We are also an industry-leading Silk Road e-commerce service provider. According to Frost & Sullivan, in 2024, we ranked first among brand e-commerce service providers in China in terms of GMV from cross-border import e-commerce.

Leveraging our diverse service matrix and robust service capabilities covering brands' entire value chain, as of the Latest Practicable Date, we had cumulatively collaborated with over 200 representative brands around the globe across various product categories, including healthcare, beauty and personal care, fast-moving consumer goods (including food, beverage, and maternity and baby products), and home furnishing and appliances, most of which are top international brands. According to Frost & Sullivan, we ranked first among brand e-commerce service providers in China in terms of GMV from healthcare products in 2024. We also provide end-to-end digital retail services to multiple supermarkets, membership stores and other entity retailers around the globe, assisting traditional retailers in integrating online and offline channels.

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[1] End-to-end digital retail service providers refer to brand e-commerce service providers whose client portfolio includes not only brand customers but also entity retailers.

[2] Silk Road E-commerce service providers refer to brand e-commerce service providers that engage in cross-border e-commerce conducted under the framework of e-commerce cooperation mechanisms signed between China and partner countries, such as Vietnam, Italy and Australia.

[3] Brand e-commerce service providers are service providers that focus on providing brands with comprehensive e-commerce services, including IT solutions, online store operation, marketing, customer services, and warehousing and fulfillment.

As an industry-leading Silk Road e-commerce service provider, we import high-quality overseas products to meet Chinese consumers' rising demand for these products, while partnering with Chinese brands that aspire to expand into overseas markets and exporting high value-for-money Chinese products that are favored by overseas consumers. We assist global retail brands in penetrating and expanding in the Chinese market through cross-border import and had cumulatively served over 140 international brand as of the Latest Practicable Date. In 2024, our GMV from cross-border import e-commerce reached RMB7.4 billion, ranking first among brand e-commerce service providers in China, according to Frost & Sullivan. Starting in 2024, leveraging our extensive experience in cross-border import, we have been gradually exploring cross-border export, partnering with Chinese brands that aspire to expand into overseas markets, and building up our omnichannel distribution capabilities in cross-border export e-commerce. We have gradually expanded our business to overseas markets such as Australia and Southeast Asia, and have started to establish a presence in the Middle East and North Africa. According to Frost & Sullivan, we have become one of the few brand e-commerce service providers in China that are able to provide both cross-border import and export services at scale.

Furthermore, in recent years, brand e-commerce services have gradually evolved to become more professionalized and digitally intelligent, and brands are demonstrating a growing demand for highly efficient, integrated, professionalized, and customized operational services. Leveraging our industry insights accumulated over years and our service capabilities spanning across brand's value chain, we select and partner with brands with high-growth potential. Through joint new product development with established brand partners, exclusive authorization from brand partners, exclusive brand agency within the designated area, equity investment in or joint venture with brand partners, and other business cooperation models, we are in charge of brand's market insights and omnichannel integrated marketing and operation and conduct joint product innovation and development with brands. Engaging in the management and operation of brands across their entire lifecycle, we evolve from selling brand products through specific channels or providing brands with operation services to forming multi-faceted partnership and deep, strategic cooperation with brands. This allows us to gradually transform from a brand e-commerce service provider to a brand asset manager.

Under the new landscape of cross-border e-commerce and global digital trade, we have the opportunity to work with a wide range of exceptional retail brands in a global market, evolving from a traffic-oriented brand e-commerce service provider to a consumer-oriented brand e-commerce service provider, transforming the traditional retail model (which focuses on seeking consumers based on products) to a new retail model (which focuses on product innovation and development and consumption scenarios construction based on consumer needs). During the Track Record Period, our GMV increased by 35.1% from RMB8.2 billion in 2022 to RMB11.1 billion in 2023 and further increased by 35.3% to RMB15.0 billion in 2024.

OUR BUSINESS MODEL

Leveraging our years of industry expertise and insights, along with our data intelligence and integrated supply chain management capabilities, we have developed differentiated solutions and global brand asset management capabilities. Our solutions help our brand partners define brand image more precisely, expand brand outreach more broadly, manage consumer profiles more accurately, and enhance product distribution more efficiently.

Depending on whether we help our brand partners sell products to consumers, we provide end-to-end digital retail services mainly through our brand-to-consumer solutions and brand-to-business solutions. We also provide brand asset management and IP commercialization and, to a lesser extent, other services.

- **Brand-to-consumer solutions.** Our brand-to-consumer solutions serve as a bridge that effectively connects brands with consumers. Our brand-to-consumer solutions can be further divided into online channel distribution model and service fee model.

  ○ ***Online channel distribution model.*** Under the online channel distribution model, we purchase products from brand partners and help our brand partners sell products to consumers through online channels. Based on who the customer is, our online channel distribution model could be further divided into the B2B2C model and the B2C model.

    Under the B2B2C model, we purchase products from brand partners and sell them to e-commerce platforms; we subsequently assist these e-commerce platforms in selling the products to consumers through their self-owned stores that we operate for them. Under the B2B2C model, e-commerce platforms are our customers.

    Under the B2C model, we purchase products from brand partners and sell them directly to consumers through the brand flagship stores we operate on e-commerce platforms. Under the B2C model, consumers are our customers.

  ○ ***Service fee model.*** Under the service fee model, we provide brand partners with one-stop end-to-end digital retail services. Unlike the online channel distribution model, under the service fee model, we do not purchase products from brand partners or take ownership of the products.

  The services we provide to brand partners under these two models are similar in nature, with the main difference being whether we also purchase products from brand partners or merely provide them with services. Through our brand-to-consumer solutions, we help brand partners sell products to consumers, meanwhile offering other end-to-end digital retail services encompassing brand strategy, online store operation, product distribution, integrated marketing and advertising, and supply chain management to assist their product sales.

- **Brand-to-business solutions.** Our brand-to-business solutions serve as a bridge that effectively connects brands with high-quality offline channels with large consumer base, including supermarkets, membership stores and other entity retailers such as Walmart, RT-MART and METRO. Under our brand-to-business solutions, we purchase products from brand partners and sell them to offline channels, which subsequently sell these products to consumers on their own.

- **Brand asset management and IP commercialization.** Leveraging our industry insights accumulated over the years and our service capabilities spanning across brand's value chain, we have gradually established deeper cooperation with brand partners through various business models, including joint new product development with established brand partners, exclusive authorization from brand partners, exclusive brand agency within the designated area, and equity investment in or joint venture with brand partners. Under our brand asset management business, we are in charge of brands' market insights and omnichannel integrated marketing and operation and conduct joint product innovation and development with brands. In addition, we engage in IP commercialization business, under which we purchase brand IP licenses from brand partners and develop, sell, and promote IP-based products, thereby enhancing brand IPs' awareness and influence.

- **Other service**. In addition to the end-to-end digital retail services as described above, we provide brand partners with project-based digital operation and marketing services, including ad creative design, multi-channel ad placements, as well as market consulting and strategy services, for which we charge service fees. We also provide project-based system upgrades and software development services, for which we charge service fees.

OUR CUSTOMERS AND SUPPLIERS

Our customers mainly include (i) e-commerce platforms, to whom we primarily sell products we purchase from brand partners under the B2B2C model of our brand-to-consumer solutions, (ii) our brand partners, to whom we primarily provide end-to-end digital retail services under the service model of our brand-to-consumer solutions, and (iii) offline channels, to whom we primarily sell products we purchase from brand partners under our brand-to-business solutions. Our revenue from our five largest customers in 2022, 2023 and 2024 was RMB863.4 million, RMB796.0 million and RMB787.1 million, respectively, accounting for 77.3%, 58.7% and 56.2% of our total revenue in the respective periods. Our revenue from our largest customer in 2022, 2023 and 2024 was RMB804.4 million, RMB652.0 million and RMB542.6 million, respectively, accounting for 72.0%, 48.1% and 38.8% of our total revenue in the respective periods.

Our suppliers mainly include (i) our brand partners, from whom we primarily purchase brand products and sell the products to (a) e-commerce platforms under the B2B2C model of our brand-to-consumer solutions, (b) consumers under the B2C model of our brand-to-consumer solutions, or (c) offline channels under our brand-to-business solutions, (ii) third-party warehousing and logistics service providers, and (iii) e-commerce platforms that provide us with marketing and promotion tools and services. Our purchases from our five largest suppliers in 2022, 2023 and 2024 were RMB541.9 million, RMB608.2 million and RMB770.3 million, respectively, accounting for 43.1%, 39.4% and 49.6% of our total purchases in the respective periods. Our purchases from our largest supplier in 2022, 2023 and 2024 were RMB143.4 million, RMB171.1 million and RMB257.0 million, respectively, accounting for 11.4%, 11.1% and 16.6% of our total purchases in the respective periods.

COMPETITIVE LANDSCAPE

Brand e-commerce service providers refer to service providers that focus on providing brands with comprehensive e-commerce services, including IT solutions, online store operation, marketing, customer services, and warehousing and fulfillment. The brand e-commerce service value chain primarily includes (i) upstream brands; (ii) midstream brand e-commerce service providers; (iii) downstream e-commerce platforms and consumers. Total GMVs generated by brand e-commerce service providers in China increased from RMB586.7 billion in 2020 to RMB1,274.9 billion in 2024, with a CAGR of 21.4%. It is expected to reach RMB2,218.9 billion in 2029, with a CAGR of 11.7% from 2024 to 2029.

Brand e-commerce service market is not concentrated in China, with the top ten service providers accounting for 15.3% of total GMV in 2024. Based on their business coverage and capabilities, some brand e-commerce service providers can be classified as end-to-end digital retail service providers, such as us. These providers not only offer e-commerce services to product brands but also serve retailer brands, such as supermarkets and membership stores, generating a portion of their revenue from these retailers. According to the Frost & Sullivan, we ranked second among end-to-end digital retail service providers in China and fifth among brand e-commerce service providers in China, in terms of GMV in 2024.

Among six sectors of e-commerce industry, healthcare sector shows a high potential for the growth of GMV. As major e-commerce platforms relax their supervision requirements on selling healthcare products, more and more healthcare brands expand online sales channels. In the early period, professional knowledge in the medicine sector was crucial to the operation of healthcare brands, so brand owners normally tended to operate on their own. With the continuous accumulation of industry experience and channel resources, brand e-commerce service providers have achieved cooperation with more healthcare brands, driving the rapid growth of e-commerce GMV in the healthcare sector. GMVs generated by brand e-commerce service providers in the healthcare sector increased from RMB2.3 billion in 2020 to RMB80.1 billion in 2024, with a CAGR of 142.1%. It is expected to reach RMB237.9 billion in 2029, with a CAGR of 24.3% from 2024 to 2029. We have began expanding our business in the healthcare sector since 2016, when we established cooperation with a globally renowned ginseng healthcare brand. Leveraging our expertise in the healthcare sector, we have become a leading e-commerce service provider with a focus on healthcare sector in China. According to Frost & Sullivan, among the brand e-commerce service providers in China, we ranked first in terms of GMV generated from healthcare products in 2024.

With the strong demand of brands for entering international market and the introduction of policies to support cross-border e-commerce, more brands are beginning to seek to enter the international market through cross-border e-commerce platforms to enhance brand influence, increase sales channels and improve sales performance. Therefore, improving cross-border e-commerce operation capabilities is the trend for brand e-commerce service providers. Due to the resource barriers in import e-commerce industry, brand e-commerce service in import e-commerce segment is relatively more concentrated than the overall brand e-commerce service market in China. In terms of GMV from cross-border import e-commerce in 2024, the top five brand e-commerce service providers accounted for 20.7% of total GMV. We assist global retail brands in penetrating and expanding in the Chinese market through cross-border import. According to Frost & Sullivan, we ranked first among brand e-commerce service providers in China in terms of GMV from cross-border import e-commerce in 2024.

For further details on the competitive landscape of China's brand e-commerce service market, please see the section headed "Industry Overview."

OUR COMPETITIVE STRENGTHS

We believe the following strengths have been the foundation of our strong performance and continued growth and differentiate us from our competitors:

- We are China's leading end-to-end digital retail service provider and Silk Road E-commerce service provider;

- We have in-depth industry insights empowering premium sectors, such as healthcare, with differentiated solutions;

- We possess mature full brand value chain service capabilities and cross-border import and export capabilities;

- We are evolving from brand e-commerce service provider to brand asset manager with more decision power;

- Our forward-looking AI technology deployment establishes digital operation capabilities for brand e-commerce services, creating operating barriers, reducing cost, and enhancing efficiency; and

- We have a visionary and entrepreneurial management and team with extensive industry experience.

OUR GROWTH STRATEGIES

We intend to pursue the following strategies to achieve our mission:

- To make AI-driven improvement in our omnichannel, full value chain service abilities;
- To continuously expand our brand asset management and IP commercialization business, evolving from brand e-commerce service provider to brand asset manager with more decision-making power;
- To expand from China to global.

KEY RISK FACTORS

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

- If we fail to predict the evolving market trends and consumer preferences correctly or in a timely manner, we may fail to successfully market and sell the products of our brand partners or identify new brand partners or products with growth potential, and our results of operation may be materially and adversely impacted.
- If we fail to retain our existing brand partners, particularly those from which we generate a substantial portion of our revenue, our results of operation and prospects could be materially and adversely affected.
- Failure to identify and engage new brands or expand into new products or product categories with our existing brand partners may have an adverse effect on our business, financial condition, results of operations and prospects.
- We rely on e-commerce platforms to conduct our business. If we fail to maintain our relationships with such major e-commerce platforms or timely adapt to new e-commerce channels, or if e-commerce platforms otherwise curtail or inhibit our ability to provide e-commerce retail and wholesale solutions with their platforms, our solutions would be less appealing to existing and potential brand partners.
- We are exposed to specific risks of conducting our business in international markets and expanding our cross-border e-commerce businesses.
- Changes to the terms of our cooperation with brand partners or e-commerce platforms may have an adverse impact on our financial condition.

- We are subject to risks related to the evolving regulatory requirements for e-commerce business and different product categories, and non-compliance with which, or changes in which, may adversely affect our business operations.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was controlled as to approximately 33.45% in aggregate by Mr. Wang, consisting of his (i) approximately 16.10% direct interest in our Company; (ii) approximately 16.54% interest in our Company which Mr. Wang controls through Qingdao Yihua and the Employee Incentive Platforms (namely, Suzhou Shanglai, Yimai Youwei and Jiyi Dazhan), entities in which Mr. Wang acts as the executive partner and exercises the voting rights attached to the interests in our Company held by these entities; and (iii) approximately 0.81% interest in our Company which Mr. Wang controls through Nanjing Jisheng, of which Mr. Wang acts as the true and lawful proxy to vote in respect of all Shares of our Company held by Nanjing Jisheng pursuant to a voting rights proxy agreement entered into between Mr. Wang and Nanjing Jisheng (the "**Voting Rights Proxy Agreement**"). Prior to the Voting Rights Proxy Agreement, Nanjing Jisheng has acted in accordance with Mr. Wang's directions for all actions in relation to the voting rights attached to our Shares held by Nanjing Jisheng. For further details of the Employee Incentive Platforms, please see the sub-section headed "History, Development and Corporate Structure — Employee Shareholding Platforms". Mr. Wang, Qingdao Yihua, the Employee Incentive Platforms and Nanjing Jisheng therefore constitute a group of controlling shareholders of our Company before the [**REDACTED**].

Immediately following the completion of the [**REDACTED**], Mr. Wang will be interested in approximately [**REDACTED**] of our issued share capital, assuming the [**REDACTED**] is not exercised. Therefore, Mr. Wang, Qingdao Yihua, the Employee Incentive Platforms and Nanjing Jisheng will remain as our Controlling Shareholders immediately after the [**REDACTED**].

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary, as extracted from Appendix I to this document, of our consolidated results of operations in absolute amounts. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Revenue	**1,117,250**	**1,355,503**	**1,400,287**
Cost of sales	(923,287)	(1,146,971)	(1,197,981)
Gross profit	**193,963**	**208,532**	**202,306**

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Other income	8,816	4,611	2,135
Other gains and losses	1,385	881	299
(Impairment losses)/reversal of impairment loss for trade and other receivables	(3,120)	(9,193)	2,370
Selling expenses	(71,497)	(83,556)	(68,101)
Administrative expenses	(60,774)	(62,725)	(72,075)
PROFIT FROM OPERATIONS	**68,773**	**58,550**	**66,934**
Finance costs	(20,467)	(24,724)	(20,082)
Share of loss of associates	(534)	(154)	(275)
PROFIT BEFORE TAX	**47,772**	**33,672**	**46,577**
Income tax (expense)/credit	(10,189)	(8,802)	3,245
PROFIT FOR THE YEAR	**37,583**	**24,870**	**49,822**
Attributable to:			
Owners of the Company	37,583	24,568	48,157
Non-controlling interests	–	302	1,665
	37,583	**24,870**	**49,822**

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We exclude [**REDACTED**] and share-based payments in calculating adjusted net profit (non-IFRS measure). We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items.

We believe that this non-IFRS measure provides useful information to [**REDACTED**] and others in understanding and evaluating our results of operations in the same manner as it helps our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The following table sets forth a reconciliation of our adjusted net profit (non-IFRS measure) to profit for the year in respect of the years indicated:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	**37,583**	**24,870**	**49,822**
Adjusted for:			
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Share-based payments	1,219	429	429
Adjusted net profit (non-IFRS measure)	**38,802**	**25,299**	**54,894**

Revenue

In 2022, 2023 and 2024, our revenue was RMB1,117.3 million, RMB1,355.5 million and RMB1,400.3 million, respectively.

During the Track Record Period, we generated revenue primarily from our brand-to-consumers solutions and brand-to-business solutions. We also generated a small portion of revenue from our brand asset management and IP commercialization business and other services. The following table sets forth a breakdown of our revenue by business segment, both in absolute amount and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,					
	2022		2023		2024	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Brand-to-consumer solutions	989,586	88.5	973,726	71.8	843,199	60.2
Online channel distribution model	906,602	81.1	876,868	64.7	733,832	52.4
Service fee model	82,984	7.4	96,858	7.1	109,367	7.8
Brand-to-business solutions	63,217	5.7	282,130	20.8	494,461	35.3
Brand asset management and IP commercialization	40,989	3.7	74,450	5.5	44,506	3.2
Other services	23,458	2.1	25,197	1.9	18,121	1.3
Total	**1,117,250**	**100.0**	**1,355,503**	**100.0**	**1,400,287**	**100.0**

Gross Profit and Gross Profit Margin

In 2022, 2023 and 2024, our gross profit was RMB194.0 million, RMB208.5 million and RMB202.3 million, respectively, and our gross profit margin was 17.4%, 15.4%, and 14.4%, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Brand-to-consumer solutions	175,769	17.8	169,594	17.4	154,904	18.4
Online channel distribution model	142,409	15.7	131,473	15.0	94,675	12.9
Service fee model	33,360	40.2	38,121	39.4	60,229	55.1
Brand-to-business solutions	1,905	3.0	3,933	1.4	26,941	5.4
Brand asset management and IP Commercialization	10,955	26.7	19,705	26.5	12,328	27.7
Other services	5,334	22.7	15,300	60.7	8,133	44.9
Total	**193,963**	**17.4**	**208,532**	**15.4**	**202,306**	**14.4**

Summary of Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position for the periods indicated:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	48,312	48,051	88,495
Total current assets	774,784	1,059,669	1,065,775
Total assets	823,096	1,107,720	1,154,270
Total non-current liabilities	5,836	8,385	14,067
Total current liabilities	536,638	675,046	660,577
Total liabilities	542,474	683,431	674,644
Net current assets	238,146	384,623	405,198
NET ASSETS	280,622	424,289	479,626
CAPITAL AND RESERVES			
Share capital	30,701	33,014	33,014
Reserves	249,921	390,973	444,170
Equity attributable to owners of the Company	280,622	423,987	477,184
Non-controlling interests	–	302	2,442
TOTAL EQUITY	280,622	424,289	479,626

Our net current assets increased from RMB384.6 million as of December 31, 2023 to RMB405.2 million as of December 31, 2024, primarily due to (i) an RMB80.8 million increase in bank and cash balances, (ii) an RMB74.8 million decrease in other borrowings, and (iii) an RMB33.8 million decrease in trade payables. These factors were partially offset by (i) an RMB98.0 million increase in bank borrowings and (ii) an RMB28.5 million decrease in inventories.

Our net current assets increased from RMB238.1 million as of December 31, 2022 to RMB384.6 million as of December 31, 2023, primarily due to (i) an RMB108.4 million increase in trade receivables, (ii) an RMB96.7 million increase in deposit, prepayments and other receivables, (iii) an RMB36.6 million decrease in other borrowings, and (iv) an RMB35.6 million increase in inventories. These factors were partially offset by (i) an RMB91.5 million increase in bank borrowings, and (ii) an RMB58.8 million increase in trade payables.

Summary of Consolidated Statements of Cash Flows

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

	Year ended December 31,		
	2022	2023	2024
		RMB'000	
Net cash (used in)/generated from operating activities	(180,562)	(119,948)	63,832
Net cash used in investing activities	(1,365)	(32,787)	(3,903)
Net cash generated from financing activities	125,185	159,540	17,043
Net (decrease)/increase in cash and cash equivalents	**(56,742)**	**6,805**	**76,972**
Cash and cash equivalents at beginning of year	138,409	101,500	115,858
Effect of foreign exchange rate changes	19,833	7,553	3,850
Cash and cash equivalents at end of year	**101,500**	**115,858**	**196,680**

KEY FINANCIAL RATIOS

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

	Years Ended December 31,		
	2022	2023	2024
Gross profit margin(1)	17.4%	15.4%	14.4%
Net profit margin(2)	3.4%	1.8%	3.6%
Return on average assets(3)	5.2%	2.6%	4.4%
Return on average equity(4)	15.7%	7.1%	11.1%

	As of December 31,		
	2022	2023	2024
Current ratio[5]	1.4	1.6	1.6
Quick ratio[6]	0.9	1.1	1.2

Notes:

1. Gross profit margin equals gross profit divided by total revenue during the year, multiplied by 100%.

2. Net profit margin equals net profit divided by total revenue during the year, multiplied by 100%.

3. Return on average assets ratio equals net profit divided by average assets during the year, multiplied by 100%.

4. Return on average equity ratio equals net profit divided by average equity during the year, multiplied by 100%.

5. Current ratio equals total current assets divided by total current liabilities.

6. Quick ratio equals total current assets less inventories divided by total current liabilities.

[**REDACTED**]

All statistics in the following table are based on the assumptions that (i) the [**REDACTED**] had been completed and [**REDACTED**] are [**REDACTED**] pursuant to the [**REDACTED**]; and (ii) the [**REDACTED**] is not exercised.

	Based on an indicative [REDACTED] of [REDACTED]	Based on an indicative [REDACTED] of [REDACTED]
Our [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
[**REDACTED**] to equity shareholders of our Company per Share	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The calculation of [**REDACTED**] is based on [**REDACTED**] Shares expected to be in [**REDACTED**] immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

(2) The [**REDACTED**] per Share as at December 31, 2024 is calculated after making the adjustments referred to in "Appendix II — [**REDACTED**]."

[**REDACTED**]

FUTURE PLANS AND [REDACTED]

We estimate the [**REDACTED**] of the [**REDACTED**] which we will receive, assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range stated in this document), will be approximately [**REDACTED**], after deduction of [**REDACTED**] and [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**] assuming the [**REDACTED**] is not exercised. We intend to use the [**REDACTED**] of the [**REDACTED**] for the following purposes:

- approximately [**REDACTED**] of our total estimated [**REDACTED**], or [**REDACTED**], will be allocated to our technology and R&D initiatives:
  - ○ approximately [**REDACTED**] of our total estimated [**REDACTED**], or [**REDACTED**], will be allocated to enhancing our AI capabilities and upgrading our AI agent platform;
  - ○ approximately [**REDACTED**] of our total estimated [**REDACTED**], or [**REDACTED**], will be allocated to continuously enhancing our IT infrastructure; and
  - ○ approximately [**REDACTED**] of our total estimated [**REDACTED**], or [**REDACTED**], will be allocated to recruiting additional R&D talent and establishing relevant training programs to build up our in-house R&D team;

- approximately [**REDACTED**] of our total estimated [**REDACTED**], or [**REDACTED**], will be allocated to expand our brand and asset management and IP commercialization business:

  - approximately [**REDACTED**] of our total estimated [**REDACTED**], or [**REDACTED**], will be allocated to expanding our exclusive brand agency and IP commercialization practices; and

  - approximately [**REDACTED**] of our total estimated [**REDACTED**], or [**REDACTED**], will be allocated to investing in social media marketing and advertising;

- approximately [**REDACTED**] of our total estimated [**REDACTED**], or [**REDACTED**], will be allocated to potential merger and acquisition opportunities within the industry chain to strengthen our competitiveness; and

- the remaining amount of approximately [**REDACTED**] of our total estimated [**REDACTED**], or [**REDACTED**], will be used to provide funding for our working capital and other general corporate purposes.

For further details, please see the section headed "Future Plans and [**REDACTED**]."

DIVIDENDS

We did not declare any dividends during the Track Record Period. After the completion of the [**REDACTED**], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. Pursuant to our Articles of Association, we should distribute dividends at least once a year. Our Board has the discretion to decide the form and the amount of dividends after taking into consideration a number of factors, including our results of operations, cash flows, financial condition, estimated working capital requirements, payments by our subsidiaries of cash dividends to us, business prospects, statutory, regulatory restrictions on our declaration and payment of dividends, and other factors that our Board may consider important, subject to the approval of our Shareholders. Any distributable profits that are not distributed in any given year will be retained to support our operations and long-term development. Currently, we do not have a fixed dividend distribution ratio. See "Financial Information — Dividends" for more information.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there had been no material adverse change in our financial or trading position or prospects since December 31, 2024 (the date of the latest financial statements of our Company), and there had been no event since December 31, 2024 which would materially affect the information shown in the Accountants' Report in Appendix I to this document.

DEFINITIONS

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

"Accountants' Report"	the accountants' report of our Company for the Track Record Period, the text of which is set out in Appendix I to this document
"affiliate(s)"	with respect to any specified person, 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
"Articles" or "Articles of Association"	the articles of association of our Company conditionally adopted on June 7, 2025 with effect from the [**REDACTED**], a summary of which is set out in Appendix III to this document
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors

[**REDACTED**]

"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

[**REDACTED**]

"China" or "the PRC"	the People's Republic of China, excluding, for the purpose of this document only, except where the context requires otherwise, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Suzhou ecMAX Information Technology Co., Ltd. (蘇州極易科技股份有限公司) (formerly known as Suzhou Yimai Information Technology Co., Ltd. (蘇州易賣東西信息技術有限公司)), a limited liability company established in the PRC on October 21, 2015 and converted into a joint stock company with limited liability on December 28, 2021
"Controlling Shareholder(s)"	Mr. Wang, Qingdao Yihua, the Employee Incentive Platforms and Nanjing Jisheng
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSDC (Hong Kong)"	China Securities Depository and Clearing (Hong Kong) Company Limited
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
"Employee Incentive Platforms"	Suzhou Shanglai, Yimai Youwei and Jiyi Dazhan, which are each Shareholders of our Company

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

[**REDACTED**]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, which is an Independent Third Party
"Frost & Sullivan Report"	the report prepared by Frost & Sullivan

[**REDACTED**]

"Group", "our Group", "the 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
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

"H Share(s)"	[**REDACTED**] ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are to be [**REDACTED**] on the Stock Exchange

[**REDACTED**]

"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

"HK$" or "Hong Kong dollar(s)"	Hong Kong dollars, the lawful currency of Hong Kong

[**REDACTED**]

[**REDACTED**]

"Hong Kong Takeovers Code" or "Takeover Codes"	the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"IAS"	International Accounting Standards
"IFRS"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company or an associate of such person within the meaning ascribed to it under the Listing Rules

[**REDACTED**]

"IP"	intellectual property
"JD"	JD.com, Inc., a company whose shares are listed on the Main Board of the Hong Kong Stock Exchange under Chapter 19C of the Listing Rules (stock codes: 9618 (HKD counter) and 89618 (RMB counter)) and whose American depositary shares are listed on Nasdaq under the symbol "JD"
"JD Group"	JD and its subsidiaries and consolidated affiliated entities
"Jingdong Bangneng"	Jiangsu Jingdong Bangneng Investment Management Co., Ltd. (江蘇京東邦能投資管理有限公司), a limited liability company established in the PRC on August 4, 2015

"Jiyi Dazhan"	Suzhou Jiyi Dazhan Enterprise Management Partnership (Limited Partnership) (蘇州極易大展企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 18, 2020, of which Mr. Wang is the general partner and executive partner, and one of our Employee Incentive Platforms and Controlling Shareholders
"Latest Practicable Date"	June 10, 2025, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document

[**REDACTED**]

"Listing Committee"	the listing committee of the Stock Exchange

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"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)
"Ministry of Finance" or "MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)

"Mr. Ji"	Mr. Ji Rong (吉融), an executive Director and the deputy general manager of our Company
"Mr. Wang"	Mr. Wang Shan (王珊), our founder, an executive Director, the chairman of our Board, the general manager of our Company and one of our Controlling Shareholders
"Nanjing Jisheng"	Nanjing Jisheng Enterprise Management Partnership (Limited Partnership) (南京極晟企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on July 3, 2021, and one of our Controlling Shareholders
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board
"NPC"	National People's Congress of the PRC (中華人民共和國全國人民代表大會)

[**REDACTED**]

[**REDACTED**]

"Overseas Listing Trial Measures"	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》) promulgated by the CSRC on February 17, 2023, effective from March 31, 2023
"PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, modified and/or otherwise supplemented from time to time
"PRC GAAP"	the PRC Accounting Standards and Accounting Regulations for Business Enterprises (《中國企業會計準則》) promulgated by the MOF on February 15, 2006 and its supplementary regulations, as amended, supplemented or otherwise modified from time to time
"PRC Legal Advisor"	Global Law Office, our legal advisor as to PRC laws
"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
"Pre-[**REDACTED**] Investment(s)"	the investments in our Company made by the Pre-[**REDACTED**] Investors, details of which are set out in the section headed "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments" in this document
"Pre-[**REDACTED**] Investor(s)"	the investors as set out in the section headed "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors" in this document

[**REDACTED**]

"province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
"Qingdao Yihua"	Qingdao Yihua Shengxin Enterprise Management Partnership (Limited Partnership) (青島易華生鑫企業管理合夥企業(有限合夥)) (formerly known as Suzhou Yihua Shengxin Enterprise Management Partnership (Limited Partnership) (蘇州易華生鑫企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on September 21, 2017, and one of our Controlling Shareholders
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAIC"	State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which has now been merged into the SAMR
"SAMR"	State Administration for 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"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai-Hong Kong Stock Connect"	a securities trading and clearing links program developed by the Stock Exchange, Shanghai Stock Exchange, HKSCC and China Securities Depository and Clearing Corporation Limited for mutual market access between Hong Kong and Shanghai

"Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, comprising Unlisted Shares and, upon [**REDACTED**], H Shares
"Shareholder(s)"	holder(s) of the Shares

[**REDACTED**]

"State Council"	State Council of the People's Republic of China (中華人民共和國國務院)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Suzhou Shanglai"	Suzhou Shanglai Enterprise Management Partnership (Limited Partnership) (蘇州尚來企業管理合夥企業(有限合夥)) , a limited partnership established in the PRC on September 21, 2017, of which Mr. Wang is the general partner and executive partner, and one of our Employee Incentive Platforms and Controlling Shareholders
"Track Record Period"	the financial years ended December 31, 2022, 2023 and 2024

[**REDACTED**]

"Unlisted Shares"	unlisted ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which are not listed or traded on any stock exchange
"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 from time to time, and the rules and regulations promulgated thereunder
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States

"VAT"	value-added tax
"Yimai Youwei"	Suzhou Yimai Youwei Enterprise Management Partnership (Limited Partnership) (蘇州易賣有為企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 17, 2020, of which Mr. Wang is the general partner and executive partner, and one of our Employee Incentive Platforms and Controlling Shareholders

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

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain technical terms used in this document that relate to our business and the industry in which we operate. These terms and their meanings may not always correspond to standard industry meanings or usages of these terms.

"AI"	artificial intelligence
"AI agent"	a system or program that is capable of autonomously performing tasks on behalf of a user or another system
"big data"	extremely large data sets that may be analyzed computationally to reveal patterns, trends, and associations, especially relating to human behavior and interactions
"bonded warehouses"	warehouses established with customs approval for the storage of imported goods, which are exempt from customs duties and import control regulations
"brand e-commerce service providers"	service providers that focus on providing comprehensive e-commerce services to brands, including IT solutions, online store operation, marketing, customer services, and warehousing and fulfillment
"brand flagship stores"	stores being registered with an e-commerce platform with a proprietary brand or with a brand which has been exclusively authorized by a trademark owner
"brand partners"	the proprietors and/or registered owners in the relevant jurisdiction(s) of the brand and/or trademark(s), which are also business entities that maintain a business relationship with the Company
"CAGR"	compound annual growth rate
"Chinese Valentine's Day Promotion"	an annual online shopping promotional event in China on or around the seventh day of the seventh lunisolar month on the Chinese lunisolar calendar
"CRM"	customer relations management, a system and process that analyzes customer interactions through customer lifecycles to help businesses manage and improve relationships with their customers

"cross-border bonded zones"	domestic designated areas where goods can be stored, manipulated, or processed without paying customs duties or taxes until they leave the zone or are sold into the domestic market
"cross-border e-commerce"	an international commercial activity in which trading entities belonging to different customs territories complete transactions, conduct electronic payment settlements through e-commerce platforms, and deliver goods through cross-border e-commerce logistics and remote warehousing to complete transactions
"cross-border export e-commerce"	a model in which companies use online channels to sell products to overseas consumers
"cross-border import e-commerce"	a model in which businesses sell foreign goods directly to domestic consumers through e-commerce platforms
"e-commerce"	electronic commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions
"end-to-end digital retail service providers"	brand e-commerce service providers whose client portfolio includes not only brand customers but also entity retailers
"GMV"	gross merchandise volume, which is the sum of (i) the full value of all purchases transacted and settled on the stores operated online by the Company, (ii) the full value of all purchases transacted and settled between offline channels and the Company, and (iii) service fees generated from provision of end-to-end digital retail services and other services provided by the Company
"ISO27001"	an international standard for information security management system
"KOC"	key opinion consumer, a genuine consumer who influences others through personal experiences and recommendations

"KOL"	key opinion leader, a person or organization who has expert product knowledge and influence in a particular field, trusted by relevant interest groups while having significant effects on consumer behavior
"MCN"	multi-channel network, a company or entity that works with multiple channels to offer assistance to a channel owner so as to realize the stable monetization of business
"OTC drugs"	over-the-counter drugs, refer to medicines sold directly to consumers without a prescription from a healthcare professional, as opposed to prescription drugs, which may be sold only to consumers possessing a valid prescription
"ROI"	return on investment
"Silk Road E-commerce service providers"	brand e-commerce service providers that engage in cross-border e-commerce conducted under the framework of e-commerce cooperation mechanisms signed between China and partner countries, such as Vietnam, Italy, and Australia
"Singles Day Promotion"	an annual online shopping promotion event in China on or around November 11
"SKU"	stock keeping unit, a distinct type of item for sale, such as a product or service, and all attributes associated with the item type that distinguish it from other item types
"SMS"	short message service
"SPU"	standard product unit, a specific variation to a standardized product or a type of item
"618 Promotion"	an annual online shopping promotional event in China on or around June 18

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will", "expect", "anticipate", "estimate", "believe", "going forward", "ought to", "may", "seek", "should", "intend", "plan", "projection", "potential", "could", "vision", "goals", "aim", "aspire", "objective", "target", "schedules" and "outlook") are not historical facts, are forward looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this document), uncertainties and other factors some of which are beyond our Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our business prospects;
- our business strategies and plans to achieve these strategies, including our expansion plans;
- our ability to maintain relationships with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment and future developments, trends and conditions in the industries and markets in which we operate;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel, and recruit qualified staff;
- the actions of and developments affecting our competitors; and
- all other risks and uncertainties described in the section headed "Risk Factors" in this document.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution [**REDACTED**] against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements contained in this document are expressly qualified by reference to the cautionary statements set out in this section.

You should carefully consider all of the information in this document and, in particular, the risks and uncertainties described below, before making an [**REDACTED**] *in our H Shares. We are affected materially by requirements and restrictions that arise under laws, regulations, judicial interpretations and government policies in nearly all aspects of our businesses in the jurisdictions where we operate.*

The risks described below are not the only risks that may affect us or our [**REDACTED**]. *Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, results of operations, financial condition and growth prospects. If any of the possible events described below occurs, our business, results of operations, financial condition and growth prospects could be materially and adversely affected. The* [**REDACTED**] *of our H Shares could decline owing to any of these risks, and you may lose all or part of your* [**REDACTED**].

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

If the e-commerce market in China does not grow, or grows slower than we expect, demand for our solutions or services could be adversely affected.

We, as a brand e-commerce service provider and brand asset manager, primarily generate revenue by selling products from various global brand owners to Chinese consumers through e-commerce platforms, or from providing a variety of brand e-commerce services to these brands. Therefore, continued demand from our existing and potential future brand partners to use our solutions or services depends on whether e-commerce market in China will continue to grow.

Despite the rapid development of the e-commerce industry in China and the increase in the number of people adapted to online shopping in recent years, there is no guarantee that the e-commerce market in China will continue to grow at the same pace as we expect in the future. The long-term development and prospects of the e-commerce business in China are affected by numerous factors, which may be beyond our control. These factors include, but are not limited to:

- changes in brands' demand for brand e-commerce services;
- the growth of internet, broadband, personal computer and mobile penetration and usage in China, and the rate of any such growth;
- the general quality of products and services offered in e-commerce business;
- the trust and confidence level of online retail consumers in China, user experience of shopping online, as well as changes in consumers' demographics, tastes and preferences;
- the development of fulfillment, payment and other ancillary services associated with online purchases;

- the development of technologies such as data analytics and AI;
- the development of social media and other social networking applications;
- the change of the competitive landscape of the e-commerce industry in China; and
- the regulatory environment of the e-commerce industry in China.

In addition, while we believe that the e-commerce sales channels can offer a rich and pleasant shopping experience, we cannot assure you that consumer behavior and preferences will not change over time to favor shopping from offline sales channels. Furthermore, offline marketplaces may be able to provide broader product offerings, more engaging shopping experiences, more effective communications and better after-sales services than online sales channels, which may drive consumer traffic away from online e-commerce sales channels.

As a result, if the e-commerce market in China fails to develop as we expect, our business, results of operation and financial condition would be materially and adversely affected.

If we fail to predict the evolving market trends and consumer preferences correctly or in a timely manner, we may fail to successfully market and sell the products of our brand partners or identify new brand partners or products with growth potential, and our results of operation may be materially and adversely impacted.

We are a leading end-to-end digital retail service provider and Silk Road e-commerce service provider in China. We ranked second among end-to-end digital retail service providers in China and fifth among brand e-commerce service providers in China in terms of GMV in 2024, according to Frost & Sullivan. As a substantial portion of our business, we purchase products from selected brand partners and reach consumers (i) by selling such products to consumers under the online channel distribution model of our brand-to-consumer solutions through the self-owned stores of e-commerce platforms or brand flagship stores we operate on the e-commerce platforms, and (ii) through offline channels, to whom we sell the brand products, under our brand-to-business solutions. As a result, our success depends, in part, upon our ability and our brand partners' ability to anticipate and respond to the evolving market trends and consumer preferences, including our ability to identify suitable brands and products.

Constantly changing consumer preferences have affected and will continue to affect the retail industry in China. For example, during the Track Record Period, we primarily generated revenue from sales of health products and beauty and personal care products. However, the market trend in these product categories shifts rapidly, and we cannot assure that consumers will maintain strong interest and confidence in the products or the product categories we currently offer. Consequently, we must stay abreast of emerging consumer preferences, and anticipate product trends that will appeal to existing and potential consumers. This requires a combination of various elements, including, but not limited to, in-depth understanding and accurate analysis of market trends, timely collection of consumer feedback, and strong data analytics capability. If we or our brand partners fail to identify or respond to changes in merchandising and consumer preferences, or if the reputation or popularity of brands we offer is harmed, the sales of relevant branded products under our brand-to-consumer solutions and brand-to-business solutions could suffer. We may, in turn, fail to continue to retain existing brand partners, expand our customer base, or expand into new products or product categories with our existing brand partners, and our business and results of operations could be materially and adversely affected.

Our historical growth rates may not be indicative of our future growth, and, if we are unable to execute our strategies effectively, our business and prospects may be materially and adversely affected.

We experienced growth during the Track Record Period. Our revenue increased from RMB1,117.3 million in 2022 to RMB1,355.5 million in 2023 and further increased to RMB1,400.3 million in 2024. While our revenue was on a steady growth during the Track Record Period, we cannot assure you that we are able to sustain our revenue growth, or that we will continue to be profitable.

In addition, our growth may place significant strain on our management and resources. To drive our continuous growth, we expect that we will need to execute a number of business strategies, including strengthening our AI capabilities and expanding our cross-border e-commerce business. We will also need to continue to expand, train, manage and motivate our workforce and manage our relationships with our brand partners, suppliers and other business partners.

All of these endeavors involve risks and will require substantial management effort and additional expenditures. We cannot assure you that we will continue be able to manage our growth or execute our growth strategies effectively, including uncertainty of our continued successful identification of popular products for consumers in China and overseas and expansion into new product categories. Any failure to do so may materially and adversely affect our business, financial condition and results of operations. Furthermore, our revenue, expenses and operating results may vary from period to period due to factors beyond our control. Accordingly, [**REDACTED**] should not rely on our historical results as an indication of our future financial or operating performance.

Our success is tied to the success of our existing and future brand partners in China to which we provide brand e-commerce services.

Our success is substantially dependent upon the continued success of our current brand partners. As we continue to expand and optimize our brand partner base, our future success will also be tied to the success of our future brand partners. We cannot assure you that our efforts to attract new brand partners and optimize our brand partner base will continue being successful. If such efforts fail, it may have a material adverse impact on our business performance or results of operation.

The retail business in China is intensely competitive. If our brand partners were to experience any significant decline in their brand reputations due to any reason, such as quality or safety issues or decreased popularity of their products, or if they were to have any financial difficulties, suffer impairment of their brands or if the profitability of, or demand for, their products decreases for any other reason, it could adversely affect our results of operations and our ability to maintain and grow our business. In addition, loss of market shares and shrinking scales of operations of our brand partners in China may also impair their desirability for carrying out large-scale marketing and promotional activities in China, which in turn would materially and adversely affect our business, financial condition and prospects.

If we fail to retain our existing brand partners, particularly those from which we generate a substantial portion of our revenue, our results of operation and prospects could be materially and adversely affected.

We provide brand e-commerce services to our brand partners by selling their products or providing e-commerce services to them, pursuant to contractual arrangements typically with a term of one year. We cannot assure you that our contracts with existing brand partners, especially those with brands which have strong bargaining power, will be renewed on the same or more favorable terms for us or in a timely manner. In addition, in several of our contractual arrangements with our brand partners, there is a provision that specifies a purchase target for us to fulfill within a certain period of time. If we fail to fulfill the purchase target, our brand partners have the right to unilaterally terminate the agreement. In addition, we may not be able to accurately predict future trends in brand partners' renewals, and our brand partners' renewal rates may decline or fluctuate due to factors such as level of satisfaction with our solutions and our fees and charges, as well as factors beyond our control, such as level of competition faced by our brand partners, their level of success in e-commerce and their spending levels.

In addition, our brand partners might make certain adjustments to their business and marketing strategies or their product focus, which could result in a decrease in their demand for our brand e-commerce services. For example, our services aim to help our brand partners address the complexities and difficulties they may face in the e-commerce market in China; however, the level of such complexities and difficulties might decline as a result of changes in the e-commerce landscape or our brand partners' increasing familiarity with the China's e-commerce market over the time or otherwise, or our brand partners might deem other channels as more cost-effective. In such cases, our brand partners may choose to enhance their in-house capabilities as an alternative to our solutions and directly cooperate with e-commerce platforms, and may choose to utilize other channels for sales of their products without engaging us. As a result, the demand for our solutions may decline, which in turn would materially and adversely affect our business, results of operations and financial condition. In addition, large e-commerce platforms may have advantages over us in terms of traffic resource, brand recognition, information technology infrastructure, industry insights, as well as financial, technical and marketing resources. Accordingly, if they decide to provide brand e-commerce services to brand partners directly, they may be able to devote greater resources to marketing and promotional campaigns on their own platforms, adopt aggressive pricing or inventory policies and devote substantially more resources to develop their relationship with brand partners, making our solutions may become less appealing to brand partners.

Furthermore, some of our contracts with existing brand partners were based on standard forms proposed by such brand partners that contain non-compete provisions prohibiting us from selling products of, or providing similar services to, competitors of such brand partners. Such provision has restricted and may continue to restrict the development and expansion of our business with some of our brand partners. As our business further expands, we may engage in business with multiple brand partners that may be in competition with each other and may be subject to similar non-compete restrictions requested from other existing brand partners or future brand partners. We cannot assure you that we will not be found to be in breach of such non-compete provisions with our existing or future brand partners if any of our brand partners brings claims against us for breach of such provisions. If any such claim is brought against us and we are found to be in breach of any non-compete provision, we may be subject to potential liabilities and penalties for breach of contracts, including liquidated damages and forfeiture of sales bonuses, and our brand partners may decide to terminate their contracts with us, which may cause us to lose revenue. As a result, our reputation, financial condition and results of operations may be materially and adversely affected.

As of the date of this document, some of our existing brand partners have had years of cooperation with us. During the Track Record Period, we generated a significant portion of our revenue from our brand partners through (i) sales of these brand partners' products to e-commerce platforms or consumers under online channel distribution model of our brand-to-consumer solutions, (ii) sales of brand partners' products to offline channels under our brand-to-business solutions, (iii) provision of end-to-end digital retail services to these brand partners under the service fee model of our brand-to-consumer solutions, and (iv) provision of brand asset management and IP commercialization services and other services, which we collectively refer to as revenue "related to" these brand partners in order to assess our overall business relationship with them. In 2022, 2023 and 2024, our revenue related to top ten brand partners as ranked by revenue related to them in the aggregate accounted for 81.2%, 66.4% and 65.7% of our total revenue, respectively, and our revenue related to top five brand partners as ranked by revenue related to them accounted for 77.3%, 58.7% and 56.2% of our total revenue, respectively. Accordingly, if our existing brand partners, particularly those from which we generate a substantial portion of our revenue, terminate or do not renew their business relationships with us, renew on less favorable terms or for fewer services and solutions, and we do not acquire replacement brand partners or otherwise grow our brand partner base, our business and results of operations may be materially and adversely affected.

In addition, we are actively exploring the opportunities to strengthen the cooperation with our brand partners, such as investing in our core brand partners or establishing joint ventures with them under our brand asset management, so that we could be comprehensively involved in the product development, planning and marketing and brand operation. We are also planning to incubate our own brands to further expand our brand asset management business. Such strategic investments may not be successful and may bring new challenges and risks to our business. See "— We may be subject to risks relating to investments in other entities, strategic alliances or joint ventures, and strategic acquisitions."

Failure to identify and engage new brands or expand into new products or product categories with our existing brand partners may have an adverse effect on our business, financial condition, results of operations and prospects.

To maintain and optimize our business growth, it is critical for us to identify quality products of new brands which has great potential to grow in its category and establish cooperation with these new brands to fulfill the evolving needs of consumers in China. As of December 31, 2024, we cooperated with 84 brands, compared to a portfolio of 85 and 81 brands as of December 31, 2023 and 2022. However, there is no guarantee that we will be able to continue to successfully identify and engage new brands whose products are appealing to consumers in China.

Meanwhile, the success of our business depends in part on whether we will be able to expand into new products or product categories with our existing brand partners. Expansion into new product or product categories generally comes with new risks and challenges, including our lack of expertise and experience in operating new products or product categories, obtaining licenses and approvals required for the operation of new products or product categories and recruiting qualified staff in adequate number for new markets and businesses. If we fail to address these risks and challenges, we might not successfully expand into new products or product categories, which may adversely affect our cooperation with brand partners and our business operations.

We expect to continue to face challenges and intense competition in our business from other brand e-commerce service providers in China. If we fail to identify and establish cooperation with new brand partners in a timely manner, or fail to successfully expand into new products and product categories with our existing brand partners, our business, results of operation and prospects will be materially and adversely affected.

We rely on e-commerce platforms to conduct our business. If we fail to maintain our relationships with such major e-commerce platforms or timely adapt to new e-commerce channels, or if e-commerce platforms otherwise curtail or inhibit our ability to provide e-commerce retail and wholesale solutions with their platforms, our solutions would be less appealing to existing and potential brand partners.

During the Track Record Period, we generate a majority of our revenue from our brand-to-consumer solutions under (i) online channel distribution model, where we sell products to e-commerce platforms or to consumers through online stores we operate on e-commerce platforms, and (ii) service fee model, where we sell products to consumers through online stores we operate on e-commerce platforms. In 2022, 2023 and 2024, the revenue from our product sales to and through e-commerce platforms accounted for 88.5%, 71.8% and 60.2% of our total revenue, respectively. If our relationship with any of these e-commerce platforms deteriorates in the future, they may decline to cooperate with us or reduce their purchases from us, which may significantly limit or hinder our ability to provide brand e-commerce services to our brand partners and thus adversely affect our profitability. In addition, as various new e-commerce channels, such as social e-commerce channels, have emerged and become increasingly prevalent, if we fail to establish collaboration with them in a timely manner, our services to brand partners may become less attractive, which could adversely affect our profitability.

In addition, given the fierce competition among several Chinese e-commerce platforms, some platforms may require lower purchase price, or set additional preconditions under our contractual arrangements. If any e-commerce platform with strong bargaining power asks us for lower purchase prices, for which we may not be able to obtain the same discounts or reimbursements from our brand partners, our profitability could be adversely affected. Any exclusive cooperation in the sales of certain products as a precondition for engaging certain e-commerce platforms would restrict our capacity to reach consumers through multiple platforms. Our brand partners may decide not to sell their products through the relative e-commerce platforms for any of the reasons described above, hence lowering their demand for our services.

Furthermore, we need to comply with various rules made by these e-commerce platforms for online store operators using their platforms, the failure of which may result in punitive measures on us. These platforms, however, may make significant changes to their respective business models, policies, systems or plans from time to time. We cannot assure you that these changes will not create any difficulty for us to comply, or will not impair or inhibit our or our brand partners' ability to sell products on their platforms, and therefore materially and adversely affect our business, results of operations and financial condition.

The performance of mainstream e-commerce channels may affect our results of operations.

During the Track Record Period, a significant portion of our GMV was derived from products sold to, or services rendered on, e-commerce platforms. If mainstream e-commerce channels are not successful in attracting consumers or their reputations are adversely affected for whatever reasons, our brand partners may have to limit or cease the product sales through these channels. As our results of operations rely on our product sales to and through these e-commerce platforms, as well as the sales performance of our brand partners' stores on these platforms, a decrease in the use of these channels would reduce demands for our services, and we may have to push for more sales in other channels, which requires search and transition time. Therefore, we cannot assure you that our business and results of operations will not be negatively influenced in the short term if such situation arises.

We are exposed to specific risks of conducting our business in international markets and expanding our cross-border e-commerce businesses.

We are one of the few brand e-commerce service providers in China that are able to provide both cross-border import and cross-border export services at scale, according to Frost & Sullivan. We conduct our business in not only China but also overseas markets, which subject us to specific risks and uncertainties. For example, we may be relatively unfamiliar with regulations and policies in overseas markets, which may differ materially from those in China. If we fail to comply with those laws and regulations, or if we fail to obtain the permits, licenses and approvals necessary for us to operate in those overseas markets, our operations and business prospects will be adversely affected. In addition, changes in overseas countries' or regions' political and cultural climate or economic condition, such as political instability, inflation, currency fluctuations, unexpected changes in tariffs, trade barriers and regulatory requirements, could hinder our ability to conduct business in those countries or regions and thus negatively affect our profitability and growth potential.

We have been expanding, and will continue to expand, our business internationally. The majority of products we sell under our different business models are sourced from overseas and sold to China under our cross-border import business. We are also actively expanding our cross-border export business, including selling the products of our brand partners in China to overseas markets through e-commerce platforms such as Temu, Amazon, Coupang and SHEIN.

Expanding our international operations may cause our business to be susceptible to a whole range of international business risks and challenges, including, but not limited to:

- the evolving demands and preference of consumers in our targeted markets for products produced and sold in their countries of origin;
- the regulatory environment of cross-border e-commerce business in China and overseas;
- challenges in replicating or adapting our policies and procedures to any operating environment different from that of China, including technology and logistics infrastructure;
- cost structures and cultural and language factors associated with managing and coordinating our international operations;
- challenges of maintaining efficient and consolidated internal systems, including information technology infrastructure, and of achieving customization and integration of these systems with the other parts of our digital operations;
- the need for increased resources and cost to manage compliance with a wide range of regulatory requirements, laws and tax policies of foreign jurisdictions across our international operations;
- the ability to attract and retain capable talent with international perspectives who can effectively manage and operate local businesses;
- heightened restrictions and barriers on the transfer of data between different jurisdictions;
- differing, complex and potentially adverse customs, import/export laws, tax rules and regulations or other trade barriers or restrictions which may be applicable to transactions conducted through our international and cross-border platforms, related compliance obligations and consequences of non-compliance, and any new developments in these areas;

- availability, reliability and security of international and cross-border payment systems and logistics infrastructure;

- exchange rate fluctuations; and

- changes in the geopolitical landscape, political instability and general economic or political conditions in particular countries or regions, including territorial or trade disputes, war and terrorism.

The constantly changing dynamics of the international markets and any failure to manage these risks and challenges could negatively affect our ability to operate in international markets and expand our international and cross-border businesses and operations as well as materially and adversely affect our business, financial condition and results of operations.

Changes to the terms of our cooperation with brand partners or e-commerce platforms may have an adverse impact on our financial condition.

Changes to the terms of our cooperation with our brand partners, such as their rebate and pricing policies, could adversely affect our profits and financial condition. In our provision of brand-to-consumer and brand-to-business solutions, we primarily procure products from our brand partners directly. In line with the industry practice, our brand partners normally agree to offer us rebates as procurement, promotion and marketing incentives for us. The amounts of rebates are closely connected to the rebate policies and budgets of our brand partners and there can be no assurance we will receive rebates from our brand partners at the same level in the future, or at all. If our brand partners amend their rebate policies, significantly reduce their budgets for rebates, change the settlement frequencies of rebates or otherwise greatly decrease the rebates available to us, our profitability, results of operations and financial condition will be materially and adversely affected.

With respect to the online channel distribution models under our brand-to-consumer solutions and our brand-to-business solutions, we typically purchase products from brand partners at prices specified in the sales agreements. In some cases, we purchase products at a discount to brand partners' market selling price according to the sales agreements. Therefore, our profitability under these models is primarily affected by the terms and conditions of our sales agreements with brand partners, in particular, the prices at which we purchase from our brand partners and, where applicable, the range of recommended retail price to our customers. As such, if our brand partners increase the purchase price or lower the recommended retail price (if any), our profitability could be impaired, and we might not be able to compete effectively with our competitors, which could have an adverse impact on our operating results and prospects.

The e-commerce platforms we cooperate with may also make adjustments to the terms of their cooperation with us, which could negatively affect our profitability. For example, e-commerce platforms typically charge us a certain percentage of our GMVs as fees for using their platforms. Major e-commerce platforms we cooperate with have a large market share, and the fees they charge us for using their platforms cannot be negotiated. They may also decide to increase the fees and other charges for transactions on their platforms. We may not be able to pass on such additional fees charged by e-commerce platforms to our customers, which may adversely affect our profitability and therefore have an adverse effect on the results of operations and financial conditions. In addition, if e-commerce platforms provide brand e-commerce services to brand partners directly, our cooperation with e-commerce platforms may be negatively impacted. They may no longer offer us the same favorable terms as we currently enjoy and may choose not to collaborate with us, or deny our access to their platforms. As a result, we may experience slower growth in the future or decrease in our revenue, and our business, financial condition and results of operations would be materially and adversely affected.

A variable portion of the revenue we generate from certain brand partners is based upon the amount of GMV, and any change to such pricing mechanism may adversely affect our financial results.

A portion of the revenue we generate from certain brand partners is variable based on GMV generated through their online stores to which we render operating services, based on terms we negotiate with the brand partners. If that GMV were to decline, does not grow as expected, or if our brand partners demand pricing terms that do not provide for variability based on the value of purchases transacted and settled on the stores operated by us, our revenue, profitability and business prospects may be adversely affected.

In addition, the ratio of our revenue as a percentage of GMV generated through the online stores that we operate for brand partners could vary as their bargaining power increases or our service scope reduces, which could adversely affect our financial results. We also intend to focus on product categories with high GMV. However, despite our efforts in achieving a higher ratio of our revenue as a percentage of GMV generated through our brand partners' online stores that we operate, there is no guarantee that we will successfully achieve this and our failure to do so could adversely affect our financial results.

We are subject to risks related to the evolving regulatory requirements for e-commerce business and different product categories, and non-compliance with which, or changes in which, may adversely affect our business operations.

We are subject to legal and regulatory requirements applicable to the e-commerce industry in the PRC. These requirements are new and evolving. As a result, the interpretation of these legal and regulatory requirements, and the prediction of enforcement actions is often uncertain. Inaccurate interpretation of these laws and regulations and false prediction of enforcement action of the applicable laws and regulations, may have an adverse impact on our business and operations. Additionally, any future changes in these laws and regulations may render our business non-compliant, or require changes to our business practices or licensing arrangements, to ensure compliance. These changes may involve significant costs, which, in turn, may adversely affect our business and prospects.

Our brand e-commerce services cover a wide variety of products, principally including healthcare products, as well as beauty and personal care products, which may subject us to the regulations of several PRC regulatory authorities regulating online medical device operations, cosmetics business, food business, and online trading and e-commerce. In particular, due to the inherent risk with healthcare products, there is no guarantee that the regulatory authorities will not promulgate stricter rules and regulations on sales of healthcare products on e-commerce platforms, which may require us to obtain additional approvals or permits to procure and sell those products or comply with extra requirements. Any failure to comply with the new rules and regulations, or incurrence of material compliance costs, may adversely affect the development of our health product business and our results of operations. Violations of any regulations may lead to the imposition of significant penalties, which may affect our business, operations, reputation and financial prospects.

As we may expand into new product categories and render new services in the future, we will be required to comply with additional applicable laws and regulations. We may be required to obtain necessary certificates, licenses or permits, as well as to expend additional resources to monitor regulatory and policy developments. Our failure to adequately comply with such additional laws and regulations may prohibit sales of relevant products or provision of relevant services, or even result in a suspension of our operation as a whole, which may have a material adverse effect on our business, financial condition and results of operations.

If we fail to provide products and/or services of satisfactory quality to our customers, our business and reputation would be materially and adversely affected.

We believe that customer satisfaction is critical to the development and prospects of our business. Products of unsatisfactory quality, or defective products, may undermine the trust and confidence of our customers (including e-commerce platforms and consumers under the online channel distribution model of our brand-to-business solutions and offline channels under our brand-to-business solutions) in us. In addition, for sales under online channel distribution model of our brand-to-consumer solutions, if our third-party warehousing and logistics service providers we cooperate with cannot ensure efficient and reliable logistics arrangements for consumers, consumers might gradually turn to other online stores. Furthermore, our customer service team must successfully handle our customers' requests in a timely manner.

Any failure to provide satisfactory products or services to our customers could harm our reputation among customers and cause a decrease in the sales of the products or a decline in the services that we offer. We may lose existing brand partners and fail to attract new brand partners in the future, which could have a material and adverse effect on our business, financial condition and results of operations.

The industry in which our business operates is highly competitive. If we fail to compete effectively with current and future competitors, our business will suffer.

The brand e-commerce service market in China is highly competitive. The top-ten players in China collectively accounted for approximately 15.3% of the market share in terms of GMV in 2024, according to Frost & Sullivan. We face intense competition in our industry, and we expect that such competition will continue to intensify in the future. Our major competitors include China's large brand e-commerce service providers, especially those that are able to provide cross-border import and export brand e-commerce services.

With respect to our product sales, our contracts with our brand partners are generally not written on an exclusive basis and we generally do not have contractual rights to exclude other agents to sell the products of our brand partners. As a result, once brand partners decide to switch part of their products sales to our competitors, we may face competitions with other brand management providers that our brand partners work with. Increased competition may result in reduced pricing for providing the products or a decrease in our market share, any of which could negatively affect our ability to retain existing brand partners and attract new brand partners, our future financial and operating results, and our ability to grow our business. With respect to our brand e-commerce services, we compete with our competitors in areas such as the knowledge and understanding of the industry and tailor-made consumer and industry analysis.

We face competition in various aspects. For example, to attract consumers, increase consumer engagement and improve consumer retention, we need to compete with others in the diversity, convenience, cost-effectiveness and customization of product and service offerings as well as in the overall customer experience. To attract brand partners and maintain stable cooperation with them, we need to compete with others in the industry knowledge, the ability to achieve economies of scale and attract consumers to purchase products, the ability to increase sales of brand partners, and the efficiency of logistics infrastructure in product delivery. In addition, our business development relies on experienced and efficient talents, and we need to compete with our competitors for these talents.

Our ability to compete effectively depends on a number of factors, some of which may be beyond our control. For example, some of our current or future competitors may have, or may develop, greater brand recognition, better relationship with brands, larger consumer base or greater financial, technical or marketing resources than we do, and may therefore be able to offer services of higher quality with lower prices. Any smaller companies or potential new entrants may be acquired by, receive investment from or enter into strategic relationships with well-established and well-financed companies or investors, which may enhance their competitive positions. In addition, some of our competitors may be able to secure more favorable terms from brands, devote greater resources to sales and promotion activities and IT infrastructure systems or adopt more aggressive pricing policies than us. Therefore, we cannot guarantee that we will be able to compete successfully against our current or future competitors, and competitive pressures may lead to an increase in our operating expenses and distract our management from carrying out our business strategies. If we cannot compete successfully against our competitors, our business, operating and financial results and reputation could be adversely affected.

Material disruption of e-commerce channels could prevent us from providing services to our brand partners, and reduce sales in online stores operated by us.

E-commerce channels could cease operations unexpectedly due to a number of events, including interruptions in telecommunication services, computer viruses and unlawful access of e-commerce channels. Any material channel downtime or disruption could prevent us from providing services to our brand partners, and reduce sales in online stores operated by us. The risks of these events occurring are even higher during certain periods of peak usage and activity, such as on or around the Singles Day Promotion or other promotional events, when user activity and online transactions are significantly higher compared to other days of the year. As our GMVs are concentrated on a limited number of e-commerce platforms, the adverse effects of such downtime and disruption could be significant to our operations as a whole. This instability and susceptibility could create serious challenges to the uninterrupted services of our online stores, which might materially and adversely affect our business and operation.

We have limited control over the operations of e-commerce platforms or other distributors and we may be subject to risks relating to their acts.

Our agreements with brand partners typically set out our rights and obligations in dealing with their products, such as the types of products we are allowed to sell and the permitted distribution channels of such products. We need to abide by our agreements with brand partners in operating our businesses. To ensure our distributors under the B2B2C model of our brand-to-consumer solutions and under our brand-to-business solutions comply with the policies of our brand partners as we do, we typically require our downstream distributors to carry out their business by following policies in respect of the designated sales channels, marketing activities, recommended retail price and customer service that are pre-determined by our brand partners.

However, under the B2B2C model of our brand-to-consumer solutions and under our brand-to-business solutions, given that we cannot control the acts of third-party e-commerce platforms or offline channels, there is no guarantee that they will carry out their business in full compliance with these policies and standards required by us or our brand partners. Any of such unauthorized activities by third-party e-commerce platforms or offline channels may subject us to a breach of contract liability. The remedies available to us upon a breach by such distributors under the relevant distribution agreements may not be sufficient to cover all losses we may incur. For example, our distributors may use unauthorized discounts to liquidate excessive inventories, which may damage the image and the value of the products and brands we offer. In the event of such circumstances, our reputation and relationship with brand partners may be harmed, which in turn could adversely affect our business, results of operations and financial condition.

Furthermore, e-commerce platforms or offline channels' operation of stores or other sales channels must comply with the relevant PRC laws and regulations. If any of these distributors is required to suspend or cease its operations as a result of noncompliance with the relevant PRC laws and regulations, our results of operations, market share, geographical coverage and reputation may be materially and adversely affected.

We may be subject to liabilities for selling defective or unqualified products, and our business and reputation could be materially and adversely affected.

We typically cooperate with reputable brands and we source goods from reputable brand partners. However, their measures of safeguarding against defective or unqualified products sold through e-commerce platforms may not be adequate. In addition to our self-owned warehouses, we also engage third-party warehousing and logistics service providers to conduct product fulfillment, and we may not be able to detect and prevent all potential instances of misconduct or negligence committed by them or by our employees involved in the fulfillment process.

While we did not encounter any material quality issues with respect to the products sold through online stores that we operate during the Track Record Period, we cannot ensure that our quality control mechanism is able to identify all defective or unqualified products, which may pose safety risks to consumers. If any product that we distribute were to cause personal injury or injury to property, the injured party or parties may file a claim against us. We could also be subject to claims that consumers were harmed due to their reliance on our promotion of third-party branded products. If a successful claim were brought against us, it could adversely affect our business. We may have the right under contracts or applicable laws, rules and regulations to recover from the relevant brand partners or manufacturers compensation that we are required to make to consumers in connection with a product liability, personal injury or a similar claim, if such relevant party is found responsible. However, there can be no assurance that we will be able to recover all or any amounts from these parties. Any product liability claim, regardless of its merit or success, could have a negative impact on our reputation, and result in the expenditures and diversion of management's attention.

Ineffective warehousing management may negatively affect our business and results of operation.

As of December 31, 2024, we directly operated one warehouse with an aggregate gross floor area of 5,000 square meters. Managing the facility is complex, and our effective management of the warehouse, including its capacity and utilization, is important to the fulfillment of orders. We also use a number of warehouses operated by third parties, which we may not be able to effectively manage or utilize. If we under-utilize warehouse facilities available to us, our costs will rise as a percentage of revenue, and if we have insufficient warehouse capacity, our revenue may not meet expectations. Failure to manage our warehouse capacity and utilization may have a material adverse effect on our business and results of operation.

In addition, our fulfillment and warehousing infrastructure may be vulnerable to damage caused by fire, flood, power outage, telecommunications failure, break-ins, earthquake, health epidemics, human error and other events. If any of our warehouses were rendered incapable of operations, we may be liable for the damages to the inventories stored in the affected warehouse, and the operation of our supply chain would be interrupted, which could negatively affect our ability to fulfill orders.

Our business and results of operations are subject to the risks related to third-party warehousing and logistics service providers.

The smooth operation of our supply chain relies, in part, on the services provided by third-party warehousing and logistics service providers. Any major interruptions to, or failures in, the services of these service providers could have material and adverse effect on our daily inventory management, turnover rate of inventories, fulfillment of orders and timely or successful delivery of products. These interruptions may be due to the causes of such third-party services providers or unforeseen events that are beyond our control, or the control of these third-party service providers, such as inclement weather, natural disasters, health epidemics, transportation interruptions or labor unrest or shortage. With respect to the damages caused by the acts of third-party service providers, while we may claim compensation for our losses under our agreements with them, such claims are subject to lengthy and complicated legal proceedings and we cannot provide assurance that any compensation payments would make up for lost consumer goodwill. Failure to provide reliable logistics services may also adversely impact consumer confidence in our services, harm our reputation, reduce repeat orders and damage our trust relationship with brand partners.

During the Track Record Period, we relied on a limited number of third-party service providers to provide us logistics and warehousing services. Due to our extensive cooperation with such major warehousing and logistic partners, it would be difficult for us to replace any of them and rebuild our logistics networks, which would be expensive and time-consuming. If we fail to find other reliable third-party logistics service providers at commercially acceptable terms in a timely method, our business operations would be interrupted, and profitability may be harmed. Furthermore, any significant increase in service fees charged by these third parties may result in significant increase in our operating expenses, which may erode our profit margin.

Our business, financial condition and results of operations may be subject to adverse effect from the risk of customer concentration.

In 2022, 2023 and 2024, our revenue from the five largest customers was RMB863.4 million, RMB796.0 million and RMB787.1 million, respectively, accounting for 77.3%, 58.7% and 56.2%, of our total revenue during each year. In 2022, 2023 and 2024, our revenue from the largest customer was RMB804.4 million, RMB652.0 million and RMB542.6 million, respectively, accounting for 72.0%, 48.1% and 38.8% of our total revenue during each year.

Although we continually seek to diversify our customer base, we cannot assure you that the proportion of the revenue contribution from these major customers to our total revenue will decrease in the near future. Dependence on a limited number of major customers exposes us to the risk of substantial losses if any of them reduces or ceases doing business with us. Specifically, we cannot assure you that our major customers, particularly large e-commerce channels, will not diversify their suppliers, change their business scope or business model, or no longer have high demands for branded products we supply. Any material adverse changes in the business, operation, and demands of our major customers may have a material adverse effect on us. In addition, if we fail to maintain relationships with these major customers, and if we are unable to find replacement customers on commercially desirable terms or in a timely manner or at all, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our results of operations are subject to fluctuations due to the seasonality of our business and other events.

We have experienced, and we expect to continue to experience, seasonal fluctuations in our revenue, which have caused, and will continue to cause, fluctuations in our results of operations. Historically, we have experienced a relatively lower level of sales activity in the first quarter due to the Chinese New Year holiday, during which consumers generally spend less time online, and some businesses in China are closed. On the contrary, historically, we generally have stronger performance in the second and fourth quarter due to the various major promotion events, such as the 618 Promotion and Singles Day Promotion. Our results of operations will likely fluctuate due to these and other factors, some of which are beyond our control. To the extent our results of operations are below the expectations of public market analysts and [**REDACTED**] in the future, or if there are significant fluctuations in our financial results, the [**REDACTED**] of our H Shares could fluctuate significantly.

We had negative net cash flows from operating activities historically, and we may have negative net cash flows from operating activities in the future. This expose us to certain liquidity risks and may constrain our operational flexibility as well as adversely affect our financial condition.

In 2022 and 2023, the net cash we used in operating activities was RMB180.6 million and RMB119.9 million, respectively. In 2024, net cash we generated from operating activities was RMB63.8 million. We cannot assure you that we will continue to have net cash flows from operating activities in the future given the expansion of our business, and the corresponding increases in the level of inventories and in trade receivables. See "— If we fail to manage our inventories effectively, our results of operations, financial condition and liquidity may be materially and adversely affected" and "— We may be subject to risks related to our trade receivables."

If we record net operating cash outflows in the future, our working capital may be constrained which may adversely affect our financial condition. Our future liquidity, payment of trade payables, and bank and other borrowings primarily depend on our ability to maintain adequate cash inflows from our operating activities and adequate external financing. If we are unable to maintain our sources of funding in a timely manner and on reasonable terms, or at all, we may face liquidity issues and our business, financial condition and results of operations may be materially and adversely affected.

We may need to raise additional capital to fund our business, but may not be able to obtain it on acceptable terms, or at all.

The scale of our business and our business model require us to maintain a significant amount of working capital to fund our cost of purchase and operating expenses. Our liquidity position is also affected by the turnover rates of inventories and accounts receivables. See "— If we fail to manage our inventories effectively, our results of operations, financial condition and liquidity may be materially and adversely affected" and "— We may be subject to risks related to our trade receivables." In addition, if our suppliers decide to shorten the credit periods granted to us, we may be required to settle payments with our suppliers more frequently than before, which may adversely affect our liquidity position. During the Track Record Period, we had funded our working capital primarily from borrowings and equity contributions from our shareholders.

To maintain a healthy level of liquidity, we may need additional capital in the future to fund our continued operations, and we may be unable to raise additional funds, whether through equity or debt financing, when needed on favorable terms or at all. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing shareholders, including [**REDACTED**] in this [**REDACTED**], will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our shareholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we are not able to obtain adequate additional capital in a timely manner or on terms acceptable to us, our liquidity might be adversely restricted, and we may not have sufficient cash flow to procure products from our brand partners and/or meet our repayment obligations under existing debts. As a result, our business and financial condition would be materially and adversely affected.

If we fail to manage our inventories effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our business under brand-to-consumer solutions and brand-to-business solutions requires us to maintain a certain level of inventory and to manage it effectively to ensure timely deliveries upon receiving orders from consumers. As of December 31, 2022, 2023 and 2024, our inventories were RMB271.5 million, RMB307.1 million and RMB278.6 million, respectively. In 2022, 2023 and 2024, our inventory turnover days were 92.9 days, 94.1 days and 91.0 days, respectively. During the Track Record Period, our inventory turnover days remained relatively flat.

We decide the procurement amount of product from suppliers, and the level of inventory, in accordance with the demand forecasts made in reference to our sales statistics in the past. Demand forecasts, however, are inherently uncertain due to a number of factors, such as seasonality, launch of new products, pricing, changes in consumer spending patterns and evolving preferences and tastes of consumers, each of which may affect the accuracy of any forecast. When we begin selling a new product, it may be difficult to predict the demand in the market due to lack of experience. We normally do not have the right to return unsold quality products to our brand partners, other than in a limited range of circumstances as set out in our supply agreements. In addition, with respect to our business under the B2B2C model of our brand-to-consumer solutions, e-commerce platforms are typically allowed to return products purchased from us that exceed their maximum warehousing capacity, usually triggered by the circumstance of high inventory stocks not resolved in a timely manner, which would increase the difficulties in our inventory management.

In light of the above, we may be exposed to increased inventory risks due to accumulated excess inventory. Prolonged periods of excess inventory may lead to pressures on our warehousing system and fulfillment capabilities, increases in inventory holding costs, and the nearing the expiration date risk of inventory obsolescence. Moreover, we may choose to lower sale prices of products, which may lead to lower gross margins. Conversely, if we underestimate demand for our products, or if our brand partners fail to supply quality products in a timely manner, we may experience inventory shortages, which might result in decline in revenue, diminished consumer satisfaction and shrinking market share, which could harm our business and reputation.

We may be subject to risks related to our trade receivables.

We generally grant a credit period to our customers under our different businesses, and under provision of services to our brand partners. As of December 31, 2022, 2023 and 2024, our trade receivables amounted to RMB146.9 million, RMB255.3 million and RMB241.1 million, respectively. We cannot assure you that our customers could make payments to us in a timely manner. Prolonged process of payment of such entities may cause an adverse effect on our liquidity position and working capital efficiency, which may in turn increase our finance costs and adversely affect our business operation and financial performance.

Our trade receivables turnover days were 40.3 days, 57.6 days and 68.9 days for 2022, 2023 and 2024, respectively. Our turnover rates of trade receivables are largely affected by our ability to collect payments from our customers under the service fee model of our brand-to-consumer solutions. During the Track Record Period, the turnover days of our trade receivables increased, primarily due to the continuous increase in our business under the brand-to-business solutions and the service fee model of our brand-to-consumer solutions, the customers under both of which require relatively longer credit period. As we plan to continue expanding the scale of our business, we cannot guarantee that they will not increase in the future, which will make it more challenging for us to manage our working capital effectively, and our results of operations, financial condition and liquidity may be materially and adversely affected.

In addition, our brand partners also grant us rebates as procurement, promotion and/or marketing incentives. We cannot assure you that we will be able to collect all rebates receivables in a timely manner in the future. If we fail to collect a substantial portion of our rebates receivables or we cannot collect them timely, our results of operations and financial condition would be materially and adversely affected.

Our operation is affected by government grants.

During the Track Record Period, we received government grants of RMB6.5 million, RMB3.2 million and RMB1.4 million in 2022, 2023 and 2024, respectively, accounting for 0.6%, 0.2% and 0.1% of our revenue for the respective periods. These government grants mainly include talent subsidies and subsidies received from local government for support of our business operation. The award of government grants may be discretionary and subject to certain selection criteria and procedures stipulated by the local governments, which we may not qualify in the future. There can be no assurance whether and when we will be able to receive any such government grants in the future, or at all, which could negatively affect our profitability.

We may be subject to risks relating to investments in other entities, strategic alliances or joint ventures, and strategic acquisitions.

During the Track Record Period, we made minority investments in companies, and we recorded share of loss of associates because we have accounted for certain investee companies that had losses using an equity method in our financial statements. As of December 31, 2022, 2023 and 2024, our share of loss of associates were RMB0.5 million, RMB0.2 million and RMB0.3 million, respectively. We are subject to the risk that the companies in which we invest may make business, financial or management decisions with which we do not agree, and over which we do not have control, or that the majority shareholders, or the management, of the companies may take risks or otherwise act in a manner that does not serve our interests. In particular, the carrying value of our investments, accounted for using the equity method, may be affected by a number of factors such as share of results, impairment, dilution, issuance of equity securities, and currency translation differences. Any of those above may adversely affect our business and results of operations.

In addition, our minority investments in associates are subject to liquidity risk. Our minority investments in associates are not as liquid as other investment products as there is no cash flow until dividends are received, even if our associates reported profits under the equity accounting. Furthermore, our ability to promptly sell one or more of our interests in the associates in response to changing economic, financial and investment conditions is limited. The market is affected by various factors, such as general economic conditions, availability of financing, interest rates and supply and demand, many of which are beyond our control.

Further, we may pursue strategic alliances or joint ventures and potential strategic acquisitions that are complementary to our business and operations, including opportunities that can help us expand our service offerings, and strengthen our technology capabilities.

Strategic alliances or joint ventures with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance or default by counterparties, and increased expenses in establishing these new alliances, any of which may materially and adversely affect our business. We may have little ability to control or monitor the actions of our strategic partners. To the extent a strategic partner suffers any negative publicity as a result of its business operations, our reputation may be negatively affected by virtue of our association with such party.

These transactions could require that our management develop expertise in new areas and manage new business relationships. We may also experience difficulties integrating any investments, acquisitions and/or partnerships into our existing business and operations, which would require significant attention from our management and could result in a diversion of resources from our existing business, which, in turn, could have an adverse effect on our business operations. In addition, acquired assets or businesses may not generate the financial results we expect and could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges and exposure to potential unknown liabilities of the acquired business, which may have a material and adverse effect on our business and financial condition.

We are uncertain about the recoverability of our deferred tax assets, which may adversely affect our financial condition in the future.

We are required to make judgments, estimates and assumptions about the carrying amounts of our deferred tax assets. As of December 31, 2022, 2023 and 2024, we had deferred tax assets of RMB30.1 million, RMB25.6 million and RMB29.5 million, respectively. For details of the movements of our deferred tax assets during the Track Record Period, please refer to Note 37 of the Accountant's Report set out in Appendix I to this document. Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and tax losses. This requires significant judgment on the tax treatments of certain transactions and also an assessment on the probability, timing and adequacy of future taxable profits available for the deferred tax to be recovered. The estimates and associated assumptions are based on historical experience and other relevant factors. As a result, actual results may differ from these accounting estimates. The realization of deferred income tax assets depends primarily on our estimate of whether sufficient future profits will be available. If sufficient future taxable profits are not expected to be generated or if taxable profits are lower than expected, we may fail to recover our deferred tax assets, which may have a material adverse effect on our financial condition in the future.

Any failure by us, our employees, affiliates or business partners to comply with applicable anti-money laundering, anti-bribery, export controls, economic and trade sanctions and similar laws and regulations could lead to regulatory penalties and damage our reputations.

We, our employees, affiliates and business partners are required to comply with various anti-money laundering ("AML"), anti-bribery, export controls and economic and trade sanctions laws and regulations. For example, we are subject to the AML and anti-bribery and corruption laws of China, which generally prohibit any involvement in transferring the proceeds of criminal activities and prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing any other improper advantage. We are also subject to export controls and economic and trade sanctions regulations that prohibit, among others, the import and export of controlled products and technologies.

To comply effectively with such laws and regulations, we, our affiliates and business partners must establish sound internal control policies and procedures, which can require significant resources and expenditures. While we have implemented relevant policies and procedures, there can be no assurance that we were or are able to entirely prevent our employees, affiliates or business partners from engaging in activities that violate these laws and regulations in the past or in the future. In addition, we do not and cannot fully control the conduct of our employees, affiliates or business partners. If we fail to comply with the AML, anti-bribery, export controls and economic and trade sanction laws and regulations, we could be subject to fines, enforcement actions, regulatory sanctions, additional compliance requirements, increased regulatory scrutiny of our business, or other penalties levied by government authorities, and our reputation damages could be damaged. We may also be held liable for actions taken by our employees, affiliates or business partners, which could expose us to regulatory investigations and penalties. Whether or not we are successful in defending against such actions or investigations, we could incur substantial costs, including legal fees, and experience reputational harm and diversion of the management's attention.

Changes in cross-border trade policies and international trade barriers, or the escalation of trade tensions, may adversely affect our business.

Recent international trade disputes and the uncertainties created by such disputes may disrupt the transnational flow of goods and significantly undermine the stability of the global and Chinese economy, thereby harming our business. Changes to trade policies, treaties and tariffs in the jurisdictions in which we operate or are contemplating operating, or the perception that these changes could occur, could adversely affect cross-border operations, our financial condition and results of operations. For example, trade disputes, increased tariffs or other restrictive trade policies between other countries and China may inhibit our ability to import and trade goods, and could materially impact our business. We may face an inability to meet customers' demands, or experience an increase in our operating costs, which may lead to in a decrease in our profits.

There is currently significant uncertainty about the future relationship between China and the other countries, such as the United States, with respect to trade policies, treaties, government regulations and tariffs. The United States has, through several rounds of increases, imposed higher tariffs on a wide range of goods imported from multiple countries, with most of these actions taking place in early 2025. The tariff increases on goods from China are particularly high, with most goods subject to tariffs of 145% since April 9, 2025. While some of these measures, but not those applicable to Chinese goods, have been suspended, U.S. tariff rates remain at historically high levels. China responded to the U.S. actions with retaliatory tariffs on most U.S. goods of 125% from April 12, 2025; China also implemented export restrictions on certain critical minerals and related products and took other regulatory measures aimed at the Unites States. On May 12, 2025, the United States and China jointly announced that each country would reduce its tariffs on goods of the other country by 115% for a 90-day period beginning May 14, 2025 and that the two sides would continue negotiations. It remains unclear what additional actions, if any, will be taken by the U.S. or other governments regarding tariffs or other trade policies. These tariffs and other trade restrictions are expected to reduce trade volumes, cross-border investment, technological exchange, and other economic activities between major economies, and have a material adverse effect on global economic conditions and the stability of global financial and stock markets. A trade war, further governmental action related to tariffs or international trade policies, or additional tax or other regulatory changes of international trade industry in the future could occur, which could adversely impact our business, results of operations, financial condition and prospects.

Negative publicity, including negative internet postings, about us, our ecMAX brand, management, brand partners and product offerings may have a material adverse effect on our business, reputation and the* [REDACTED] *of our H Shares.

Negative publicity about us, our ecMAX brand, management or Directors, brand partners, stores operated by us and product offerings may arise from time to time in internet postings and other media sources. We cannot assure you that other types of negative publicity of a more serious nature will not arise in the future. For example, if our customer service representatives fail to satisfy the individual needs of our consumers, our consumers may become disgruntled and disseminate negative comments about our product offerings and services. In addition, our brand partners may also be subject to negative publicity for various reasons, such as consumers' complaints about the quality of their products and related services or other public relation incidents of such brand partners, which may adversely affect the sales of products of these brand partners and indirectly affect our reputation.

Moreover, negative publicity about other online retailers or brand e-commerce service providers in China may arise from time to time and cause consumers to lose confidence in the products and services we offer. Any such negative publicity, regardless of veracity, may have a material adverse effect on our business and financial results, our reputation and the [**REDACTED**] of our H Shares.

Our business collects and processes a large amount of data and is subject to various evolving laws and regulations regarding cybersecurity and data privacy. Any failure to address cybersecurity and data privacy concerns, including any improper use or disclosure of or unauthorized access to such data, may harm our business and reputation and result in threats of lawsuits, administrative penalty and related liabilities.

Our business collects and processes a large quantity of personal, transaction and behavioral data. We face risks in the handling and securing of these large volumes of data. In particular, we face a number of challenges relating to data from transactions and other activities, including:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees;

- addressing concerns related to privacy and sharing of data, safety, security and other factors;

- complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and government authorities relating to such data; and

- ensuring the compliance of third-party service providers with the data protection related clauses in agreements with us.

Significant capital and other resources may be required to protect against information security breaches or to alleviate problems caused by such breaches or to comply with our privacy policies or privacy-related legal obligations. The resources required may increase over time as the methods used by hackers and others engaged in online criminal activities are increasingly sophisticated and constantly evolving. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause our consumers to lose trust in us and could expose us to legal claims. Any perception by the public that online transactions or the privacy of user information are becoming increasingly unsafe or vulnerable to attacks could inhibit the growth of e-commerce services generally.

We are subject to laws and regulations of the PRC and other countries and regions relating to the collection, use, retention, security and transfer of personally identifiable information with respect to our customers and employees. For example, on August 20, 2021, the National People's Congress Standing Committee (the "SCNPC") promulgated the Personal Information Protection Law of the People's Republic of China, which came into effect on November 1, 2021. This law further clarifies the requirements for processing personal information, defines the concept of personal information handlers, and sets out requirements for the entrusted processing, provision to third parties, transfer, and public disclosure of personal information. Such laws may vary between different judicial regions. See "Regulatory Overview — Regulations on Cybersecurity and Data Security, Personal Information Protection and App Provisions."

In recent years, China has introduced a series of laws, regulations and related policies on cybersecurity and data security protection. For example, on November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the People's Republic of China, which took effect on June 1, 2017, and set out relevant management requirements for cybersecurity. On June 10, 2021, the SCNPC promulgated the Data Security Law of the People's Republic of China, which took effect on September 1, 2021 and stipulated the data security responsibilities of organizations and individuals engaged in data processing activities. As of the Latest Practicable Date, (i) we had not been subject to any significant administrative penalties, mandatory rectifications or other sanctions from any relevant regulatory authorities due to issues concerning cybersecurity, data security or personal information protection, (ii) we had not encountered any significant incidents related to cybersecurity, data security, or personal information security, (iii) we had not infringed upon the rights of any third party or encountered any significant disputes, conflicts, claims or penalties due to violations of data security-related laws and regulations such as the Cybersecurity Law, the Data Security Law, the Personal Information Protection Law, the Cybersecurity Review Measures, and the Data Outbound Security Assessment Measures, and (iv) we had established relevant departments responsible for and formulated internal control management policies regarding cybersecurity, data security and personal information protection to improve our capabilities in data security management and ensure our compliance with relevant laws and regulations.

On December 28, 2021, the Cyberspace Administration of China ("CAC"), along with twelve other relevant national government departments, issued the revised Cybersecurity Review Measures, which came into effect on February 15, 2022. According to the Cybersecurity Review Measures, network platform operators who possess personal information of more than one million users must report to the Cybersecurity Review Office for a cybersecurity review if they plan to list abroad. However, the Cybersecurity Review Measures do not provide further clarification or explanation on the terms "network platform operator" and "listing abroad;" nor do they specify that network platform operators intending to list in Hong Kong must undergo a cybersecurity review.

Given that (i) the term used in the Cybersecurity Review Measures is "listing abroad" rather than "listing overseas," and (ii) according to the Basic Law of Hong Kong Special Administrative Region of the PRC, Hong Kong is not considered an overseas country or region outside China, unless there is a specific interpretation in the future that includes Hong Kong within the scope of "abroad," our PRC Legal Advisor believes that our [**REDACTED**] would not be considered as "listing abroad." Therefore, we do not have the obligation to proactively declare a cybersecurity review application for our [**REDACTED**] under Article 7 of the Cybersecurity Review Measures.

Additionally, on January 8, 2025, our PRC Legal Advisor conducted a real-name telephone consultation with the China Cybersecurity Review Technology & Certification Center ("CCRC"), a government authority designated by the CAC to establish a cybersecurity review consultation hotline and specifically handle matters related to cybersecurity reviews. In the consultation, the CCRC confirmed that the term "listing abroad" specified in the Cybersecurity Review Measures does not include listing in Hong Kong, and thus, planning to [**REDACTED**] in Hong Kong would not trigger a cybersecurity review.

On September 24, 2024, the State Council published the Network Data Security Management Regulations, which came into effect on January 1, 2025. This regulation requires network data processors whose data processing activities affect or may affect national security to undergo a national security review in accordance with relevant state regulations. See "Regulatory Overview — Regulations on Cybersecurity and Data Security, Personal Information Protection and App Provisions." The Network Data Security Management

Regulations do not explicitly define actions that constitute "affecting or potentially affecting national security," leaving it to the CAC to provide further clarification and detailed guidance. According to our PRC Legal Advisor, regulatory authorities may have broad discretionary power in interpreting what "affecting or potentially affecting national security" entails. In the real-name telephone consultation with the CCRC conducted by our PRC Legal Advisor on January 8, 2025, the CCRC confirmed that "affecting or potentially affecting national security" is determined by the relevant regulatory authorities. During the Track Record Period and up to the Latest Practicable Date, we had not received any notice for processing data that "affects or potentially affects national security," nor had we received any notice of cybersecurity review. We believe that our data processing activities will not, or are unlikely to, affect national security, and therefore we are unlikely to be classified as a data processor affecting or potentially affecting national security.

Our PRC Legal Advisor does not expect us to encounter any major obstacles in complying with the Network Data Security Management Regulations in all material aspects as of the Latest Practicable Date, based on the following reasons: as of the Latest Practicable Date, (i) we had not been subject to any significant fines, administrative penalties, compulsory corrective actions or other sanctions by regulatory authorities for violations of cybersecurity and data protection laws; nor had we experienced any data or personal information breaches or violations of cybersecurity, data protection or privacy laws that could have a material adverse impact on our business operations; (ii) we had not been involved in any cybersecurity review investigations conducted by the CAC or received any related inquiries, notifications, warnings or sanctions; (iii) we had implemented effective cybersecurity and data protection policies, procedures, and measures to ensure the secure storage and transmission of data and to prevent unauthorized access or use of data in material aspects; and (iv) we will continue to monitor developments in cybersecurity and data protection legislation and regulations, maintain ongoing communication with relevant government departments, and promptly take all the necessary actions to ensure ongoing compliance with applicable laws and regulations.

However, if regulatory authorities in China were to exercise their broad discretionary power and classify us as a data processor "affecting or potentially affecting national security," we might be subject to a cybersecurity review. Failure to pass this review could limit our ability to complete the [**REDACTED**], negatively affect our business operations and result in severe penalties and other regulatory actions.

As the PRC laws and regulations on privacy and data protection are relatively new and may continue to evolve, we cannot assure you that our privacy and data protection measures have been and will always be deemed sufficient under applicable laws and regulations. Additionally, the effectiveness of our privacy and data protection measures may be affected by system failures, interruptions, deficiencies, security vulnerabilities or cyberattacks. If we fail to, or are perceived to fail to, comply with applicable laws and regulations concerning privacy and data protection, it could lead to government investigations, inquiries, enforcement actions, prosecutions, civil claims, lawsuits, fines and penalties, negative publicity, or loss of potential business. This could damage our reputation, deter existing and potential customers from using our services, and expose us to significant legal, financial, and operational consequences.

In addition, as we expand our operations, we will be subject to additional laws in other jurisdictions where our brand partners, consumers and other customers are located. The laws, rules and regulations of other jurisdictions may be at a more mature stage of development, be more comprehensive and nuanced in their scope, and impose more stringent or conflicting requirements and penalties than those in China, compliance with which could require significant resources and costs. Any failure, or perceived failure, by us to comply with our privacy policies or with any regulatory requirements or privacy protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others. These proceedings or actions could subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

Our business involves algorithmic technology. The legal and regulatory requirements related to emerging technologies are rapidly evolving, which may adversely affect our business operations.

On July 10, 2023, with the approval of the National Development and Reform Commission, Ministry of Education, Ministry of Science and Technology, Ministry of Industry and Information Technology, Ministry of Public Security, and National Radio and Television Administration, the Cyberspace Administration of China issued the Interim Measures for the Management of Generative Artificial Intelligence Services (the "Generative AI Management Measures"), which took effect on August 15, 2023. The Generative AI Management Measures set forth compliance requirements for those that provide generative AI services to the public in China.

We strictly limit our use of AI-generated content ("AIGC") technology to internal purposes only and do not offer any internet-based information services in China using AIGC technology. Our PRC Legal Advisor believes that, since we have not provided AIGC services with public opinion attributes or social mobilization capabilities during the Track Record Period and as of the Latest Practicable Date, we currently are not required to file an algorithm registration. At the same time, according to the real-name telephone consultation with the CAC conducted by our PRC Legal Advisor on January 8, 2025, we are not required to file an algorithm registration. However, if in the future we plan to provide AIGC-related services to clients in China, we will promptly fulfill the corresponding obligations in accordance with relevant regulations.

The proper functioning of our IT system and servers is essential to our business. We may fail to maintain the satisfactory performance of our system, which could materially and adversely affect our business and reputation.

The satisfactory performance, reliability and carrying capacity of our IT system and servers are critical to our success and our ability to provide quality services. System interruptions or failures may be caused by natural disasters, telecommunications failures, errors encountered during system upgrades or system expansions, computer viruses, security breaches, cyber-attacks or other attempts to harm our systems. Such interruptions or failures may result in the unavailability or slowdown of our technology system, degraded order fulfillment performance, or additional shipping and handling costs, which may, individually or collectively, materially and adversely affect our business, reputation, financial condition and results of operations. For example, if too many consumers access the online stores operated by us under the our brand-to-consumer solutions within a short period of time, due to increased promotions or other demand surges, we may experience system interruptions that make such online stores unavailable or prevent us from transmitting orders to our fulfillment operations, which may reduce the volume of transactions in the stores that we operate as well as the attractiveness of such online stores to consumers.

Additionally, we must continue to upgrade and improve our IT system to support our business growth, and failure to do so could impede our growth. However, we cannot assure you that we will be successful in executing these system upgrades and improvement strategies. In particular, our systems may experience interruptions during upgrades, and the new technologies or infrastructures may not be fully integrated with the existing systems on a timely basis, or at all. If our existing or future IT system does not function properly, it could cause system disruptions and slow response times, affecting data transmission, which, in turn, could materially and adversely affect our business, financial condition and results of operations.

We may not be able to respond to, or adopt, evolving technologies on a timely and cost-effective basis.

The e-commerce market is characterized by rapid technological changes and frequent changes in rules, specifications and other requirements for selling our brand partners' products on particular platforms. Our ability to retain existing brand partners and attract new brand partners depends in large part on our ability to enhance and improve our existing solutions and introduce new solutions that can adapt quickly to these technological changes on the part of major e-commerce platforms. To achieve market acceptance for our solutions, we must effectively anticipate and offer solutions that meet frequently changing requirements in a timely manner. If our solutions fail to do so, our ability to renew our contracts with existing brand partners, and our ability to create or increase demand for our solutions, will be impaired.

Any deficiencies in China's telecommunication infrastructure could impair our ability to provide brand e-commerce services and thus materially and adversely affect our results of operations.

Our business depends on the performance and reliability of the telecommunication infrastructure in China. The availability of our online stores on e-commerce platforms, and our online transactions and communications, depend on telecommunications carriers and other third-party providers for communications and storage capacity, including bandwidth and server storage, among other things. Almost all access to the internet and mobile network is maintained through state-owned telecommunication carriers under administrative control, and we obtain access to end-user networks operated by such telecommunications carriers and service providers to present our internet platform to consumers. Although we have not experienced any material service interruptions in the Track Record Period, any such interruptions could frustrate consumers and discourage them from attempting to place orders, which could cause us and our brand partners to lose consumers and adversely affect our results of operations.

We may not be able to adequately protect our intellectual property rights.

We rely on a combination of trademark, patent, copyright and trade secret protection laws in China and Hong Kong, as well as confidentiality procedures and contractual provisions, to protect our intellectual property rights. We also enter into employment agreement containing confidentiality provisions with our employees and enter into confidentiality agreements with any third parties who may access our proprietary information, and we rigorously control access to our proprietary technology and information.

Intellectual property protection may not be sufficient in China or other regions in which we operate. Confidentiality agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in China or elsewhere. In addition, policing any unauthorized use of our intellectual property is difficult, time-consuming and costly and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be accused of infringing intellectual property rights of third parties and violating content restrictions of relevant laws.

Third parties may claim that the technology or content used in our operation of online stores or our service offerings infringe upon their intellectual property rights. The possibility of intellectual property claims against us increases as we continue to grow, particularly internationally. Such claims, whether or not having merit, may result in our expenditure of significant financial and management resources, injunctions against us or payment of damages. We may need to obtain licenses from third parties who allege that we have infringed their rights, but such licenses may not be available on terms acceptable to us or at all. These risks have been amplified by the increase in the number of third parties whose sole or primary business is to assert such claims.

In addition, China has enacted laws and regulations governing internet access and the distribution of products, services, news, information, audio-video programs and other content through the internet. The PRC government has prohibited the distribution of information through the internet that it deems to be in violation of PRC laws and regulations. If any of the information disseminated through the online stores operated by us were deemed by the PRC government to violate any content restrictions, we would not be able to continue to display such content and could become subject to penalties, including confiscation of income, fines, suspension of business and revocation of required licenses, which could materially and adversely affect our business, financial condition and results of operations.

The outcome of any claims, investigations and proceedings is inherently uncertain, and in any event defending against these claims could be both costly and time-consuming, and could significantly divert the efforts and resources of our management and other personnel. An adverse determination in any such litigation or proceedings could cause us to pay damages, as well as legal and other costs, limit our ability to conduct business or require us to change the manner in which we operate.

Our business depends on the continuing efforts of our key employees and senior management. If we fail to hire, retain, or motivate our key employees, our business and operating results may be materially and adversely affected.

Our future success is significantly dependent upon the continued service of our key employees and senior management. If we lose the services of our key employees and senior management, we may not be able to locate suitable or qualified replacements in a timely manner, and may incur additional expenses to recruit and train new staff, which could result in disruption of our business and inefficiency in execution of development strategies. Competition for talent in China's brand e-commerce service market is intense, and the availability of suitable and qualified candidates is limited. Competition for these individuals could cause us to offer higher compensation and other benefits to attract and retain them. Furthermore, if any of our senior management joins a competitor or forms a competing company, we may lose a significant number of our existing customers and potentially lose our substantial R&D achievements, and face more intense competition, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Even if we were to offer higher compensation and other benefits such as share-based incentives, there is no assurance that these individuals will choose to join or continue to work for us. Any failure to attract or retain key management and personnel could severely disrupt our business and growth. We also commit significant time and other resources to training our employees, which increases their value to competitors if they subsequently leave us for them.

We rely on marketing and promotional arrangements we signed with online services, search engines, and other websites to drive traffic to the stores we operate and for our other customers. If we are unable to enter into or properly maintain and manage these marketing and promotional arrangements, our ability to generate revenue could be adversely affected.

We have entered into marketing and promotional arrangements with online services, search engines, and other websites to provide content, advertising banners and other links to our brand partners' e-commerce businesses. We expect to rely on these arrangements as significant sources of traffic to our brand partners' e-commerce businesses and to attract new brand partners. To a lesser extent, we also provide digital marketing services to our customers. If we are unable to maintain these relationships or enter into new arrangements on acceptable terms, our ability to attract new brand partners and new customers could be harmed. Further, many of the parties with which we may have online advertising arrangements provide advertising services for other marketers of goods. As a result, these parties may be reluctant to enter into or maintain relationships with us.

In addition, China's e-commerce market has experienced rapid growth over the past years. Increasing competition for online traffic may drive up our marketing and promotional expenses. We are required to experiment with new marketing methods to keep pace with industry developments. We may also incur incremental costs to apply innovative marketing and promoting methods, such as live streaming media and KOL endorsements, to capture online traffic, which could have an adverse effect on our overall profitability if such marketing efforts were not as effective as expected.

Failure to achieve sufficient traffic or generate sufficient revenue from purchases originating from third parties may limit our brand partners' and our ability to maintain market share and revenue and affect our profitability. Moreover, if we are unable to manage and conduct marketing and promotional activities for our clients cost-effectively, they may turn to other alternatives, reducing our revenue and potentially materially adversely affecting our business and reputation.

Our use of certain leased properties could be challenged by third parties or governmental authorities, which may expose us to potential fines and negatively affect our ability to use the properties we lease.

We operate our businesses mainly through our leased properties. As of the Latest Practicable Date, we have 20 leases concerning properties used for operation in China. Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban Development of the PRC. As of the Latest Practicable Date, we had not yet completed the registration of the lease contracts of such 20 properties that we entered into in the PRC within the prescribed time pursuant to the applicable PRC laws and regulations. Although we will take practical and reasonable steps to request the lessors of the aforementioned and future leased properties to cooperate with us to complete the registration in a timely manner, we cannot assure you that such lessors will agree to cooperate. As advised by our PRC Legal Advisor, failure to complete the lease registration will not affect the validity of the lease agreements according to PRC law, but we may have a maximum penalty of RMB10,000 imposed on us for each non-registered lease if we fail to complete the registration of any of our lease agreements after we are requested to do so by the competent PRC government authorities.

We are also subject to other risks related to our leased properties. As of the Latest Practicable Date, we had 6 leased properties used for operation where the respective lessors have not provided us with valid property ownership certificates or any other documentation proving their right to the leased properties or they have the rights to lease the properties. As of the Latest Practicable Date, we were not aware of any actions or claims raised by any third parties challenging our use of these properties we currently lease or the land where our leased property is located, nor have we received any notices from the PRC government authorities. However, if our lessors are not the owners of the properties or they have not obtained consents from the owners or their lessors or permits from the relevant government authorities, our leases could be invalidated and we may have to compensate the actual owners or relocate to alternative premises. The occurrence of the foregoing could have an adverse material effect on our results of operations and financial condition.

We are subject to payment processing related risks.

We settle payments with our customers in a variety of methods, including online payments with credit cards and debit cards issued by major banks in China, and payment through third-party online payment platforms such as Alipay and Weixin Pay. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower our profitability.

We rely on payment processing service providers to provide payment processing services to our customers, which may subject us to payment collection issues beyond our control, or even fraud and other illegal activities in connection with these payment methods. Interruption in the ability of our customers to use these payment channels could adversely affect our payment collection, and in turn, our revenue.

We are also subject to various rules, regulations and requirements, regulatory or otherwise, governing electronic funds transfers, which could change or be re-interpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from consumers, process electronic funds transfers or facilitate other types of online payments, and our business, financial condition and results of operations could be materially and adversely affected.

Any occurrence of a natural disaster, widespread health epidemic or other outbreaks could have a material adverse effect on our business, financial condition and results of operations.

Our business could be materially and adversely affected by natural disasters, such as earthquakes, fires or floods, snowstorms, the outbreak of a widespread health epidemic, such as avian flu, H1N1 flu, SARS, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. Our business could be adversely affected by outbreaks of epidemics. In the event of a major disruption caused by a natural disaster or man-made problem, we may be unable to continue our operations and may endure lengthy interruptions in our service, reputational harm, breaches of data security and loss of critical data, any of which could adversely affect our business, operating results and financial condition.

We may not have sufficient insurance coverage.

We maintain accident and medical insurance for certain of our employees, and our warehousing and logistics partners usually procure property insurance for our inventory stored in their warehouses. However, in line with general market practice, we do not maintain any other business interruption insurance, insurance policies covering damages to our network infrastructures or information technology systems or product liability insurance, which are not mandatory under PRC laws. This could leave us exposed to potential claims and losses. Any business disruption, litigation, regulatory action, outbreak of epidemic disease or natural disaster could also expose us to substantial costs and diversion of resources. We cannot assure you that our insurance coverage is sufficient to prevent us from any losses, or that we will be able to successfully claim for losses under our current insurance policies on a timely basis, or at all. If we incur losses that are not covered by our insurance policies, or if the amount reimbursed is significantly less than our actual losses, our business, financial condition and results of operations could be materially and adversely affected.

RISKS RELATED TO DOING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

We are subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with the* [REDACTED] *and future capital raising activities.

On July 6, 2021, the General Office of the State Council together with another authority jointly promulgated the Opinion on Lawfully and Severely Punishing Illegal Activities in Securities Market (the "Securities Activities Opinions") (《關於依法從嚴打擊證券違法活動的意見》), which calls for the enhanced administration and supervision of overseas-listed China-based companies, proposes to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarifies the responsibilities of competent domestic industry regulators and government authorities. On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures") and five supporting guidelines, which took effect on March 31, 2023. According to the Overseas Listing Trial Measures, we, as a PRC domestic company seeking to [**REDACTED**] and [**REDACTED**] securities in overseas markets, are required to file with the CSRC within three working days after submitting the [**REDACTED**] documents to the overseas supervisory authorities. In addition, the Overseas Listing Trial Measures also requires subsequent reports to be submitted to the CSRC on relevant information or material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings. Given that the Overseas Listing Trial Measures were relatively new, their interpretation, application, and enforcement are still evolving and we are closely monitoring how they will affect our operations and our future financing. In addition, we cannot assure you that we will be able to complete all filing or report requirements in time or at all. Any failure to complete or delay in completing such filing or report procedures for the [**REDACTED**] or future financing activities would subject us to sanctions by the CSRC or other PRC regulatory authorities. These regulatory authorities may impose fines and penalties on our operations in the PRC, limit our ability to pay dividends outside of the PRC, limit our operating activities in the PRC, delay or restrict the repatriation of the [**REDACTED**] from this [**REDACTED**] or future capital raising activities into the PRC, or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the [**REDACTED**] of our H Shares.

A severe or prolonged downturn in regional or global economy could materially and adversely affect our business, results of operations and financial condition.

Geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation and the availability and cost of capital and credit have been and will continue to affect the countries where we operate. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa, over the conflicts involving Ukraine and Syria. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. Any severe or prolonged slowdown in the global or PRC economy may materially and adversely affect our business, results of operations and financial condition.

Changes in the economic, political and social conditions could have a material adverse effect on our business, financial condition and results of operations.

Substantially all of our assets and operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole. While the Chinese economy has experienced significant growth over the past decades, there can be no assurance that the growth would be maintained or leveled across sectors. The Chinese government has implemented various measures to encourage economic growth. Some of these measures may benefit the overall Chinese economy, but may not have the same effect on us.

In addition, the global economic, political and social conditions are evolving rapidly and subject to uncertainties. For example, health epidemics have caused significant downward pressure for the global economy. Geopolitical tension and conflicts, disruptions in the international trading and investment environment, energy crisis, inflation risk, interest rate fluctuations, instability in the financial system, and the tightening of monetary policy by the U.S. Federal Reserve impose new challenges and uncertainties on the global economy. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

For example, there have been U.S. government policies restricting outbound investment in China, which could affect our access to capital. In October 2024, the U.S. Department of the Treasury (the "Treasury") issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "Outbound Investment Rule"). The Outbound Investment Rule, effective on January 2, 2025, targets investments involving persons and entities associated with "countries of concern," currently only China (including Hong Kong and Macau), and it imposes investment prohibition and notification requirements on a wide range of investments in companies engaged in activities relating to three sectors: (i) advanced microchips and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. Under the Outbound Investment Rule, entities with meaningful ties with a country of concern and engaged in activities relating to the three sectors are defined as covered foreign persons, and with limited exceptions, equity investments by a U.S. person, as defined therein, in a covered foreign person are subject to prohibition or notification requirements. Therefore, if a company is deemed a covered foreign person, its ability to raise capital could be negatively affected. The Outbound Investment Rule may develop, expand and introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of companies with China nexus or even limited China exposure. In February 2025, U.S. President Donald Trump released the America First Investment Policy Memorandum, outlining several initiatives to incentivize investment from U.S. allies and partners while restricting investments involving "foreign adversaries" including China. Among other things, the policy aims to expand the industry sectors covered by the Outbound Investment Rule and supplement outbound restrictions through the imposition of sanctions. The proposed restrictions may further increase uncertainties for cross-border collaboration, investment, and funding opportunities of companies with operations in China. Although we do not believe we are a covered foreign person subject to the Outbound Investment Rule, we cannot assure you that the Treasury will not make contradictory interpretations, nor can we predict future developments of the Outbound Investment Rule, or similar outbound investment rules or laws, will not complicate or restrict investments to our company.

Furthermore, sanctions and export control measures are unilaterally imposed by the U.S. or other jurisdictions from time to time. These measures are expected to have significant impact on the targeted countries, markets and/or entities. Chinese companies may be affected by such sanctions or export control measures. As we continue to expand our cross-border businesses, we cannot assure you that our future operations will be free of any sanctions risks or that our business will conform to the expectations and regulations of the authorities of the U.S. or any other jurisdictions. We may be exposed to risks in dealing with business partners subject to sanctions or export controls. As a result, we could be required to incur additional costs to comply with these regulations and measures and could face penalties for any violation, even if inadvertent.

Laws and regulations over foreign currency conversion and on the remittance of Renminbi into and out of the PRC may affect our utilization of our revenue and our ability to remit dividends.

Laws and regulations over foreign currency conversion and on the remittance of Renminbi into and out of the PRC may affect our utilization of our revenue and our ability to remit dividends. The PRC government imposes laws and regulations on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of Renminbi into and out of the PRC. Under the existing PRC foreign exchange regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to satisfy our foreign currency demands, and we may not be able to pay dividends in foreign currencies to the holders of our H Shares.

Fluctuations in exchange rates could result in foreign currency exchange losses and could materially and adversely affect our financial performance.

A substantial amount of our revenue and expenses are substantially denominated in Renminbi. We may need to obtain foreign currency to make payments of declared dividends, if any, on our Shares. In addition, our [**REDACTED**] from the [**REDACTED**] will be denominated in Hong Kong dollars. The value of currencies against the Hong Kong dollar, the U.S. dollar and other currencies is based on rates set by the People's Bank of China, which is affected by, among other things, changes in global and geographical political and economic conditions, supply and demand in the monetary markets, and economic and political developments domestically and internationally. It is difficult for us to predict how external factors in respect of markets or policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the U.S. dollar or other currencies in the future. As a result, any appreciation of the Renminbi against the Hong Kong dollar may result in a decrease in the value of our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in a foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these global and geographical political and economic factors may adversely affect the value of and any dividends payable on, our H Shares in Hong Kong dollars.

Failure to respond to changes in the regulatory environment in the PRC could have a material adverse effect on our business, results of operations and financial condition.

We conduct our business primarily through our subsidiaries in the PRC, and our operations are mainly governed by applicable PRC laws, rules and regulations. The PRC legal system is based on written statutes and their interpretation by the Supreme People's Court. Prior court decisions may be cited for reference but have limited precedential value.

The PRC legal system continues to evolve, in response to changing economic and other conditions. We cannot predict the effect of future legislative developments in the PRC, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws.

Failure to comply with the PRC regulations regarding contribution of social insurance premium or housing provident fund may subject us to fines and other legal or administrative sanctions.

Pursuant to the relevant PRC laws and regulations, employers in the PRC are required to make social insurance contributions and housing provident fund contributions for their employees, and entities failing to make contributions may be ordered to settle the outstanding contributions within a prescribed time limit and subject to penalties or fines. During the Track Record Period and up to the Latest Practicable Date, we had made social insurance and housing provident fund contributions for all of our employees but not made in full in accordance with the relevant PRC laws and regulations.

In April 2025 and May 2025, we have interviewed with and obtained confirmations from Suzhou Industrial Park Human Resources and Social Security Bureau (蘇州工業園區人力資源和社會保障局), Shanghai Municipal Human Resources and Social Security Bureau (上海市社會保險事業管理中心) and Shanghai Provident Fund Management Center (上海市住房公積金管理中心), all being the competent governmental authorities to provide such confirmations as advised by our PRC Legal Advisor, that, based on the current PRC laws, regulations and policies, the relevant governmental authorities will not require the employers to make payments for the deficient amount if no employee files a complaint.

Having considered the foregoing, our Directors believe that such non-compliance would not have a material adverse effect on our business, results of operations or financial condition or the [**REDACTED**], considering that: (i) we had not been subject to any administrative penalties during the Track Record Period and up to the Latest Practicable Date, (ii) we were neither aware of any employee complaints filed against us nor involved in any labor disputes with our employees with respect to social insurance and housing provident funds as of the Latest Practicable Date, (iii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for the shortfalls or any overdue charges with respect to social insurance and housing provident funds, (iv) in the future, in the event that we are requested by the relevant authorities to make rectification and pay shortfall of the social insurance (including late payment fees) or housing provident fund within the prescribed time limit, we will immediately make rectification and pay such shortfall within such time limit; and (v) as advised by our PRC Legal Advisor, considering relevant regulatory policies and the facts stated above, in the absence of employees' complaints, the likelihood that we are subject to collection of historical arrears and any material penalties due to our failure to provide full social insurance and housing provident funds contributions for our employees is remote. However, we cannot assure you that we will not be subject to penalties or fines imposed by the relevant PRC governmental authorities as a result of such non-compliance incidents or be ordered to rectify such non-compliance incidents. Any such penalties, fines, orders or complaints may harm our corporate image and may have an adverse effect on our financial condition and results of operations.

Changes in tax regulations and failure to comply with such tax regulations in the PRC may adversely affect our business and financial results.

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "EIT Law"), we and our PRC operating subsidiaries, unless being eligible for any preferential tax treatment, are subject to the enterprise income tax (the "EIT") at the statutory rate of 25%. During the Track Record Period, our Company and some of our PRC subsidiaries were subject to preferential tax treatment: (i) On November 6, 2023, we were approved and recognized as a high-tech enterprise by the competent authorities, which subjected us to a preferential tax rate of 15% for corporate income tax and a three-year exemption period; (ii) On October 23, 2024, we obtained the software enterprise certificate issued by competent authority, which exempted us from income taxation for the first two years and subjected us to a reduction of half of the income tax for the next three years. As 2024 was the second year since we received the software enterprise certificate, we were exempt from corporate income tax when remitting corporate income tax in 2024; and (iii) some of our PRC subsidiaries were qualified as small and micro enterprises under the PRC EIT regime, under which 25% of the income of these PRC subsidiaries was counted as taxable income, subject to a corporate income tax rate of 20%. See "Financial Information — Principal Components of Consolidated Statements of Profit or Loss — Income Tax (Expense)/Credit — PRC" for details on our preferential tax treatment. The discontinuation of the above-mentioned preferential income tax treatments or the change of the applicable preferential tax rate currently available to us in the PRC could have a material and adverse effect on our result of operations and financial condition. We cannot assure you that we will be able to maintain our current effective tax rate in the future.

In addition, the PRC government from time to time adjusts or changes its policies on value-added, business, resources, fuel and oil, property development and other taxes. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to the PRC tax laws and regulations and tax penalties or fines could have an adverse effect on our business, financial condition and results of operations.

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

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to taxes with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares.

Non-PRC resident individuals are generally subject to PRC individual income tax with respect to PRC-sourced income or gains at a rate of 20% unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. We are required to withhold related tax from dividend payments.

Pursuant to applicable regulations, domestic non-foreign-invested enterprises issuing shares in Hong Kong may generally, when distributing dividends, withhold individual income tax at the rate of 10%. However, withholding tax on distributions paid by us to non-PRC resident individual holders of H Shares whose name appear on the register of member of H Shares ("Non-PRC Resident Individual Holders") may be imposed at other rates pursuant to applicable tax treaties (and up to 20% if no tax treaty is applicable) if we know the identity of the individual shareholder and the tax rate applicable thereto. There is uncertainty as to whether gains realized upon disposition of shares listed on an overseas stock exchange by non-PRC resident individual holders are subject to the PRC individual income tax.

Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises, are subject to the EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT Law and other applicable PRC tax regulations and statutory documents. Taxes may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [**REDACTED**]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to verification by PRC tax authorities.

There remain significant uncertainties as to the interpretation and application of the relevant PRC tax laws by the PRC tax authorities, including whether and how individual income tax on gains derived by holders of our H Shares from their disposition of our H Shares on the overseas stock exchange may be collected. If any such tax is collected, the value of our H Shares may be materially and adversely affected. For more details, please see "Regulatory Overview — Regulations on Tax in the PRC."

It may be difficult to effect service of process or to enforce any judgments obtained from non-PRC courts against us or our management residing in the PRC.

Substantially all of our business and operations are located in the PRC. In addition, almost all of our Directors and executive officers reside in China and substantially all of their assets are located in China. Therefore, it may be difficult for [**REDACTED**] to effect service of process upon those persons residing in China or to enforce against us or them in China any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside China may be difficult or even impossible.

On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《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當事人協議管轄的民商事案件判決的安排》) (the "Arrangement"). Under the Arrangement, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in China if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for [**REDACTED**] to effect service of process against certain of our assets, Directors or executive officers in China in order to seek recognition and enforcement of foreign judgments in China.

On January 18, 2019, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "New Arrangement"). The New Arrangement will broaden the scope of judgments that may be enforced between China and Hong Kong under the Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties' agreement. The Arrangement was superseded upon the effectiveness of the New Arrangement on January 29, 2024. Under the New Arrangement, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the New

Arrangement. Although the New Arrangement has been signed and become effective, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognized and enforced in a PRC court.

Higher labor costs may adversely affect our business, results of operations, financial condition and prospects.

Factors such as changes in minimum wage laws, labor market dynamics, or increased competition for skilled labor in the industry may lead to higher labor expenses. Such increases could exert upward pressure on the fees that we paid to our employees or other third-party service providers. Our ability to manage and mitigate the impact of rising labor costs through operational efficiencies, process improvements, or technological innovations will also significantly influence our competitiveness and financial performance. However, there is no guarantee that we will succeed in effectively managing the impact of rising labor costs. Moreover, higher labor costs might necessitate adjustments in our service pricing, potentially making our solutions less competitive in the market. Attempts to pass on increased labor costs to customers through higher service fees could result in reduced demand or market share loss.

RISKS RELATED TO THE [REDACTED]

There has been no prior **[REDACTED]** ***for our H Shares, and their liquidity and*** **[REDACTED]** ***maybe volatile.***

Prior to the completion of the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. The initial [**REDACTED**] for our H Shares to the [**REDACTED**] will be the result of negotiations between us and the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the [**REDACTED**] of our H Shares following the [**REDACTED**]. We have applied to the [**REDACTED**] for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares. A [**REDACTED**] on the Stock Exchange, however, does not guarantee that an active and liquid trading market for our H Shares will develop, or if it does develop, that it will be sustained following the [**REDACTED**], or that the [**REDACTED**] of our H Shares will not decline following the [**REDACTED**].

Furthermore, the [**REDACTED**] and [**REDACTED**] volume of our H Shares may be volatile. The following factors, among others, may affect the volume and [**REDACTED**] at which our H Shares will [**REDACTED**]:

- variations in our revenue, earnings and cash flow;
- announcement of new investments, strategic alliances or acquisitions;
- any unexpected business interruptions resulting from natural disasters or power shortages;
- any major changes in our key personnel or senior management;

- our inability to obtain or maintain regulatory approval for our operations;
- our inability to compete with our competitors effectively;
- political, economic, financial and social developments;
- fluctuations in market prices for our products or raw materials; or
- the removal of the restrictions on H share transactions.

Moreover, shares of some other companies listed on the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume volatility. Our H Shares may be subject to changes in [**REDACTED**] not directly related to our performance and as a result, [**REDACTED**] in our H Shares may suffer substantial losses.

Since there will be a gap of several days between the [**REDACTED**] ***and*** [**REDACTED**] ***of our H Shares, holders of our H Shares are subject to the risk that the*** [**REDACTED**] ***of our H Shares could fall during this period before the*** [**REDACTED**] ***of our H Shares begins.***

The [**REDACTED**] of our H Shares is expected to be determined on the [**REDACTED**]. However, our H Shares will not commence [**REDACTED**] on the Stock Exchange until they are delivered, which is expected to be several business days after the [**REDACTED**]. As a result, [**REDACTED**] may not be able to sell or otherwise [**REDACTED**] in our H Shares during that period. The [**REDACTED**] of our H Shares could fall before [**REDACTED**] begins due to adverse market conditions or other adverse developments between the time of sale and the date on which the trading begins.

Substantial future sales or the expectation of substantial sale of our H Shares in the [**REDACTED**] ***following the*** [**REDACTED**] ***could materially and adversely affect the*** [**REDACTED**] ***of our H Shares.***

Our Controlling Shareholders are subject to restrictions of lock-up periods stipulated by the Listing Rules and certain commitments beneficial to us as described in "[**REDACTED**]" in this document. However, future sales of a significant number of our H Shares by our Controlling Shareholders or other existing shareholders in the [**REDACTED**] after the [**REDACTED**], or the perception that these sales could occur, could cause the [**REDACTED**] of our H Shares to decline and could materially impair our future ability to raise capital through [**REDACTED**] of our H Shares. We cannot assure you that our Controlling Shareholders will not dispose of Shares held by them or that we will not issue Shares pursuant to the general mandate to issue shares granted to our Directors or otherwise, upon the expiration of restrictions set out above. We cannot predict the effect, if any, that any future sales of Shares by our Controlling Shareholders, or the availability of Shares for sale by our Controlling Shareholders, or the issuance of Shares by the Company may have on the [**REDACTED**] of the H Shares. Sale or issuance of a substantial number of Shares by our Controlling Shareholders or us, or the market perception that such sale or issuance may occur, could materially and adversely affect the prevailing [**REDACTED**] of the H Shares.

Any possible conversion of Unlisted Shares into H Shares in the future could increase the supply of our H Shares in the market and negatively impact the* [REDACTED] *of our H Shares.

Subject to the approval of the State Council securities regulatory authority, our Unlisted Shares may be converted into H Shares, and such converted Shares may be listed or traded on an overseas stock exchange. Any listing or trading of the converted Shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such stock exchange. However, the PRC Company Law provides that in relation to the [**REDACTED**] of a company, the shares of that company which are issued prior to the [**REDACTED**] shall not be transferred within one year from the date of the [**REDACTED**]. Therefore, upon obtaining the requisite approval, our Unlisted Shares may be [**REDACTED**], after the conversion, in the form of H Shares on the Stock Exchange after one year of the [**REDACTED**], which could further increase the supply of our H Shares in the market and could negatively impact the [**REDACTED**] of our H Shares.

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

Notwithstanding our current cash and cash equivalents and the [**REDACTED**] from the [**REDACTED**], we may require additional cash resources to finance our continued growth or other future developments, including any investments or acquisitions we may decide to pursue. The amount and timing of such additional financing needs will vary depending on the timing of investments in and/or acquisitions of new businesses from third parties, and the amount of cash flow from our operations. If our resources are insufficient to satisfy our cash requirements, we may seek additional financing through selling additional equity or debt securities or obtaining a credit facility. The sale of additional equity securities could result in additional dilution to our Shareholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that may, among other things, restrict our operations or our ability to pay dividends. Servicing such debt obligations could also be burdensome to our operations. If we fail to service the debt obligations or are unable to comply with such debt covenants, we could be in default under the relevant debt obligations and our liquidity and financial condition may be materially and adversely affected.

We cannot assure you that financing will be available in the amounts or on terms acceptable to us, if at all. If we fail to raise additional funds, we may need to sell debt or additional equity securities or reduce our growth to a level that can be supported by our cash flow, or defer planned expenditures.

We have significant discretion as to how we will use the* [REDACTED] *of the* [REDACTED]*, and you may not necessarily agree with how we use them.

Our management may spend the [**REDACTED**] from the [**REDACTED**] in ways you may not agree with or that do not yield a favorable return to our Shareholders. For details, see "Future Plans and [**REDACTED**]." However, our management will have discretion as to the actual application of our [**REDACTED**]. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the [**REDACTED**] from this [**REDACTED**].

As the* [REDACTED] *of our H Shares is higher than our consolidated net tangible asset book value per H Share, purchasers of our H Shares in the* [REDACTED] *may experience immediate dilution upon such purchases.

As the [**REDACTED**] of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the [**REDACTED**], purchasers of our H Shares in the [**REDACTED**] may experience an immediate dilution. Our existing Shareholders will receive an increase in the [**REDACTED**] per Share of their Shares. In addition, holders of our H Shares may experience further dilution of their interest if we [**REDACTED**] additional Shares in the future to raise additional capital.

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

Our Controlling Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately following the completion of the [**REDACTED**], our Controlling Shareholders will be entitled to exercise approximately [**REDACTED**] of the voting rights of the Company. This concentration of ownership may discourage, delay or prevent a change in control of the Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company and might reduce the [**REDACTED**] of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. It is possible that our Controlling Shareholders may exercise its substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

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

While dividends may be paid out of distributable profits under our Articles of Association, no dividends were distributed during the Track Record Period. Distributable profits mean our net profits for a period, plus the distributable profits or net of the accumulated losses, if any, at the beginning of such period, less statutory reserve fund appropriations to general risk reserve, transaction risk reserve, and discretionary surplus reserve (as approved by our shareholders' meeting). As a result, we may not have sufficient profit to enable us to make future dividend distributions to our shareholders, even if our financial statements prepared in accordance with IFRSs indicate that our operations have been profitable.

Furthermore, future determination of dividends will also depend on various factors, including but not limited to our results of operations, cash flows and financial condition, capital adequacy ratio, operation and capital expenditure requirement and other factors that our board of Directors considers relevant. We cannot assure you that the factors we take into consideration will not change in the future.

Certain facts, forecasts and statistics derived from external sources contained in this document may not be reliable and the market opportunity estimates may not be accurate.

We have derived certain facts and other statistics in this document, particularly those relating to the general economy, digital payment, e-commerce and financial services industry, from information provided by various public sources, industry associations, independent research institutes and other third-party sources, including a report prepared by Frost & Sullivan that we commissioned. We have not independently verified information and statistics from official government sources. While we have taken reasonable care in the reproduction of the information, we cannot assure you as to the accuracy and reliability of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other data problems, the statistics herein may be inaccurate. You should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

Market opportunity estimates included in this document, including our ability to capture a meaningful share of the relevant markets, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that our market opportunity estimates will materialize in customers using our products and services as anticipated. Any expansion in our market depends on a number of factors, including the cost, performance, and perceived value associated with our business and those of our competitors. Even if the market in which we compete meets the size estimates and growth forecasted in this document, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is inherently subject to certain risks and uncertainties.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement 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. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

***You should read the document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding ourselves and the* [REDACTED].**

We may be subject to press and media coverage prior to the publication of this document, and subsequent to the date of this document but prior to the completion of the [**REDACTED**]. The press and media may include certain financial information, industry comparisons, profit forecasts and other information about us that does not appear in this document.

You should rely solely upon the information contained in this document, the [**REDACTED**] and any formal announcements made by us in Hong Kong in making your [**REDACTED**] decision regarding the Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding ourselves or the [**REDACTED**].

We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, reports or publications. Accordingly, prospective [**REDACTED**] should not rely on any such information, reports or publications in making their [**REDACTED**] decisions regarding the [**REDACTED**].

In making their decisions as to whether to [**REDACTED**] in our H Shares, prospective [**REDACTED**] should only rely on the financial, operational and other information included in this document, the [**REDACTED**] and any formal announcements made by us in Hong Kong. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document, the [**REDACTED**] and any formal announcements made by us in Hong Kong.

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

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our Group's management, business operations and assets are primarily based outside Hong Kong. The headquarters and senior management of our Group are primarily based in the PRC, where the Group's management is best able to attend to its functions. Our Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, the Group and therefore would not be in the best interests of our Company and Shareholders as a whole. Accordingly, our Company does not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the management presence requirement under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. In order to maintain regular and effective communication with the Stock Exchange, we will put in place the following measures:

- we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. Wang and Ms. Chan Pui Ching (陳佩貞), our joint company secretary (together, the "**Authorized Representatives**"). The Authorized Representatives will be readily contactable by the Stock Exchange by telephone and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange;

- each of the Authorized Representatives has all necessary means to contact the Directors (including the independent non-executive Directors) promptly at all times, as and when the Stock Exchange wishes to contact the Directors regarding any matters;

- all the Directors who are not ordinarily resident in Hong Kong have or can apply for valid travel documents to visit Hong Kong for business purposes and would be able to meet with the Stock Exchange upon reasonable notice;

- our Company will retain a Hong Kong legal advisor to advise on matters relating to the application of the Listing Rules and other applicable Hong Kong laws and regulations after [**REDACTED**];

- Somerley Capital Limited, our compliance advisor, will act as an additional channel of communication with the Stock Exchange, and we will ensure that the compliance advisor will have access to our Authorized Representatives, Directors and other officers. We shall also ensure that such persons will promptly provide such information and assistance as the compliance advisor may need or may reasonably request in connection with the performance of the compliance advisor's duties as set forth in Chapter 3A of the Listing Rules; and

- pursuant to Rule 3.20 of the Listing Rules, each Director will provide his or her telephone number, mobile phone number, e-mail address, residential address and correspondence address, where available, to the Stock Exchange.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of their academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

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

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

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

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

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

(i) length of employment with the issuer and other issuers and the roles he/she played;

(ii) familiarity with the Listing Rules and other relevant 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 under Rule 3.29 of the Listing Rules; and

(iv) professional qualifications in other jurisdictions.

Our Company has appointed Mr. Zhu Ming (朱明) ("**Mr. Zhu**"), our finance director and securities affairs representative, and Ms. Chan Pui Ching (陳佩貞) ("**Ms. Chan**") of Tricor Services Limited, as the joint company secretaries of our Company. Please see the section headed "Directors and Senior Management — Joint Company Secretaries" in this document for their biographies.

Ms. Chan is a Chartered Secretary, a Chartered Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

Our Company's principal business activities are outside Hong Kong. Our Company believes that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Mr. Zhu, who is an employee of our Company and who has day-to-day knowledge of our Company's affairs. Mr. Zhu has the necessary nexus to the Board and close working relationship with the management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner.

Accordingly, we have applied 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 for a three-year period from the [**REDACTED**], in accordance with paragraphs 11 to 17 of Chapter 3.10 of the Guide for New Listing Applicants, on the conditions that: (i) Ms. Chan is appointed as a joint company secretary to assist Mr. Zhu in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; (ii) the waiver will be revoked immediately if Ms. Chan, during the three-year period, ceases to provide assistance to Mr. Zhu as a joint company secretary; and (iii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company. In addition, Mr. Zhu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. Our Company will further ensure that Mr. Zhu has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer [**REDACTED**] on the Stock Exchange. Before the end of the three-year period, the qualifications and experience of Mr. Zhu and the need for the on-going assistance of Ms. Chan will be further evaluated by our Company. We will demonstrate that Mr. Zhu, having benefited from the assistance of Ms. Chan 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.

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

[**REDACTED**]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. WANG Shan (王珊)	Room 1203, Building 22 Hanlinyuan Garden 608 Linquan Street Suzhou Industrial Park Suzhou, Jiangsu Province, PRC	Chinese
Mr. JI Rong (吉融)	Room 702, Building 06 6 Hanfu Street, Xuanwu District Nanjing, Jiangsu Province, PRC	Chinese
Non-executive Directors		
Mr. YANG Qikun (楊啓焜)	Room 608, Block T1 North Block, The Koko 1 Dujuan Xiang Qianhai Shenzhen-Hong Kong Cooperation Zone, Nanshan District Shenzhen, Guangdong Province, PRC	Chinese
Mr. ZHONG Zhuobin (鍾卓彬)	19 Nanlishi Road Xicheng District Beijing, PRC	Chinese
Mr. CHEN Jing (陳靜)	Room 3101, Building H Jiayu Gongguan Zhujiang New Town, Tianhe District Guangzhou, Guangdong Province PRC	Chinese
Mr. XI Youmin (席酉民)	Room 101, Building 56 Zhonghai Yuhu Xi'an 88 Xingzhou Street Suzhou Industrial Park Suzhou, Jiangsu Province, PRC	Chinese

Independent Non-executive Directors

Mr. MA Jianrong (馬健榮)	Room 601, Unit 1 Block 25 Taihe Shijing Garden Phase 2 Courtyard 19, Jingxing Street Changping District, Beijing, PRC	Chinese
Mr. ZHONG Ming (鐘鳴)	Room 601 No. 30, Lane 263 Huanlong Road Pudong New Area Shanghai, PRC	Chinese
Ms. LU Ling (盧玲)	Room 2701 No. 18, Lane 1515 Zhangyang Road Pudong New Area Shanghai, PRC	Chinese
Mr. YICK Wing Fat Simon (易永發)	Flat B, 21/F Serene Court 8 Kotewall Road Mid-Levels, Hong Kong	Chinese

Please refer to the section headed "Directors and Senior Management" in this document for further details.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	**CITIC Securities (Hong Kong) Limited** 18/F, One Pacific Place 88 Queensway Hong Kong

[REDACTED]

Legal advisors to our Company	*As to Hong Kong and U.S. laws:* **Cleary Gottlieb Steen & Hamilton (Hong Kong)** 37/F, Hysan Place 500 Hennessy Road Causeway Bay Hong Kong
	As to PRC law: **Global Law Office** 27/F Tower B, China Resources Land Building No. 9668 Shennan Avenue Nanshan District Shenzhen PRC

Legal advisors to the Sole Sponsor and [REDACTED]	*As to Hong Kong and U.S. laws:* **Herbert Smith Freehills Kramer** 23/F, Gloucester Tower 15 Queen's Road Central Hong Kong *As to PRC law:* **Jingtian & Gongcheng** 34/F Tower 3, China Central Place 77 Jianguo Road Chaoyang District Beijing PRC
Auditor and reporting accountants	**RSM Hong Kong** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 29/F, Lee Garden Two 28 Yun Ping Road Causeway Bay Hong Kong
Industry consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504 Wheelock Square 1717 Nanjing West Road Shanghai, PRC

[**REDACTED**]

CORPORATE INFORMATION

Registered office and headquarters	D205-208 Ren'ai Road 99 Suzhou Industrial Park Suzhou City, Jiangsu Province PRC
Principal place of business in Hong Kong registered under Part 16 of the Companies Ordinance	Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Company's website	**www.ecmax.cn** *(The information on the website does not form part of this document)*
Joint Company Secretaries	**Mr. ZHU Ming** 4/F, B3 Building Ren'ai Road 99 Suzhou Industrial Park Suzhou City, Jiangsu Province, PRC **Ms. CHAN Pui Ching** Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Authorized Representatives	**Mr. WANG Shan** Room 1203, Building 22 Hanlinyuan Garden 608 Linquan Street Suzhou Industrial Park Suzhou, Jiangsu Province, PRC **Ms. CHAN Pui Ching** Room 1919, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Audit Committee	Ms. LU Ling *(Chairperson)* Mr. ZHONG Ming Mr. MA Jianrong

Remuneration Committee	Mr. MA Jianrong *(Chairperson)* Mr. XI Youmin Ms. LU Ling
Nomination Committee	Mr. WANG Shan *(Chairperson)* Mr. ZHONG Ming Mr. MA Jianrong

[REDACTED]

Compliance Advisor	**Somerley Capital Limited** 20/F China Building 29 Queen's Road Central Hong Kong
Principal Banks	**Agricultural Bank of China Limited, Suzhou Xietang Branch** No. 2178, Lianfeng Plaza Loufeng East District Suzhou Industrial Park Suzhou, Jiangsu Province, PRC
	China Construction Bank Corporation, Jiangsu Pilot Free Trade Zone Suzhou Branch Room 3-127, Block 1, Zijin Oriental Business Plaza 288 Qiyue Street Suzhou Industrial Park Suzhou Area, China (Jiangsu) Pilot Free Trade Zone, PRC
	Bank of Shanghai Co., Ltd., Suzhou Industrial Park Branch Room 101-102, Block 23, Times Square Suzhou Industrial Park Suzhou Area, China (Jiangsu) Pilot Free Trade Zone, PRC

The information and statistics set out in this section and other sections of this document were extracted from a report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [**REDACTED**]. *The information from official government sources has not been independently verified by us, the Sole Sponsor,* [**REDACTED**], *any of our or their respective directors, employees, agents or advisors, or any other persons or parties involved in the* [**REDACTED**], *and no representation is given as to its accuracy, fairness and completeness. For a discussion of the risks relating to our industry, see "Risk Factors." Our Directors confirm that, after making reasonable enquiries, there is no adverse change in the market information since the date of the Frost & Sullivan Report that would qualify, contradict or have a material impact on the information in this section.*

OVERVIEW OF CHINA'S BUSINESS-TO-CONSUMER E-COMMERCE MARKET

Definition and Classification of E-commerce

E-commerce, as a developing business operation model, relying on information network technology and centered on commodity exchange, has become an important component of modern commercial activities. It not only breaks the geographical and temporal limitations of traditional commercial activities, but also significantly improves the efficiency and convenience of transactions. Based on the different identities of sellers and end customers, the main models of e-commerce can be categorized into Business-to-Consumer, Business-to-Business, and Consumer-to-Consumer, each targeting different market demands and business logic.

Business-to-Consumer e-commerce refers to a type of e-commerce where businesses sell products or services directly to individual consumers, which typically involves the use of e-commerce platforms. In the Business-to-Consumer e-commerce, businesses operate as sellers, while the end-users are individual consumers who make purchases for personal use. This model is commonly associated with e-commerce platforms, represented by Amazon and Tmall.

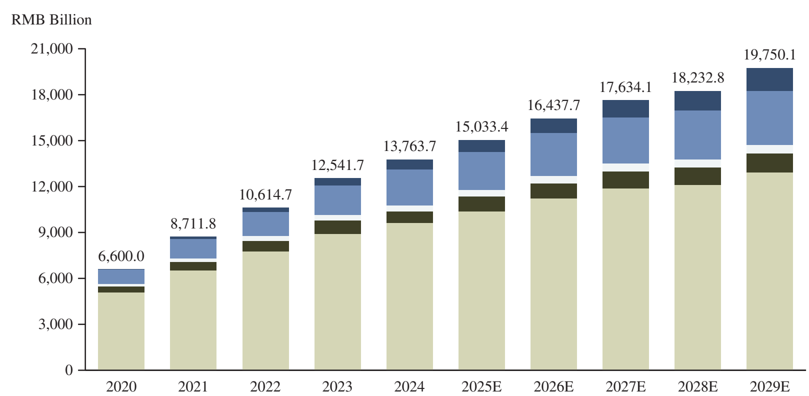
In the Business-to-Consumer e-commerce market, certain market players, such as the Company, are equipped with comprehensive and specialized service capabilities, and are therefore able to directly partner with brand owners and provide brand e-commerce services. Brand e-commerce service providers focus on providing brands with comprehensive e-commerce services, including IT solutions, online store operation, marketing, customer services, and warehousing and fulfillment, assisting brands in their product sales and brand value enhancement. The Company conducts brand e-commerce services mainly through its offering of brand-to-consumer solutions, brand-to-business solutions, and brand asset management and IP commercialization.

Business-to-Consumer E-commerce Market in China

Thanks to China's vast retail market and the continuous growth in consumer daily demand, coupled with the innovations of e-commerce platforms in enhancing user experience, optimizing supply chains, and improving logistics and delivery, the scale of China's Business-to-Consumer e-commerce market has expanded significantly from RMB6,600.0 billion in 2020 to RMB13,763.7 billion in 2024 and is expected to continue growing to RMB19,750.1 billion by 2029. Fast-moving consumer goods, due to their close connection with consumers' daily lives, have stable and frequent demand, exhibiting characteristics of high-frequency purchases. As a result, fast-moving consumer goods accounted for the largest proportion of China's Business-to-Consumer e-commerce in terms of GMV, reaching 17.0% in 2024 and are expected to continue increasing their share, reaching 17.7% of the total, with a GMV of RMB3,498.5 billion by 2029.

The following chart sets forth a breakdown of the GMV of Business-to-Consumer e-commerce by categories in China during the years indicated.

GMV of Business-to-Consumer E-commerce (by categories), China, 2020-2029E



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	CAGR (20-24)	CAGR (24-29E)
Healthcare	28.2	139.3	294.1	494.3	658.8	791.5	952.0	1,123.4	1,277.7	1,522.4	119.8%	18.2%
Fast-moving Consumer Goods	929.1	1,268.7	1,569.3	1,898.6	2,346.5	2,472.4	2,813.6	3,024.4	3,192.9	3,498.5	26.1%	8.3%
Beauty and Personal Care	188.2	247.9	301.4	355.4	396.3	433.7	478.5	516.2	537.6	586.0	20.5%	8.1%
Home Furnishings and Appliances	364.8	530.9	707.0	906.4	751.9	963.4	985.4	1,104.5	1,128.7	1,242.1	19.8%	10.6%
Others	5,089.6	6,525.0	7,742.9	8,886.9	9,610.3	10,372.3	11,208.3	11,865.6	12,096.0	12,901.0	17.2%	6.1%
Total	**6,600.0**	**8,711.8**	**10,614.7**	**12,541.7**	**13,763.7**	**15,033.4**	**16,437.7**	**17,634.1**	**18,232.8**	**19,750.1**	**20.2%**	**7.5%**

Note: Healthcare products include health supplements, dietary supplements, OTC drugs, and medical devices; fast-moving consumer goods include food and non-alcoholic beverages, and maternity and childcare products; others include apparel, consumer electronics, pet food and products.

Source: Frost & Sullivan

Business-to-Consumer Cross-border E-commerce Market

Cross-border e-commerce refers to international commercial activities where trading entities from different customs territories finalize transactions, settle payments electronically through e-commerce platforms, and deliver goods via cross-border e-commerce logistics and remote warehousing. This business model goes beyond domestic transactions, leveraging the advantages of global market integration to connect buyers and sellers across the globe. Cross-border e-commerce promotes international trade growth and fosters the development of related industries, playing a crucial role in global economic integration. It encompasses two trade channels: import and export.

Silk Road E-commerce refers to cross-border e-commerce conducted under the framework of e-commerce cooperation mechanisms signed between China and partner countries, such as Vietnam, Italy, and Australia. As a subsegment of China's cross-border e-commerce, it is an important initiative under the Belt and Road Initiative that leverages China's advantages in e-commerce technology, business model innovation, and market scale to actively promote international cooperation in e-commerce. It aims to facilitate the entry of high-quality goods from partner countries into China and the export of premium Chinese products to these partner countries. At the current stage, the primary focus of Silk Road E-commerce is to promote the import of high-quality overseas goods into China and stimulate domestic consumption.

The development of Silk Road E-commerce is an important goal incorporated into the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Vision 2035 of the People's Republic of China (中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要). A series of specific development policies and initiatives have been continuously introduced, such as the establishment of the Silk Road E-commerce Pilot Zone in Shanghai and the China International Import Expo (CIIE). These efforts aim to enhance e-commerce infrastructure, including logistics, payment systems, and data management, to further accelerate the development of Silk Road E-commerce.

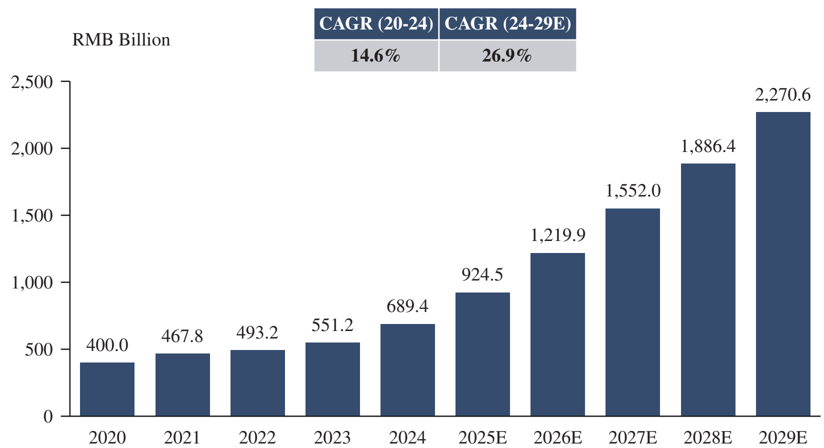
Business-to-Consumer Cross-border Import E-commerce Market

Business-to-Consumer cross-border import e-commerce in China refers to the model in which businesses sell foreign goods directly to domestic consumers through e-commerce platforms. In this model, consumers can purchase products from abroad, while foreign businesses can reach the China consumer market.

With the expansion of China's middle-income group and the improvement of income levels, consumer demand for high-quality, diverse products is growing. China's Business-to-Consumer cross-border import e-commerce has met the domestic consumers' demand for high-quality overseas goods, enabling them to easily purchase foreign products. Thanks to the strong domestic demand for foreign goods and the advantages of the Business-to-Consumer model in improving the shopping experience, the GMV of China's Business-to-Consumer cross-border import e-commerce has continued to grow in recent years, from RMB400.0 billion in 2020 to RMB689.4 billion by 2024. Within the forecast period, the GMV of China's Business-to-Consumer cross-border import e-commerce is expected to grow further, increasing to RMB2,270.6 billion in 2029, with a CAGR of 26.9% from 2024 and 2029.

The following chart shows the GMV of China's Business-to-Consumer cross-border import e-commerce market during the years indicated.

GMV of Business-to-Consumer Cross-border Import E-commerce, China, 2020-2029E



Source: Frost & Sullivan

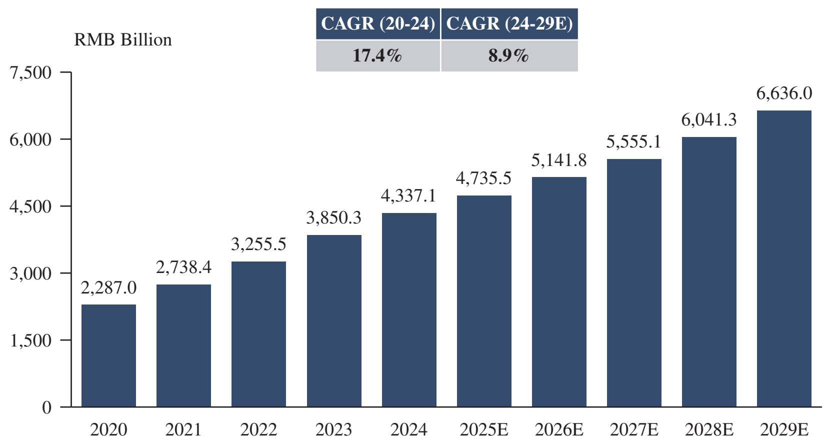
Business-to-Consumer Cross-border Export E-commerce Market

Business-to-Consumer cross-border export e-commerce refers to the model in which companies use online channels to sell domestic products to overseas consumers. Relying on China's strong production capacity and diversified industrial clusters, e-commerce enterprises can take advantage of the convenience of the Internet to efficiently introduce a wide range of high-quality products to the global market, meeting the diverse needs of international consumers. China's Business-to-Consumer cross-border export e-commerce market has not only demonstrated strong market vitality but also shown growth potential.

With the digitalization and automation upgrades of domestic manufacturing, China's industry continues to transform and upgrade, with domestic brands demonstrating strong competitiveness in the global market due to their high cost-performance ratio and gaining popularity among overseas consumers. Under the Business-to-Consumer model, companies are more directly influenced by the consumer end, especially in the expansion of emerging markets and regions, which are more likely to bring new growth points. Domestic small and medium-sized enterprises and supply chain factories have achieved success in overseas markets through mature marketing strategies and innovative hosting models, driving the continued growth of China's Business-to-Consumer cross-border export e-commerce. The GMV of China's Business-to-Consumer cross-border export e-commerce has grown continuously from RMB2,287.0 billion in 2020 to RMB4,337.1 billion in 2024 with a CAGR of 17.4% during the period, and is expected to further grow to RMB6,636.0 billion by 2029, with a CAGR of 8.9% from 2024 to 2029.

The following chart shows the GMV of China's Business-to-Consumer cross-border export e-commerce market during the years indicated.

GMV of Business-to-Consumer Cross-border Export E-commerce, China, 2020-2029E



Source: Frost & Sullivan

OVERVIEW OF CHINA'S BRAND E-COMMERCE SERVICE MARKET

Definition and Classification of Brand E-commerce Service

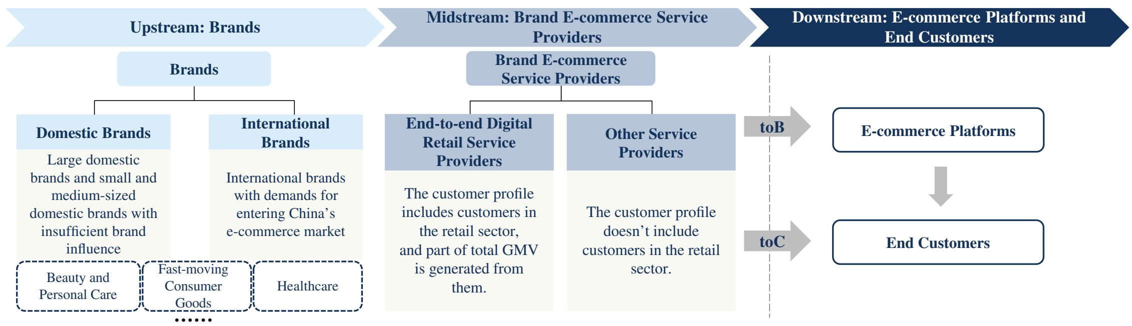
Brand e-commerce service providers refer to service providers that focus on providing comprehensive e-commerce services to brands, including online store operation, marketing, customer services, IT solutions and warehousing and fulfilment.

Besides, brand e-commerce service providers can be classified as end-to-end digital retail service providers, if their client portfolio includes not only brand customers but also entity retailers.

Brand E-commerce Service Value Chain

The brand e-commerce service value chain primarily includes (i) upstream brands; (ii) midstream brand e-commerce service providers; (iii) downstream e-commerce platforms and consumers.

Industry Value Chain of Brand E-Commerce Service



Source: Frost & Sullivan

- *Upstream brands* include domestic brands and international brands in multiple sectors such as beauty and personal care, fast-moving consumer goods, healthcare, home appliances, consumer electronics, and communication devices, which have brought rich demands to brand e-commerce service providers and are the base point of the brand e-commerce service industry.

- *Midstream brand e-commerce service providers* include end-to-end digital retail service providers and other service providers. For details, see "— Definition and Classification of Brand E-commerce Service."

- *Downstream consists of e-commerce platforms and consumers.* There are two main business models of brand e-commerce service providers to generate revenues, including providing e-commerce operation services to brands on major e-commerce platforms like Tmall, JD.com, Pingduoduo, Xiaohongshu, and Douyin, as well as selling goods bought from brands to consumers.

Brand e-commerce service providers typically generate their revenue under the following two models:

- *Distribution model.* Brand e-commerce service providers purchase goods from brands and sell them to consumers on e-commerce platforms such as Tmall, JD.com, Pingduoduo, Xiaohongshu, and Douyin, generating their profits from the difference between purchase and sale prices.

- *Service model.* Brand e-commerce service providers provide brand e-commerce operation services to brands and charge a certain percentage of GMV as commission. The commission ratios of different categories of brands are different. Normally, beauty and personal care brands have a higher commission ratio due to higher requirements of refined operations.

In practice, brand e-commerce service providers usually combine these two business models to improve the stability and sustainable growth of the revenue matrix and reduce risks. Besides, brand e-commerce service providers keep expanding other businesses, such as marketing strategy analysis and advertising service, to improve their profitability and enhance their service matrix.

Brand E-commerce Service Market in China

The total GMV generated by brand e-commerce service providers in China increased from RMB586.7 billion in 2020 to RMB1,274.9 billion in 2024, with a CAGR of 21.4%. It is expected to reach RMB2,218.9 billion in 2029, with a CAGR of 11.7% from 2024 to 2029.

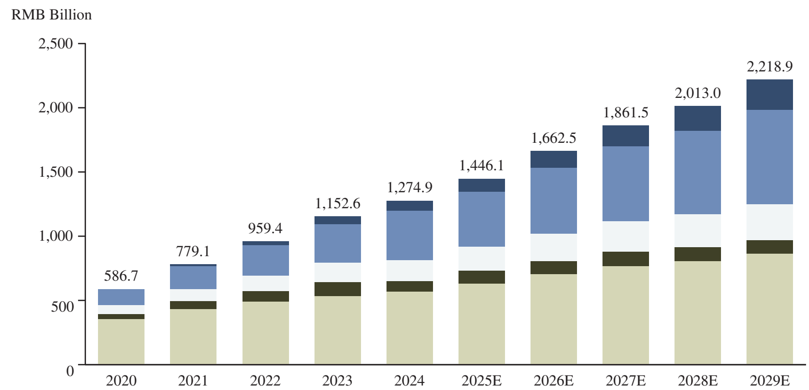
Among five sectors of e-commerce industry, healthcare sector shows a high potential for the growth of GMV. As governmental policies were released for supporting major e-commerce platforms selling healthcare products, more and more healthcare brands expand online sales channels. In the early period, professional knowledge in the medicine sector was crucial to the operation of healthcare brands, so brand owners normally tended to operate on their own. With the continuous accumulation of industry experience and channel resources, brand e-commerce service providers have achieved cooperation with more healthcare brands, driving the rapid growth of e-commerce GMV in the healthcare sector. GMVs generated by brand e-commerce service providers in the healthcare sector increased from RMB2.3 billion in 2020 to RMB80.1 billion in 2024, with a CAGR of 142.1%. It is expected to reach RMB237.9 billion in 2029, with a CAGR of 24.3% from 2024 to 2029.

Besides, some other sectors also play a vital role in the e-commerce market, such as fast-moving consumer goods, and beauty and personal care. These two sectors contributed a high GMV, accounting for 42.8% of total GMV of brand e-commerce service in 2024. As products in fast-moving consumer goods are bought frequently in consumers' daily lives, with huge sales, many brand owners seek operational support from brand e-commerce service providers to improve operational efficiency and reduce operational costs. In addition, brand e-commerce service providers also regard fast-moving consumer goods as one of the main product categories sold under the distribution model to enhance the stability of the revenue matrix. In the beauty and personal care sector, brand building and refined operations are very important, showing the necessity of brand e-commerce service providers' advantages of channel resources and operational capabilities, who are capable of charging a high commission ratio.

The growth of total revenues of brand e-commerce service in each sector depends on the growth of GMV generated from brand e-commerce service, as well as the return rate and commission ratio in each sector. In general, the return rate of the fast-moving consumer goods sector is relatively higher, while that in the home furnishings and appliances sector is much lower. The commission ratio in beauty and personal care sector is higher, while that in the fast-moving consumer goods sector is relatively lower. Revenues generated by brand e-commerce service providers in the healthcare sector increased from RMB0.6 billion in 2020 to RMB16.3 billion in 2024, with a CAGR of 126.3%. It is expected to reach RMB46.1 billion in 2029, with a CAGR of 23.1% from 2024 to 2029.

The following charts set forth a breakdown of the GMV and total revenue of brand e-commerce service by category in China, respectively, during the years indicated.

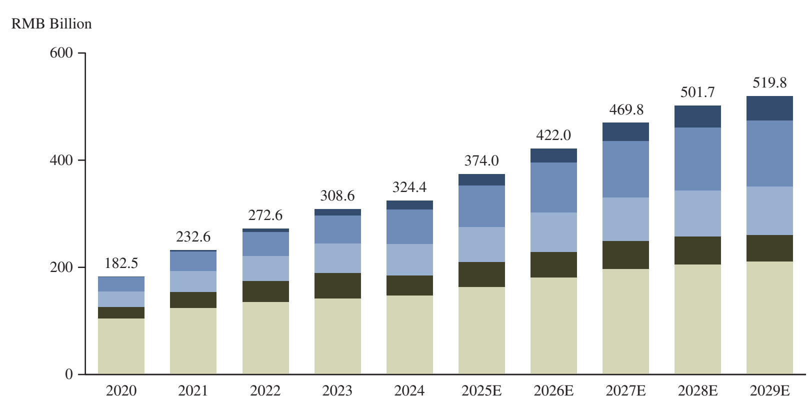
GMV of Brand E-Commerce Service (by categories), China, 2020-2029E



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	CAGR (20-24)	CAGR (24-29E)
Healthcare	2.3	13.2	31.6	59.3	80.1	102.3	130.2	162.2	194.2	237.9	142.1%	24.3%
Fast-moving Consumer Goods	121.2	177.2	234.6	302.0	381.5	426.3	514.8	584.2	649.7	732.1	33.2%	13.9%
Beauty and Personal Care	70.6	96.7	122.1	149.3	164.2	186.2	212.8	237.3	255.3	281.2	23.5%	11.4%
Home Furnishings and Appliances	41.0	61.1	83.1	108.8	83.1	100.7	102.0	111.2	109.4	104.0	19.3%	4.6%
Others	351.6	431.0	488.0	533.2	566.0	630.6	702.8	766.5	804.4	863.9	12.6%	8.8%
Total	**586.7**	**779.1**	**959.4**	**1,152.6**	**1,274.9**	**1,446.1**	**1,662.5**	**1,861.5**	**2,013.0**	**2,218.9**	**21.4%**	**11.7%**

Source: Frost & Sullivan

Total Revenue of Brand E-Commerce Service (by categories), China, 2020-2029E



	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	CAGR (20-24)	CAGR (24-29E)
Healthcare	0.6	3.3	7.2	12.2	16.3	21.0	26.9	33.7	40.5	46.1	126.3%	23.1%
Fast-moving Consumer Goods	27.2	36.8	44.6	52.0	64.9	78.2	93.0	106.3	118.2	123.5	24.3%	13.7%
Beauty and Personal Care	28.9	38.3	46.6	54.7	58.5	65.4	73.6	80.9	85.6	89.9	19.3%	9.0%
Home Furnishings and Appliances	21.4	30.3	39.2	48.5	37.5	46.1	47.5	52.5	52.5	50.2	15.0%	6.0%
Others	104.4	123.8	135.0	141.2	147.2	163.3	181.0	196.4	204.9	210.1	9.0%	7.4%
Total	**182.5**	**232.6**	**272.6**	**308.6**	**324.4**	**374.0**	**422.0**	**469.8**	**501.7**	**519.8**	**15.5%**	**9.9%**

Source: Frost & Sullivan

DRIVERS OF BRAND E-COMMERCE SERVICE MARKET IN CHINA

Growing Demand from Brand Owners

With the development of Internet in China, the number of consumers with online shopping habits continues to increase, and developing online channels has become one of the important business directions for brands. For the brands entering the e-commerce industry and those that hope to have further business growth in e-commerce market, cooperation with professional service providers can efficiently achieve rapid expansion of online business and improve sales performance. This demand provides broader space for the development of brand e-commerce service providers.

Constantly Evolvement of Technologies

With the development of technologies such as Big Data and AI, brand e-commerce service providers can use digital tools to accurately analyze user needs, market trends and competitive situations, thereby providing brands with better services and improving efficiency. The improvement in professionalism has enabled brand e-commerce service providers to continuously improve their sales performance, achieve higher sales growth, and charge higher commission ratios, driving the market into rapid growth.

Increasing Expectations of Consumer Experience

As competition in the e-commerce industry continues to intensify, consumers' requirements for online shopping experience and personalization continue to increase. Brands are therefore required to accurately recommend products, respond to customer inquiries, and handle after-sales issues timely. Further, more brands need to seek professional services from brand e-commerce service providers to improve business performance. This upgrade in downstream demand has promoted the development of the brand e-commerce service provider market.

Increasing Complexity of E-commerce Platforms

With the continuous development of the e-commerce industry, the complexity and difficulty of operation modules settled by mainstream e-commerce platforms are increasing, such as the updating of platform rules and various ways of traffic positioning. With long-term practical experience and years of accumulation of interaction with e-commerce platforms, brand e-commerce service providers can help brands efficiently respond to the changes and provide brands with full-link support including store management, market analysis, strategy formulation, and marketing promotion.

DEVELOPMENT TRENDS OF BRAND E-COMMERCE SERVICE MARKET IN CHINA

Improving AI-related Capabilities

The rapid development of the e-commerce industry and the increasing number of people with online consumption habits have driven e-commerce platforms to enhance standardization, which makes capturing consumers' expectations more difficult. Therefore, brand e-commerce service providers transform by using technologies such as Big Data and AI to more accurately analyze consumer behavior and predict market trends, thereby formulating more personalized strategies, which can improve operational efficiency and controlling costs.

Expanding Cross-border E-commerce Service

With the strong demand of brands for entering international market and the introduction of policies to support cross-border e-commerce, more brands are beginning to seek to enter the international market through cross-border e-commerce platforms to enhance brand influence, increase sales channels and improve sales performance. Therefore, improving cross-border e-commerce operation capabilities is the trend for brand e-commerce service providers.

Enhancing Full-service and Omnichannel Operation Capabilities

Developing and optimizing full-service and omnichannel capabilities has become the trend in China brand e-commerce service provider market. As brands' requirements for cost reduction and efficiency improvement continue to increase, brand e-commerce service providers need to expand their service scope, not only to provide brands with a specific aspect, but also to provide full operational services on all e-commerce platforms, including brand planning, product management, after-sales service, and marketing services, which is capable to develop more brand customers with complicated operational demands and consolidate the customer relationship with existing brand customers.

Being more Concentrated

Large-scale brand e-commerce service providers have gradually expanded their market share with their rich industry experience, advanced technical strength and high-quality service quality. At the same time, they could integrate industry resources through mergers and acquisitions to improve their competitiveness, which will induce the improvement of the overall industry and the increasing of market concentration.

Developing Brand Asset Management Business

Brand asset management by brand e-commerce service providers typically refers to delivering comprehensive brand management support to brand owners, including strategic positioning, brand marketing, retail and e-commerce operations, supply chain and logistics, and technological empowerment. Under this business model, service providers usually obtain exclusive operating rights from brand owners in specific regions to implement omnichannel and in-depth brand operations. They may also strengthen partnerships through equity investment in brand owners or establishing joint ventures.

As the e-commerce market enters a steady growth phase, brand e-commerce service providers are transitioning into a professional competition era, requiring new business growth to enhance differentiated competitiveness. Brand asset management, as a business type integrating omnichannel resources and multi-level service capabilities, sets operational thresholds that identify providers with specialized expertise. These providers strengthen brand value integration by building end-to-end service ecosystems, forming competitive barriers. Meanwhile, professionalization of this business drives market resources toward leading players, accelerating industry standard upgrades and operational model innovation through a competitive selection mechanism. This evolution guides the brand e-commerce service market toward greater specialization and efficiency.

COMPETITIVE LANDSCAPE OF BRAND E-COMMERCE SERVICE MARKET IN CHINA

The main players in China brand e-commerce service market include end-to-end digital retail service providers and other service providers. Brand e-commerce service market is not concentrated in China, with the top ten service providers accounting for 15.3% of total GMVs in 2024, respectively. We ranked fifth among brand e-commerce service providers and second among end-to-end digital retail service providers in terms of GMV in China in 2024.

The following table sets forth details of top brand e-commerce service providers in China as measured by GMV in 2024.

Ranking of Brand E-commerce Service Providers (by GMV), China, 2024

Rank	Company Name	GMV (RMB Billion)	Market Share
1	Company A	46.7	3.7%
2	Company E	30.0	2.4%
3	Company C	27.1	2.1%
4	Company H	18.8	1.5%
5	The Company	15.0	1.2%
6	Company F	14.2	1.1%
7	Company B	13.5	1.1%
8	Company J	11.8	0.9%
9	Company K	9.1	0.7%
10	Company L	8.4	0.7%

Note: Company A is a leading and pioneering brand e-commerce service provider in China, with a wide range of brand customers. Company B, Company G, Company J and Company L are committed to providing customized and effective e-commerce services for brands, aiming to enhance brand competitiveness and drive growth. Company C, Company F and Company H are recognized for their innovative and creative brand e-commerce strategies and services, which help brands gain market share and drive brand value. Company E is specialized in the beauty brand e-commerce field, with professional services and in-depth industry knowledge. Company K is specialized in the automobiles and 3C brand e-commerce field, with professional services and in-depth industry knowledge. Besides, Company F and Company H are classified as end-to-end digital retail service providers.

Source: Frost & Sullivan

Based on their business coverage and capabilities, some brand e-commerce service providers can be classified as end-to-end digital retail service providers. These providers not only offer e-commerce services to product brands but also serve retailer brands, such as supermarkets and membership stores, generating a portion of their revenue from these retailers.

The following table sets forth ranking of top end-to-end digital retail service providers in China as measured by GMV and their market shares of total brand e-commerce service market in 2024. We ranked second among end-to-end digital retail service providers in terms of GMV in China in 2024.

Ranking of End-to-End Digital Retail Service Providers (by GMV), China, 2024

Rank	Company Name	GMV (RMB Billion)	Market Share
1	Company H	18.8	1.5%
2	The Company	15.0	1.2%
3	Company F	14.2	1.1%
4	Company G	5.0	0.4%
5	Company M	3.4	0.3%

Note: Company M offers multi-dimensional, customized, and flexible enterprise services to brand clients.

Source: Frost & Sullivan

Brand e-commerce service in the cross-border import e-commerce segment is relatively more concentrated than the overall brand e-commerce service market in China, with the top five service providers accounting for 20.7% of total GMV in 2024. We ranked first among brand e-commerce service providers in terms of GMV from cross-border import e-commerce in China in 2024.

The following table sets forth details of the top brand e-commerce service providers in China as measured by GMV from cross-border import e-commerce in 2024.

Ranking of Brand E-commerce Service Providers (by GMV from Cross-border Import E-commerce), China, 2024

Rank	Company Name	GMV (RMB Billion)	Market Share
1	**The Company**	**7.4**	**8.5%**
2	Company E	3.5	4.1%
3	Company C	3.5	4.0%
4	Company B	2.5	2.9%
5	Company A	1.1	1.3%

Source: Frost & Sullivan

We ranked first among brand e-commerce service providers in terms of GMV from healthcare prodcts in China in 2024.

The following table sets forth details of the top brand e-commerce service providers China as measured by GMV from healthcare prodcts in 2024.

Ranking of Brand E-commerce Service Providers (by GMV from Healthcare Products), China, 2024

Rank	Company Name	GMV (RMB Billion)	Market Share
1	**The Company**	**2.8**	**3.5%**
2	Company B	2.7	3.3%
3	Company A	2.7	3.3%
4	Company L	2.1	2.7%
5	Company J	1.8	2.3%

Source: Frost & Sullivan

ENTRY BARRIERS OF BRAND E-COMMERCE SERVICE MARKET IN CHINA

Experience Barriers

Experience barriers are a key factor in brand e-commerce services. The operational strategies and needs of different industries vary significantly. For example, the health industry focuses on product safety and compliance, the beauty industry emphasizes brand image and user experience, and the maternal and infant industry focuses more on quality and safety. Service providers without corresponding industry experience often have difficulty on these nuances, resulting in poor operational results. Therefore, rich industry experience is crucial to improving the service quality of brand e-commerce service providers.

Resource Barriers

Channel and customer resources are crucial to the sustainability and business growth of brand e-commerce service providers. In terms of channel resources, if the providers lack the interaction with mainstream e-commerce platforms, it will be difficult to master the operating rules of platform and provide efficient services to brands. Customer resources are also critical. Brands tend to maintain relationships with long-term providers. New entrants will be difficult to achieve business growth and expand brands' influence due to the lack of customer resources. Therefore, channels and customer resources are one of the important barriers for new entrants.

Technology Barriers

Technical barriers are manifested in the high requirements for data analysis and precision marketing in brand e-commerce services. With the improvement of e-commerce platform rules and the improvement of consumer expectations, service providers shall have strong data analysis capabilities to achieve precise market operations. New entrants who lack experience in using big data software find it difficult to improve the operation capabilities, which puts them at a disadvantage in market competition. Therefore, technical barriers have become a major barrier for new entrants to enter the market.

Omnichannel Operation Barriers

To engage in brand asset management business, brand e-commerce service providers need to have strong capability of omnichannel operation. This involves integrating resources across shelf e-commerce, content e-commerce, and offline channels while enabling collaboration with data hubs. Brand e-commerce service providers also need to shift beyond traditional execution roles to build capabilities in brand strategy planning and end-to-end industry resource integration. This requires to conduct data-driven strategies of brand management, such as leveraging multi-source data to develop deep user asset management systems, using algorithmic tools for tiered operations and real-time responsiveness, and building intelligent supply chain networks. Capital investments in technology R&D and supply chain infrastructure, as well as recruiting and training cross-functional talent, are both important factors to realize above capabilities, which are substantial entry barriers for new players.

SOURCE AND RELIABILITY OF INFORMATION

In connection with the [**REDACTED**], we engaged Frost & Sullivan, an independent market research consultant based in the U.S., to conduct an analysis of, and to prepare a report on brand e-commerce service industry in which we operate. Founded in 1961, Frost & Sullivan provides market research on a variety of industries. The information from Frost & Sullivan disclosed in this document has been extracted from the Frost & Sullivan Report, a report commissioned by us for a fee of RMB790,000, and is disclosed with the consent of Frost & Sullivan. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the [**REDACTED**].

We have included certain information from the Frost & Sullivan Report in this document because we believe this information facilitates an understanding of the brand e-commerce service market for [**REDACTED**]. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports, and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices, and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct, and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

Frost & Sullivan adopted the following primary parameters and assumptions in preparing the industry analysis regarding the global macroeconomic environment, as well as the overall and segmented brand e-commerce service market in China:

(i) The social, economic and political conditions in global markets discussed will remain stable during the forecast period;

(ii) Government policies on brand e-commerce service market in China will remain consistent during the forecast period; and

(iii) Brand e-commerce service market in China will be driven by the factors which are stated in this report.

This section sets forth a summary of the most significant rules and regulations that affect our business activities in China or our shareholders' rights to receive dividends and other distributions from us.

REGULATIONS ON CORPORATION

The establishment, operation and management of companies in China is governed by the PRC Company Law (《中華人民共和國公司法》), which was promulgated by the Standing Committee of the National People's Congress of the PRC (the "**SCNPC**") on December 29, 1993 and came into effect on July 1, 1994. The PRC Company Law was subsequently amended in 1999, 2004, 2005, 2013, 2018 and 2023. The latest amended PRC Company Law came into effect on July 1, 2024. The PRC Company Law generally governs two types of companies — 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 and a joint stock limited company is limited to the amount of registered capital they committed to contribute. The PRC Company Law also applies to foreign investment companies. Where laws on foreign investment have other stipulations, such stipulations shall prevail.

General

A "joint stock limited company" refers to an enterprise legal person incorporated in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties and with its registered capital divided into shares. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

Shareholders' Meetings

According to the PRC Company Law, a shareholders' meeting of a company limited by shares shall be constituted by all the shareholders; the shareholders' meeting shall be the authority of the company and shall exercise duties and powers in accordance with the PRC Company Law.

A shareholders' meeting is required to be held once every year. An extraordinary meeting is required to be held within two months in case of occurrence of certain circumstances specified in the PRC Company Law.

Shareholders present at a shareholders' meeting have one vote for each share they hold, except for shareholders of non-ordinary shares and the company's shares held by the company are not entitled to any voting rights.

Resolutions of the meeting must be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of matters relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, which in each case must be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting.

The shareholders may appoint the entrusted representative to attend a shareholders' meeting; the entrusted representative shall submit a power of attorney to the company and exercise the voting rights within the scope of authorization.

Transfer of Shares

Shares held by shareholders may be transferred legally. Under the PRC Company Law, a shareholder should effect a transfer of his/her shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Shares may be transferred by shareholders through endorsement or in any other manner stipulated by the laws or administrative regulations. Following the transfer, the company shall record the names and domiciles of the transferees into its register of shareholders. No changes to the register of shareholders shall be made within twenty days prior to convening a shareholders' meeting or within five days prior to the base date on which the company decides to distribute dividends, unless otherwise stipulated by laws, administrative regulation or the securities regulatory authority of the State Council on the changes to the register of shareholders for listed companies.

Under the PRC Company Law, shares of the company issued prior to the public issuance of shares may not be transferred within one year of the date of the company's listing on a stock exchange. Directors, supervisors and the senior management of a company shall declare to the company the shares they hold and any changes in their shareholdings. During the term of office as determined at the time of their appointment, they may transfer no more than 25% of the total number of shares they hold in the company every year. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

REGULATIONS ON FOREIGN INVESTMENT

Law of the PRC on Foreign Investment

On March 15, 2019, the NPC promulgated the Foreign Investment Law (《中華人民共和國外商投資法》), or the Foreign Investment Law, which became effective on January 1, 2020 by replacing the Sino-Foreign Equity Joint Venture Enterprise Law (《中華人民共和國中外合資經營企業法》), the Sino-Foreign Cooperative Joint Venture Enterprise Law (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-owned Enterprise Law (《中華人民共和國外資企業法》), and became the legal foundation for foreign investment in the PRC. The Foreign Investment Law implements the administrative system of pre-establishment national treatment and negative list to the foreign investments. Pursuant to the Foreign Investment Law, the State shall accord to the foreign investors and their investments which are not included in the negative list, treatment no less favorable than that which it accords to the domestic investors and their investments.

On December 26, 2019, the State Council promulgated the Implementation Regulations of Foreign Investment Law (《中華人民共和國外商投資法實施條例》) which became effective on January 1, 2020. The Implementation Regulations of Foreign Investment Law provide specific operation rules for the principles of investment protection, investment promotion and investment management in the Foreign Investment Law.

Pursuant to the Provisional Administrative Measures on Establishment and Modifications (Filing) for Foreign Investment Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) promulgated by MOFCOM on October 8, 2016 and last amended on June 29, 2018, foreign invested enterprises which are not subject to the approval requirement under the special entry management measures, shall file with relevant commerce authorities for its establishment and changes. On December 30, 2019, MOFCOM and SAMR promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which became effective on January 1, 2020, repealing the Provisional Administrative Measures on Establishment and Modifications (Filing) for Foreign Investment Enterprises. Where foreign investors carry out investment activities directly or indirectly within China, foreign investors or foreign-funded enterprises shall report investment information to commerce departments.

On December 19, 2020, NDRC and MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. The Office of the Working Mechanism of the Security Review of Foreign Investment (外商投資安全審查工作機制辦公室) (the "**Office of the Working Mechanism**") will be established under NDRC, which will lead the task together with MOFCOM. Foreign investor or relevant parties in China must declare the security review to the Office of the Working Mechanism prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transport services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security, and obtain control in the target enterprise. "Control" as contemplated in item (ii) of the preceding sentence exists when the foreign investor (a) holds over 50% equity interests in the target enterprise, (b) has voting rights that can materially impact on the resolutions of the board of directors or shareholders meeting of the target enterprise even when it holds less than 50% equity interests in the target enterprise, or (c) has material impact on the target enterprise's business decisions, human resources, accounting, technology and etc. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned security review regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes may delay or inhibit our ability to complete such transactions.

Catalog of Industries for Guiding Foreign Investment

According to the Provisions on Guiding Direction of Foreign Investment (《指導外商投資方向規定》), which came into effect on April 1, 2002, foreign investment projects are categorized into encouraged, permitted, restricted and prohibited industries. Except for foreign investment projects in permitted industries, foreign investment projects in encouraged, restricted and prohibited industries are included in the latest amended Catalog of Industries for Guiding Foreign Investment (《外商投資產業指導目錄》), which came into effect on July 28, 2017 but was partially invalidated by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2018 Edition) (《外商投資准入特別管理措施(負面清單)(2018年版)》) and the Catalog of Encouraged Industries for Foreign Investment (2019 Edition) (《鼓勵外商投資產業目錄(2019年版)》), which came into effect on July 28, 2018 and July 30, 2019 respectively as amended from time to time. These provisions apply to projects of investment by establishing Sino-foreign equity joint ventures, Sino-foreign cooperative joint ventures and wholly foreign-owned enterprises in the PRC and foreign investment projects in other forms. Investment projects by investors from the Hong Kong Special Administrative Region shall be conducted in reference to such provisions.

On September 6, 2024, MOFCOM and NDRC promulgated the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List (2024)**"), which came into effect on November 1, 2024, replacing the previous version of the negative list. The Negative List (2024) sets out the special administrative measures for access of foreign investment such as the requirements in relation to shareholding and senior management. Fields that were not included in the Negative List (2024) shall be regulated according to the principle of equal treatment of domestic and foreign investments.

REGULATIONS ON ONLINE TRADING

Online Transaction Operation

On January 26, 2014, the State Administration for Industry and Commerce (the "**SAIC**", which has now been merged into SAMR) promulgated the Administrative Measures for Online Trading (《網絡交易管理辦法》), which came into effect on March 15, 2014 and repealed by Measures for the Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》) (the "**Online Transaction Measures**") on May 1, 2021, to regulate all operating activities of commodities trading and relevant service provision via the internet (including mobile internet). According to Online Transaction Measures, "online transaction operator" includes online transaction platform operators, on-platform business operators, self-owned websites operators and online transaction operators that carry out online transaction activities through other network services. Except for the exemption prescribed in Article 10 of the E-commerce Law of the PRC, online transaction operators shall complete business registration in accordance with law.

Online transaction operator shall not conduct false or misleading commercial promotion by fabricating transactions or user comments or by any other means, to defraud or mislead consumers. Online transaction operator shall fully, faithfully and accurately disclose in a timely manner the information on their goods or services to safeguard consumers' right to be informed and to choose.

On August 31, 2018, the SCNPC promulgated the E-Commerce Law (《電子商務法》), which became effective on January 1, 2019. The E-Commerce Law proposes a series of requirements on "e-commerce operators" includes e-commerce platform operators, on-platform business operators, and e-commerce operators that sell goods or provide services through self-owned websites or other network services. For example, the E-Commerce Law requires e-commerce operators to respect and equally protect consumers' legitimate rights and provide options to consumers without targeting their personal characteristics, and also requires e-commerce operators to clearly point out to consumers their tie-in sales in which additional services or products are added by merchants to a purchase, and not to assume consumers' consent to such tie-in sales by default.

Pursuant to the Notice on Improving Supervision over Cross-border E-commerce Retail Imports (《關於完善跨境電子商務零售進口監管有關工作的通知》) promulgated by MOFCOM, NDRC, the Ministry of Finance, the General Administration of Customs, SAT and SAMR on November 28, 2018 and implemented on January 1, 2019, "cross-border e-commerce retail imports" refers to the consumption behavior where domestic consumers in China purchase goods from abroad through third-party cross-border e-commerce platform operators and have such purchased goods transported into China under the "Bonded Import Model for Online Shopping" (網購保稅進口) or "Direct Express Import Model" (直購進口). Such imported goods shall meet the following requirements: (i) the goods are products that fall within the List of Imported Goods in Cross-border E-commerce Retail (《跨境電子商務零售進口商品清單》) and are limited to personal use only and meet the conditions set forth in the tax policies for cross-border e-commerce retail imports; (ii) the goods with a verified customs declaration form, payment list and bill of freight containing electronic information on transaction, payment and logistics are traded via the e-commerce transaction platforms connected to the customs system; (iii) for the goods which are not traded via the e-commerce transaction platforms connected to the customs system, cross-border express delivery operators and postal enterprises may accept the entrustment of e-commerce enterprises and payment enterprises, undertake to assume corresponding legal liabilities, and transmit electronic information on transactions and payments to the Customs. Cross-border e-commerce enterprises are responsible for ensuring the quality and safety of goods, protecting the rights and interests of consumers, reminding and notifying consumers, establishing a risk prevention and control mechanism for the quality and safety of goods, as well as establishing and improving a quality traceability system for the goods subject to the "Bonded Import Model for Online Shopping". Such enterprises shall also transmit real-time electronic data regarding transactions for cross-border e-commerce retail imports with electronic signature affixed to the Customs, declare the list either themselves or by proxy to the Customs and assume corresponding responsibilities. Cross-border e-commerce enterprises shall entrust an enterprise registered in the PRC to register with the Customs, assume the responsibility for truthful declaration, accept supervision from relevant authorities in accordance with law, and assume civil joint liability.

According to the Announcement on Regulatory Matters concerning Cross-Border E-commerce Retail Imports and Exports (《關於跨境電子商務零售進出口商品有關監管事宜的公告》) promulgated by the General Administration of Customs on December 10, 2018 and implemented on January 1, 2019, cross-border e-commerce platform enterprises, logistics enterprises, payment enterprises and other enterprises involved in cross-border e-commerce retail import business shall, in accordance with the regulations on the administration of registration of customs declaration entities, undergo registration procedures with the local customs. Overseas cross-border e-commerce enterprises shall entrust domestic agents to undergo registration procedures with the customs where the agents are located. Cross-border e-commerce direct purchase imports and goods applicable to the import policy of "Bonded Import Model for Online Shopping" (網購保稅進口) are regulated as inbound items for personal use and not subject to the requirements for licensing, registration and filing of relevant goods for first-time import. However, it does not apply to the goods from epidemic areas, the import of which is temporally banned under the explicit order from relevant authorities; and it is also not applicable when emergency response scheme is activated to deal with material quality and safety risks arising to the goods.

According to the Guiding Opinions on Strengthening the Inspection and Supervision of Cross-border E-commerce Import and Export Consumer Goods (《質檢總局關於加強跨境電子商務進出口消費品檢驗監管工作的指導意見》) promulgated by the General Administration of Quality Supervision, Inspection and Quarantine (currently consolidated as SAMR) on June 10, 2015, the responsibilities of cross-border e-commerce enterprises for quality and safety shall be clarified. A model on quality and safety supervision of consumer product of cross-border e-commerce import and export shall be built with risk management as the core and with pre-filing, in-process monitoring and post-tracking as the main line, and a quality and safety risk monitoring mechanism and safety traceability mechanism shall be gradually established.

Product Quality and Consumer Protection

The Product Quality Law (《產品質量法》) applies to all production and sale activities in China. Pursuant to this law, products offered for sale must satisfy relevant quality and safety standards. Enterprises may not produce or sell counterfeit products in any fashion, including forging brand labels or giving false information regarding a product's manufacturer. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities. Where a defective product causes physical injury to a person or damage to another person's property, the victim may claim compensation from the manufacturer or from the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer. Similarly, if the manufacturer pays compensation and it is the seller that should bear the liability, the manufacturer has a right of recourse against the seller.

The Consumer Protection Law (《消費者權益保護法》) sets out the obligations of business operators and the rights and interests of the consumers in China. Pursuant to this law, business operators shall guarantee that the commodities and services they supply meet the requirements concerning personal or property safety. As for commodities and services that may endanger personal or property safety, business operators shall give consumers truthful explanations and explicit warnings, and shall explain or indicate the right way to use the commodities or receive the services as well as the way to prevent the occurrence of damage. Consumers whose legitimate rights and interests are infringed while purchasing goods or receiving services via an online trading platform shall have the right to claim compensation from the vendor of the goods or the provider of the services. Where the operator of the online trading platform cannot provide the real name, address and effective contact of the vendor or the service provider, the consumers shall have the right to claim compensation from the operator of the online trading platform; where the operator of the online trading platform has made commitments in more beneficial terms to the consumers, they shall deliver on their commitments. After compensating the consumers, the operator of the online trading platform shall in turn have the right to claim compensation from the vendor or service provider. Failure to comply with the Consumer Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacement, repairing, ceasing damages, compensation, and restoring reputation, and even subject the business operators or the responsible individuals to criminal penalties when personal damages are involved or if the circumstances are severe.

Online Live Streaming Marketing

According to the Guiding Opinions of State Administration for Market Regulation on Strengthening the Regulation of Online Livestreaming Marketing Activities (市場監管總局關於加強網絡直播營銷活動監管的指導意見), or the Guiding Opinions on Online Livestreaming Marketing issued by SAMR on November 5, 2020, product business operators selling goods or providing services through online livestreaming are subject to the provisions under the E-commerce Law, the Consumers Protection Law, the Anti-Unfair Competition Law, the Product Quality Law, the Advertising Law, the Pricing Law, the Trademark Law, the Patent Law and other applicable laws. The promotion made by live streamers during livestreaming shall be authentic and legal, and shall comply with relevant provisions of the Anti-Unfair Competition Law and the Advertising Law. The Guiding Opinions on Online Livestreaming Marketing sets out liabilities of product business operators and live streamers, including provisions on: (i) the marketing scope of goods or services, notably that goods or services prohibited to be manufactured or sold by laws and regulations shall not be sold via online livestreaming; (ii) the review and release of advertisements, namely that no advertisement that requires prior review in accordance with laws and administrative regulations may be published without such prior review; and (iii) the protection of consumers' right to know and right to choose. All illegal acts in connection with online livestreaming marketing will be investigated and penalized accordingly.

According to the Administrative Measures for Online Live- Streaming Marketing (for Trial Implementation) (《網絡直播營銷管理辦法(試行)》) promulgated by the Ministry of Public Security, the CAC, MOFCOM, the Ministry of Culture and Tourism, SAT, SAMR, the National Radio and Television Administration on April 23, 2021, and became effective on May 25, 2021, operators of live studios and live-streaming marketing personnel engaging in online live-streaming marketing activities shall comply with laws and regulations and the relevant provisions, follow public order and good customs, and truthfully, accurately and comprehensively release information on goods or services, and shall not commit any of the following acts: (i) violating Articles 6 and 7 of the Provisions on the Ecological Governance of Network Information Contents (《網絡信息內容生態治理規定》); (ii) publicizing false or misleading information to cheat or mislead users; (iii) marketing counterfeit or shoddy goods or goods that infringe upon intellectual property rights, or goods that fail to meet the requirements for personal and property safety; (iv) fabricating or tampering with data traffic such as transactions, attention, number of views, number of comments, etc.; (v) still making promotion or diversion for a person even the existence of any illegal or irregular act or act with high risk committed by the person is known or should have been known; (vi) harassing, slandering, vilifying or intimidating others, or infringing upon the legitimate rights and interests of others; (vii) pyramid marketing, fraud, gambling, or selling prohibited or controlled goods, etc.; and (viii) other acts in violation of the laws, regulations and relevant provisions. Operators of live-streaming studios and live-streaming marketing personnel shall perform their responsibilities and obligations of protecting consumers' rights and interests in accordance with laws and regulations, and shall not deliberately delay or refuse without justifiable reasons the legitimate and reasonable requests put forward by consumers.

Food Trading

In accordance with the Administrative Measures for Food Operation Licensing and Filing (《食品經營許可和備案管理辦法》) which was promulgated by SAMR on June 15, 2023 and came into effect on December 1, 2023, a food operation license shall be obtained to engage in food selling and dining services in the PRC. However, a food operation license is not required under certain circumstances, including sales of edible agricultural products, sales of only packaged food, and etc. In the event that only packaged food is sold, record-filing shall be completed at the food safety administrations of the people's governments at or above the county level at the places where the food seller is located. A food operator which engages in network operation or establishes a warehouse (including self-owned and leased ones) outside its operation site shall report the relevant situation to the local department for market regulation at or above the county level in the place where the food operator is located within ten working days of the date of launching the relevant business activities. Such local department for market regulation at or above the county level shall record the relevant reports on the information platform for administration of the food operation licensing and filing.

On July 14, 2016, the State Food and Drug Administration promulgated the Measures for Investigation and Handling of Illegal Acts Involving Online Food Safety (《網絡食品安全違法行為查處辦法》), which was last amended by SAMR on March 18, 2025 and came into effect on May 1, 2025, pursuant to which a third-party platform provider for online food trading in the PRC shall file a record with the market regulation administration at the provincial level and obtain a filing number. Where an online food trading third-party platform provider fails to complete such filing, the provider may be ordered to make rectifications and given a warning by the competent market regulation administration, and failure to make such rectification may be subject to fines ranging from RMB5,000 to RMB30,000.

Medical Device Operation

The Measures on the Supervision and Administration of the Business Operations of Medical Devices (《醫療器械經營監督管理辦法》) (the "**Measures on Medical Devices**"), which was promulgated by China Food and Drug Administration (the "**CFDA**," now known as the National Medical Products Administration, the "**NMPA**") on July 30, 2014 and last amended by SAMR on May 1, 2022, applies to any business activities concerning medical devices as well as the supervision and administration thereof conducted within the territory of the PRC. Pursuant to the Measures on Medical Devices, NMPA shall be responsible for the supervision and administration of nationwide business operations concerning medical devices. Business operations of medical devices are administered by category depending on the degree of risks of medical devices. Operation for Class III medical devices is subject to administration by licensing. Operation for Class II medical devices is subject to administration by filing. Operation for Class I medical devices does not require licensing or filing. In addition, in accordance with Regulations on Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), promulgated by the State Council on January 4, 2000 and last amended on December 6, 2024, in the case of the filing for Class I medical devices, an applicant shall submit the filing materials to the local MPA. In the case of the application for Class II medical devices registration, the applicant shall submit the registration application materials to the branch of NMPA at the provincial level, and in the case of the application for registration of Class III medical devices, the applicant for registration shall submit the registration application materials to NMPA.

On December 20, 2017, the CFDA promulgated the Administration and Supervision Measures of Online Sales of Medical Devices (《醫療器械網絡銷售監督管理辦法》) (the "**Online Medical Devices Sales Measures**"), which became effective on March 1, 2018. According to the Online Medical Devices Sales Measures, enterprises engaged in online sales of medical devices must be medical device manufacture and operation enterprises with medical devices production licenses or operation licenses or being filed for record in accordance with laws and regulations, unless such licenses or record-filing is not required by laws and regulations. Either enterprises engaged in online sales of medical devices or enterprises to provide a third-party platform for provision of medical devices online transaction services shall take technical measures to ensure the data and materials of medical devices online sales are authentic, complete and traceable. The records of sale information of medical devices shall be kept for two years after the valid period of the medical devices, and for no less than five years in the case of no valid period, or be kept permanently in the case of implanted medical devices. The enterprises engaged in online sales of medical devices shall display its medical device production and operation license or record-filing certificate on a visible place of its homepage, and display the medical device registration certificate or record-filing certificate of such products on its product page. Information of the medical devices published online by the enterprises engaged in online sales of medical devices, shall be consistent with the related contents registered or filed for record. The business scope of an enterprise engaged in online sales of medical devices shall not exceed the scope of its production and operation license or the scope filed for record.

REGULATIONS ON FOREIGN TRADE AND CUSTOMS LAW

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) (the "**Foreign Trade Law**") promulgated by the SCNPC on May 12, 1994 and last amended on December 30, 2022, since December 30, 2022, no registration of foreign trade operators is required. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations. Before December 30, 2022, pursuant to the pre-amendment Foreign Trade Law, a foreign trade operator who is engaged in the import and export of goods or technologies shall process the filing and registration with the foreign trade authority under the State Council or its entrusted agencies, unless otherwise provided by the laws, administrative regulations and requirements of the foreign trade authority under the State Council. Where a foreign trade operator fails to do so, Customs shall not handle the formalities for declaration and clearance of the goods imported or exported by the operator.

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 and last amended on April 29, 2021, the Customs of the People's Republic of China is the state's entry and exit customs supervision and administration authority. According to the relevant laws and administrative regulations, Customs supervises the transportation vehicles, goods, luggages, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics and handles other customs operations.

According to the Regulations of PRC Customs on Administration of Recordation of 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 on November 19, 2021 and effective from January 1, 2022, customs declaration entities refer to the consignees and consignors of import and export goods and customs declaration enterprises recorded with the customs. If the consignees and consignors of import and export goods and customs declaration enterprises apply for recordation, they shall obtain the qualification of market entities; among them, if the consignees and consignors of import and export goods apply for recordation, they shall also obtain the recordation of the foreign trade operators. The recordation of the customs declaration entities is valid for a long period of time, while the temporary recordation is valid for one year, and after the expiry reapplication of recordation can be made.

REGULATIONS ON ADVERTISEMENT

According to the Advertising Law of the PRC (《中華人民共和國廣告法》) promulgated by the SCNPC on October 27, 1994 and most recently amended on April 29, 2021, advertisement shall not contain any false or misleading information, and shall not deceive or mislead customers. Each advertiser, advertising agent or advertisement publisher shall, when engaging in advertising activities, comply with laws and regulations, act in good faith, and conduct fair competition. In any advertisement, where there are statements regarding commodity's performance, function, place of origin, use, quality, ingredients, price, producer, valid period, guarantees and etc., or the content, provider, form, quality, price and guarantees of the service, such statements shall be accurate, clear and explicit. Advertisements for medical treatment, pharmaceuticals, medical devices, agricultural pesticides, veterinary medicines and healthcare food, and other advertisements required to be reviewed by laws and administrative regulations shall be reviewed by the relevant authorities before they are published. Where an advertising agent or advertisement publisher designs, produces, provides agency for or publishes an advertisement even though it knows or should know the advertisement is false, publishes any advertisement falling under any of the circumstances as prohibited by the Advertising Law, or conducts other activities in violation of the Advertising Law, the advertising fees may be confiscated and a fine may be imposed, and the relevant authority may impose the suspension of advertisement publishing business, or revocation of business license. When a crime constitutes, the criminal liability shall be investigated in accordance with the law.

Pursuant to the Interim Administrative Measures for Review of Advertisements on Drugs, Medical Devices, Dietary Supplements and Formula Foods for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》) promulgated by SAMR on December 24, 2019 and implemented on March 1, 2020, no advertisement for any drug, medical device, dietary supplement or formula food for special medical purpose may be published without review by SAMR or its local branches. Advertisements on drugs, medical devices, dietary supplements and formula foods for special medical purpose shall be authentic and legal, and shall not contain any false or misleading content. An advertisement for drug, medical device, dietary supplement or formula food for special medical purpose shall prominently indicate the advertisement approval number. Advertisers, advertising agents or publishers shall publish advertisements for drugs, medical devices, dietary supplements and formula foods for special medical purpose in accordance with the approved contents upon review, and shall not make any editing, splicing or modification. In case of necessary modification to any content of an approved advertisement, a new application for advertisement review shall be submitted.

On February 25, 2023, SAMR promulgated the Measures for the Administration of Internet Advertising (《互聯網廣告管理辦法》) (the "**Internet Advertising Measures**"), which became effective on May 1, 2023 and repealed the Interim Administrative measures on Internet Advertising (《互聯網廣告管理暫行辦法》). According to Internet Advertising Measures, before publishing an advertisement for any medical treatment, medicines, medical devices, pesticides, veterinary drug, health care food, food for special medical purpose or any other advertisement that is subject to review according to any laws or administrative regulations, the content of advertisement shall be reviewed by the advertising review authority; an advertisement that has not undergone such review must not be published. It is prohibited to publish an advertisement for any medical treatment, medicines, medical devices, health care food, food for special medical purpose in a disguised form, such as the provision of health or wellness knowledge. In addition, no entity or individual may publish any advertisement of prescription drugs unless otherwise stipulated in any laws or administrative regulations, or tobacco (including e-cigarettes) via the internet.

The Internet Advertising Measures further provides that an Internet advertisement shall be identifiable so that it can be identified by consumers as an advertisement. For any paid search advertisement for goods or services, an advertisement publisher shall prominently indicate "advertisement" to distinguish it from natural search results. When publishing an Internet advertisement in forms such as a pop-up, the advertiser and the advertisement publisher shall prominently display a Close symbol to ensure that it can be closed in one click. It is prohibited to deceive or mislead users into clicking on or browsing an advertisement through certain means. If an advertising agent or advertisement publisher violates the Internet Advertising Measures, it may be subject to punishment, including but not limited to fines, confiscating advertising fees, suspension of the advertisement publishing business, or revocation of business license.

REGULATIONS ON CYBERSECURITY AND DATA SECURITY, PERSONAL INFORMATION PROTECTION AND APP PROVISIONS

PRC Cybersecurity and Data Security

On July 1, 2015, the SCNPC issued the National Security Law of the PRC (the "**National Security Law**") (《中華人民共和國國家安全法》), which came into effect on the same day. The National Security Law provides that the state shall safeguard the sovereignty, security and cybersecurity development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet, information technology products and services, and other important activities that are likely to impact the national security of the PRC.

On November 7, 2016, the SCNPC issued the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), which came into effect on June 1, 2017. This is the first PRC law that focuses exclusively on cybersecurity. The PRC Cybersecurity Law provides that network operators must set up internal security management systems that meets the requirements of a classified protection system for cybersecurity, including appointing dedicated cybersecurity personnel, taking technical measures to prevent computer viruses, network attacks and intrusions, taking technical measures to monitor and record network operation status and cybersecurity incidents, and taking data security measures such as data classification, backups and encryption. The PRC Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. Any violation of the provisions and requirements under the PRC Cybersecurity Law may subject the Internet service providers to warnings, fines, confiscation of illegal gains, revocation of licenses, shutdown of websites or even criminal liabilities.

On December 28, 2021, the MIIT and several other PRC governmental authorities jointly promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), which provide that (i) network platform operators in possession of over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review when listing in a foreign country; (ii) operators of "critical information infrastructure" that intend to purchase network products and services that will or may affect national security shall apply for a cybersecurity review; and (iii) network platform operators carrying out data processing that will affect or may affect national security shall apply for a cybersecurity review. The Cybersecurity Review Measures became effective on February 15, 2022 and replaced the Measures for Cybersecurity Review promulgated in April 2020.

On June 10, 2021, the SCNPC issued the PRC Data Security Law (《中華人民共和國數據安全法》), which came into effect on September 1, 2021. The PRC Data Security Law provides a national data security review system, under which data processing activities that affect or may affect national security shall be reviewed. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility. Data processors shall establish and improve the whole-process data security management rules, organize and implement data security trainings as well as take appropriate technical measures and other necessary measures to protect data security. Any organizational or individual data processing activities that violate the PRC Data Security Law shall bear the corresponding civil, administrative or criminal liabilities depending on specific circumstances. On September 24, 2024, the State Council published the Network Data Security Management (《網絡數據安全管理條例》), which became effective on January 1, 2025. The Network Data Security Management provides that data processors conducting the data processing activities that affect or may affect national security shall apply for cybersecurity review in accordance with the relevant laws and regulations.

On July 22, 2020, the Ministry of Public Security published the Guiding Opinions on the Implementation of Cybersecurity Hierarchical Protection System and Critical Information Infrastructure Security Protection System (《貫徹落實網絡安全等級保護制度和關鍵信息基礎設施安全保護制度的指導意見》), which require, among others, to determine the cybersecurity protection level in a scientific manner based on the importance of network (including network facilities, information system, and data resources) in national security, economic construction, and social life, as well as factors such as the degree of harm after its destruction, and to implement hierarchical protection and supervision, with emphasis on ensuring the security of critical information infrastructure and networks at or above the third level.

On July 30, 2021, the State Council promulgated the Regulations for the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021, referring "critical information infrastructures" as important network facilities and information systems in important industries including public communications and information services, as well as those that may seriously endanger national security, national economy, people's livelihood, or public interests in the event of damage, loss of function, or data breach. Pursuant to the Regulations for the Security Protection of Critical Information Infrastructure, the relevant government authorities are responsible for stipulating rules for the identification of critical information infrastructures with reference to several factors set forth therein and further identifying the critical information infrastructure in the related industries in accordance with such rules. The relevant authorities must also notify operators of the determination as to whether they are categorized as critical information infrastructure operators.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》) (the "**Security Assessment Measures**"), which became effective on September 1, 2022. The Security Assessment Measures require that any data processor providing important data collected and generated during operations within the territory of the PRC or personal information that should be subject to security assessment according to law to an overseas recipient shall conduct security assessment. On March 22, 2024, the CAC issued the Provisions on Facilitating and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》) (the "**Cross-Border Data Flows Provisions**"), which provide the following circumstances under which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of cross-border data transfer: (i) critical information infrastructure operators providing personal information or important data overseas; and (ii) data processors other than critical information infrastructure operators providing important data overseas, or cumulatively providing overseas personal information (excluding sensitive personal information) of more than one million individuals or sensitive personal information of more than 10,000 individuals since January 1 of the current year. "Important data" is defined under Security Assessment Measures as any data, the tampering, damage, leakage, or illegal acquisition or use of which, may endanger national security, the operation of the economy, social stability, public health and security, etc. The Cross-Border Data Flows Provisions also provides that, where the data processors other than critical information infrastructure operators provide personal information (excluding sensitive personal information) overseas of not less than 100,000 but not more than one million individuals, or the sensitive personal information of not more than 10,000 individuals, cumulatively as of January 1 of the current year, it shall conclude a standard contract with overseas recipients or pass the authentication on personal information protection. Articles 3 to 6 of the Cross-Border Data Flows Provisions mainly provide the exemptions from applying for the security assessment or authentication, and filing the standard contracts. Exemptions include but are not limited to international trade, cross-border transportation, academic cooperation, transactional manufacturing, marketing and other activities that do not involve personal information or important data, among others. In addition, the Cross-Border Data Flows Provisions clarify that data processors are not required to conduct security assessment for outbound data transfer for data that has not been notified or published as "important data" by relevant departments or regions. Any failure to comply with such requirements may subject us to, among others, suspension of services, fines, revoking relevant business permits or business licenses and penalties.

On December 31, 2021, the CAC published the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》) (the "**Algorithm Recommendation Provisions**") on its website, which became effective on March 1, 2022 and raised certain new compliance requirements on internet information service providers using algorithm recommendation technology. Specifically, the Algorithm Recommendation Provisions require that such service providers shall provide users with options that are not specific to their personal characteristics, or provide users with convenient options to cancel algorithmic recommendation services.

Personal Information Protection

The Civil Code of the PRC (《中華人民共和國民法典》) that was issued on May 28, 2020 and became effective on January 1, 2021, provides that a natural person's personal information shall be protected by the law. Any organization or individual shall legally obtain the personal information of others when necessary and ensure the safety of such personal information, and shall not illegally collect, use, process or transmit the personal information of others, or illegally buy or sell, provide or make public the personal information of others.

The PRC Cybersecurity Law imposes certain data protection obligations on network operators, including that network operators may not disclose, tamper with, or damage users' personal information that they have collected, and are obligated to delete unlawfully collected information and to amend incorrect information. Moreover, internet operators may not provide users' personal information to others without consent. Exempted from these rules is information irreversibly processed to preclude identification of specific individuals. In addition, the PRC Cybersecurity Law imposes breach notification requirements that will apply to breaches involving personal information.

The Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), promulgated by the MIIT on December 29, 2011 that became effective on March 15, 2012, stipulate that internet information service providers must not, without user consent, collect user personal information, which is defined as user information that can be used alone or in combination with other information to identify the user, and may not provide any such information to third parties without prior user consent. Internet information service providers may only collect user personal information necessary to provide their services and must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information. In addition, an internet information service provider is also required to properly maintain users' personal information, and in case of any leak or likely leak of such information, it must take immediate remedial measures and, in the event of a serious leak, report to the telecommunications regulatory authority immediately.

On December 28, 2012, the SCNPC promulgated the Decision of the Standing Committee of the National People's Congress on Strengthening Online Information Protection (《全國人大常委會關於加強網絡信息保護的決定》) with immediate effect. On July 16, 2013, the MIIT issued the Order for the Protection of Telecommunications and Internet User Personal Information (《電信和互聯網用戶個人信息保護規定》), which came into effect on September 1, 2013. Any collection and use of a user's personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods, and scopes. An Internet information service provider must also keep such information strictly confidential, and is further prohibited from divulging, tampering, or destroying any such information, or selling or providing such information to other parties. An Internet information service provider is required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage, or loss.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which became effective on November 1, 2021. According to the PRC Personal Information Protection Law, personal information refers to any kind of information related to an identified or identifiable natural person as electronically or otherwise recorded, excluding information that has been anonymized. Processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information. Processing of personal information shall be for a specified and reasonable purpose, and shall be conducted for a purpose directly relevant to the purpose of processing and in a way that has the least impact on personal rights and interests. Collection of personal information shall be limited to the minimum scope necessary for achieving the purpose of processing and shall not be excessive. In addition, the PRC Personal Information Protection Law specifically specifies the rules for processing sensitive personal information, i.e., personal information that, once leaked or illegally used, may easily cause harm to the dignity of natural persons or grave harm to personal or property security, including information on biometric characteristics, financial accounts, individual location tracking, etc., as well as the personal information of minors under the age of 14. Entities processing personal information shall bear responsibility for their personal information processing activities and adopt the necessary measures to safeguard the security of the personal information they process. Otherwise, entities processing the personal information will be ordered to correct or suspend or terminate the provision of services, confiscation of illegal income, fines or other penalties.

On August 22, 2019, the CAC issued the Regulation on Cyber Protection of Children's Personal Information (《兒童個人信息網絡保護規定》), effective on October 1, 2019. Network operators are required to establish special policies and user agreements to protect children's personal information, and to appoint special personnel in charge of protecting children's personal information. Network operators who collect, use, transfer or disclose personal information of children are required to, in a prominent and clear way, notify and obtain consent from children's guardians.

On February 4, 2015, the CAC promulgated the Provisions on the Administrative of Account Names of Internet Users (《互聯網用戶賬號名稱管理規定》), which became effective as of March 1, 2015, setting forth the authentication requirement for the real identity of internet users by requiring users to provide their real names during the registration process. On October 26, 2021, the CAC published the Provisions on the Administrative of Account Names Information of Internet Users (Draft for Comments) (《互聯網用戶賬號名稱信息管理規定(徵求意見稿)》) for public comments. Pursuant to these provisions, internet user account service platforms shall, among others, establish, improve and strictly implement account name information management system, information content security system, and personal information protection system, establish an account name information dynamic check patrol system for the verification of real identity information, improve their technical measures for purposes of account information legal compliance, and support account name authenticity checks. On June 27, 2022, the CAC promulgated the Administrative Provisions on the Account Information of Internet Users (《互聯網用戶賬號信息管理規定》), which became effective on August 1, 2022. The obligations of internet-based information service providers include but not limited to: (i) authenticate the identity information of the users who apply for registration of relevant account and verify the account information submitted by users upon registration; and (ii) equip themselves with professional and technical capabilities appropriate to the scale of services.

Pursuant to the Ninth Amendment to the Criminal Law (《中華人民共和國刑法修正案(九)》) issued by the SCNPC on August 29, 2015 that became effective on November 1, 2015, any internet service provider that fails to fulfill the obligations related to the internet information security administration as required by the applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty. Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》), issued on April 23, 2013, Article 253 of the Criminal Law of the PRC (《中華人民共和國刑法》), and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》), which was issued on May 8, 2017 and became effective on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of relevant national provisions; (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person and not recoverable); (iii) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen's personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

REGULATIONS ON PROPERTY LEASING

Pursuant to Administrative Measures on the Lease of Commodity Housing (《商品房屋租賃管理辦法》) issued by Ministry of Housing and Urban-Rural Development on December 1, 2010, parties to a lease agreement shall complete the lease registration and filing process with the competent construction (real estate) departments of the municipalities directly under the PRC governments of cities and counties where the property is located within 30 days after the lease agreement is signed. For those who fail to comply with the above regulations, such competent departments may impose a fine ranging from RMB1,000 and RMB10,000 per lease.

REGULATIONS ON FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administration Regulations (《中華人民共和國外匯管理條例》), as amended on August 5, 2008, Renminbi is freely convertible for current account items, including the distribution of dividends, interest payments, trade and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of China, unless prior approval is obtained from SAFE, and prior registration with SAFE is made.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19, in replacement of the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局綜合司關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知》). SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《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》), or the SAFE Circular 16, effective on June 9, 2016, which, among other things, amended certain provisions of SAFE Circular 19. According to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign investment company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties.

On October 23, 2019, SAFE promulgated the Circular of the State Administration of Foreign Exchange 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》) (the "**SAFE Circular 28**"), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, on the premise of no violation of the existing special administrative measures for access of foreign investments (negative list) and the authenticity and compliance with the laws. 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》) (the "**SAFE Circular 8**"), issued by SAFE on April 10, 2020, on the premise of ensuring that the use of funds is genuine and compliant and in line with the existing regulations on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital account income such as capital funds, foreign debt, fund raising from overseas listings, without providing the authenticity proof materials to the bank in advance for each payment. The handling bank shall conduct spot check afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to substantial uncertainties.

According to 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》) promulgated by the SAFE on December 26, 2014, a domestic company shall, within 15 business days from the date of completion of its overseas listing and offering, deal with registration formalities for the overseas listing with the local branch of the State Administration of Foreign Exchange at the place of its registration. The proceeds raised by the domestic company from overseas listing may be repatriated or be deposited overseas. The usage of such proceeds shall be consistent with the relevant content mentioned in the publicly disclosed documents such as the prospectus, explanation on offering of corporate bonds, circulars to shareholders, resolutions of the board of directors or the general meetings.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Copyright

On September 7, 1990, the SCNPC promulgated the PRC Copyright Law (《中華人民共和國著作權法》), which was most recently amended in 2020. The Implementing Regulations of the PRC Copyright Law (《中華人民共和國著作權法實施條例》) were promulgated in 2002 and most recently amended in 2013. The PRC Copyright Law and its implementing regulations are the principal laws and regulations governing copyright related matters. Pursuant to the amended PRC Copyright Law, products disseminated over the internet and software products, among others, are entitled to copyright protection. Registration of copyright is voluntary, and it is administrated by the China Copyright Protection Center.

The State Council and National Copyright Administration (the "NCA"), have promulgated various rules and regulations relating to the protection of software in China, including the Regulations on Protection of Computer Software (《計算機軟件保護條例》) which were promulgated by State Council on December 20, 2001 and last amended on January 30, 2013 and became effective on March 1, 2013, and the Measures for Registration of Copyright of Computer Software (《計算機軟件著作權登記辦法》) which was promulgated by NCA on February 20, 2002 and became effective on the same date. According to these rules and regulations, software owners, licensees and transferees may register their rights in software with the NCA or its local branches and obtain software copyright registration certificates. Although such registration is not mandatory under PRC law, software owners, licensees and transferees are encouraged to complete the registration process and thus the registered software rights may be entitled to better protections.

Domain Name

On August 24, 2017, the MIIT promulgated Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), repealing the Domain Name Measures (《中國互聯網絡域名管理辦法》) since November 1, 2017. The efforts to undertake internet domain name services as well as the operation, maintenance, supervision and administration thereof and other relevant activities within the territory of the PRC shall thereafter be made in compliance with Administrative Measures for Internet Domain Names. In accordance with the Measures on Country Top-level Domain Name Dispute Resolution (《國家頂級域名爭議解決辦法》) promulgated by the China Internet Network Information Center (the "**CNNIC**"), which became effective on June 18, 2019, a domain name dispute can be resolved by a domain name dispute resolution institution recognized by the CNNIC.

Trademark

The PRC Trademark Law (《中華人民共和國商標法》), adopted in 1982 and last amended in 2019, with its implementation rules adopted in 2002 and amended in 2014, protects registered trademarks. The Trademark Office of the State Administration for Industry and Commerce handles trademark registrations and grants a protection term of ten years to registered trademarks. Trademark license agreements must be filed with the Trademark Office for record.

Patent

The SCNPC adopted the PRC Patent Law (《中華人民共和國專利法》) in 1984, which was last amended in 2020. A patentable invention or utility model must meet three conditions, e.g. novelty, inventiveness and practical applicability. Patents will not be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds or substances obtained by means of nuclear transformation. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, or a fifteen-year term for a design, starting from the application date. Except for certain specific circumstances provided by law, any third party users must obtain consent or a proper license from the patent owners to use the patent, otherwise the use of patent will constitute an infringement of the rights of the patent holder.

REGULATIONS ON TAX IN THE PRC

Principal Taxation of Our Company

Enterprise Income Tax

On March 16, 2007, the NPC promulgated the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) which was last amended on December 29, 2018, and the State Council enacted the Regulations for the Implementation of the Law on Enterprise Income Tax of the PRC (《中華人民共和國企業所得稅法實施條例》) which were last amended on December 6, 2024 (collectively, the "**EIT Law**"). Under the EIT Law, the rate of enterprise income tax shall be 25%, except where tax incentives are granted to special industries and projects. The enterprise income tax rate is reduced to 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a reduced tax rate of 15% for Enterprise Income Tax.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the People's Republic of China (《中華人民共和國增值稅暫行條例》) promulgated on December 13, 1993 and last amended on November 19, 2017 and its implementation rules, entities and individuals selling goods, providing labor services of processing, repairs or maintenance, or selling services, intangible assets or real property within China, or importing goods to China, shall be identified as taxpayers of value-added tax, and shall pay value-added tax.

Pursuant to the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》) promulgated on December 25, 2024, which will come into effect from January 1, 2026, entities and individuals engaged in the sale of goods, services, intangible assets, or real estate within China, or importing goods to China, shall be identified as taxpayers of value-added tax, and shall pay value-added tax. The sale of goods, services, intangible assets, or real estate refers to the transfer of ownership of goods or real estate for a consideration, the provision of services for a fee, or the transfer of ownership or use rights of intangible assets for a consideration. For taxpayers selling goods, processing, repair or fitting services, or tangible movable property leasing services; or importing goods, the tax rate shall be 13%, unless otherwise specified; for taxpayers selling transportation, postal, basic telecommunications, construction, or real estate leasing services, selling real estate, transferring land use rights, or selling or importing specified goods, the tax rate shall be 9%, unless otherwise specified; for taxpayers selling services or intangible assets, the tax rate shall be 6%, unless otherwise specified; for taxpayers exporting goods, the tax rate shall be zero, except as otherwise provided by the State Council; for entities and individuals within China engaging in cross-border sales of services or intangible assets within the scope defined by the State Council, the tax rate shall be zero.

Dividends Distribution

Pursuant to the PRC Company Law, when a company distributes its after-tax profits for the current year, it shall set aside 10% of the profits to be included in the company's statutory reserve. A company may elect not to do so if its aggregate statutory reserve reaches 50% or more of its registered capital. If a company's statutory reserve is insufficient to cover previous years' losses, the current year's profits shall first be used to cover such losses before statutory reserve is set aside. After a company sets aside an amount for statutory reserve from its after-tax profits, it may, subject to a resolution of the shareholders' meeting, set aside an amount for discretionary reserve from its after-tax profits. Furthermore, the EIT Law provides that dividends paid by a PRC entity to a non-resident enterprise for income tax purposes is subject to PRC withholding tax at a rate of 10%, subject to reduction by an applicable tax treaty with China.

Taxation on Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) which was promulgated on September 10, 1980 and last amended on August 31, 2018 by the SCNPC, and which came into effect on January 1, 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which were last amended by the State Council on December 18, 2018 and which came into effect on January 1, 2019, dividends paid by PRC enterprises to individual investors are generally subject to a proportional tax rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by a relevant tax treaty. In addition, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《關於個人所得稅若干政策問題的通知》) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends of foreign-invested enterprises is exempted from individual income tax for the time being.

Corporate Investors

According to the EIT Law, non-resident enterprises that have not set up institutions or establishments in China, or have set up institutions or establishments but the income obtained by the said enterprises has no actual connection with the set-up institutions or establishments, shall pay enterprise income tax in relation to their income originating from China (including dividends received from a PRC resident enterprise), and the enterprise income rate is generally 10%. The aforesaid income tax payable by a non-resident enterprise must be withheld at source. The payer of the income is the withholding obligator. When making such payment or when such payment becomes due and payable, the withholding obligator shall withhold the income tax from the payment or the amount due and payable.

The Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-PRC Resident Enterprise Holding H Shares of the Enterprises (《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 promulgated by the SAT and which came into effect on November 6, 2008, further clarifies that PRC resident enterprises should, in distributing dividends for year 2008 or any year thereafter to non-resident enterprises holding H-shares of the enterprises, withhold enterprise income tax for such dividends at a tax rate of 10%. The Reply on Issues Concerning Levying Enterprise Income Tax on Dividends of B Shares and Other Shares Obtained by Non-resident Enterprises (《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 promulgated by the SAT on July 24, 2009, further provides that where PRC resident enterprises that have shares (A shares, B shares and overseas shares) publicly issued and listed in and outside of the PRC distribute dividends of year 2008 or any year thereafter to non-resident enterprise shareholders, enterprise income tax at the rate of 10% shall be withheld. Where non-resident enterprise shareholders need to enjoy tax treatments specified in tax treaties, relevant provisions of tax treaties shall apply.

Taxes on Income from Share Transfer

Individual Investors

According to the relevant regulations on individual income tax, individuals shall pay the individual income tax at the rate of 20% on their income from the sale of shares of PRC resident enterprises.

In accordance with the Circular on the Continued Exemption of Individual Income Taxes Levied on Income Obtained 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》) that was promulgated by the MOF and the SAT on March 30, 1998, since January 1, 1997, income of individuals from the transfer of shares of listed companies remains exempted from individual income tax. The Circular of Issues Concerning the Imposition of Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies by Individuals (《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》) which was jointly promulgated on December 31, 2009 by the MOF, the SAT and the CSRC, provides that income from the transfer of shares of listed companies on relevant domestic stock exchanges by individuals shall continue to be exempted from individual income tax, except for the relevant restricted shares as defined in Supplemental Circular of Issues Concerning the Imposition of Individual Income Tax on Income from the Transfer of Restricted Shares of Listed Companies by Individuals (《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》). As of the Latest Practicable Date, the foresaid provisions don't specify whether individual income tax on transfer of shares of a PRC resident enterprise listed on an overseas stock exchange by non-resident individual shareholders would be levied.

Corporate Investors

According to the EIT Law, non-resident enterprises that have not set up institutions or establishments in China, or have set up institutions or establishments but the income obtained by the said enterprises has no actual connection with the set-up institutions or establishments, shall pay enterprise income tax in relation to their income originating from China (including gains from the disposal of shares of PRC resident enterprises) and the enterprise income tax rate is generally 10%. Such tax may be reduced or eliminated under applicable tax treaties or arrangements.

REGULATIONS ON LABOR

Labor Law and Labor Contracts

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, enterprises shall establish and improve their system of work place safety and sanitation, strictly abide by state rules and standards on work place safety, and conduct employees training on labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe work place and sanitation conditions which are in compliance with relevant laws and regulations of labor protection.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and amended on December 28, 2012, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated on September 18, 2008 set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively. At the time of hiring, the employers shall truthfully inform the employees the scope of work, working conditions, working place, occupational hazards, work safety, salary and other matters which the employees request to be informed about.

Dispatched Workers

According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) issued on January 24, 2014 and implemented on March 1, 2014 by the Ministry of Human Resources and Social Security, employers may only use dispatched workers for temporary, ancillary or substitute positions. The aforementioned temporary positions shall mean positions lasting for no more than six months; ancillary positions shall mean positions of non-major business that serve positions of major business; and substitute positions shall mean positions that can be substituted by other workers for a certain period of time during which the workers who originally held such positions are unable to work as a result of full-time study, being on leave or other reasons. According to the Interim Provisions on Labor Dispatch, the employers should strictly control the number of dispatched workers, and the number of the dispatched workers shall not exceed 10% of the total amount of their employees.

Pursuant to the Interim Provision on Labor Dispatch, the Labor Contract Law of the PRC and the Implementation Regulations for the Labor Contract, employers who fail to comply with the relevant requirements on labor dispatch shall be ordered by the labor administrative authorities to rectify the non-compliance within a stipulated period. Where rectification is not made within the stipulated period, the employers may be subject to a penalty ranging from RMB5,000 to RMB10,000 per dispatched worker exceeding the 10% threshold.

Social Insurance and Housing Fund

Employers in the PRC are required to contribute, for and on behalf of their employees, to a number of social insurance funds, including funds for pension, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing fund. The various laws and regulations that govern the employers' obligations to contribute to the social insurance funds include the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), which were promulgated by the State Council on January 22, 1999 and amended on March 24, 2019, the Regulations on Work-related Injury Insurance (《工傷保險條例》), which were promulgated by the State Council on April 27, 2003 and amended on December 20, 2010, and the Regulations on Management of the Housing Fund (《住房公積金管理條例》), which were promulgated and became effective on April 3, 1999 and were amended on March 24, 2002 and on March 24, 2019. According to the Social Insurance Law of the PRC, when an employer fails to pay social insurance contributions on time and in full, the social insurance contributions collecting agency shall place an order with the employer demanding full payment within a prescribed period, and an overdue payment fine at the rate of 0.05% per day shall be levied as of the date of indebtedness. If the payment is not made at the expiry of the prescribed period, a fine of more than the overdue amount but not more than triple the overdue amount shall be imposed by the authoritative administrative department. Under the Regulations on Management of the Housing Fund, if an entity fails to conduct registration of deposit of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; if the entity fails to do so by the expiration of the time limit, a fine ranging from RMB10,000 to RMB50,000 shall be imposed. If an entity is overdue in the payment and deposit of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the payment and deposit within a prescribed time limit; where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

REGULATIONS ON ANTI-UNFAIR COMPETITION AND ANTI-MONOPOLY

According to the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), which was promulgated by the SCNPC on September 2, 1993 and was last amended on April 23, 2019, while carrying out production or business activities, a business operator shall follow the principles of voluntariness, equality, fairness, and good faith, abide by laws and observe business ethics. Unfair competition act refers to an act of disrupting market competition order and harming the lawful rights and interests of another business operator or consumers conducted by a business operator in violation of the provisions of the Anti-unfair Competition Law in the course of its production or business activities.

The Anti-Monopoly Law (《中華人民共和國反壟斷法》), promulgated by the SCNPC on August 1, 2008 and amended on June 24, 2022 with effect on August 1, 2022, requires that monopoly agreements between business operators who are in competition with each other are prohibited, and a business operator must not organize other business operators to enter into a monopoly agreement or provide substantive assistance to another business operator in entering into a monopoly agreement. A business operator who holds a dominant market position shall be prohibited from engaging in the conduct by abusing its dominant market position. When a concentration of undertakings occurs and reaches statutory thresholds, the undertakings concerned shall file a prior notification with the State Council's anti-monopoly law enforcement authority. In the absence of such notification, such concentration may not be carried out. Where any business operator carries out a concentration of undertakings in violation of the Anti-Monopoly Law, the business operator shall be ordered to end the concentration, dispose of the shares or assets and transfer business within a time limit, take other necessary measures to restore its status to the pre-concentration state, and impose on it a fine of not more than ten percent of its last year's sales revenue if the concentration of undertakings has or may have an effect of excluding or limiting competition; or a fine of not more than RMB5,000,000 if the concentration of undertakings does not have an effect of excluding or limiting competition. Mergers, acquisitions, contractual arrangements or other means that allow one undertaking to take control of or to exert decisive impact on another undertaking must also be notified in advance to the anti-monopoly law enforcement authority when the threshold under the Provisions on Thresholds for Declaration of Concentrations of Undertakings (《國務院關於經營者集中申報標準的規定》), issued by the State Council in August 2008 and amended in September 2018 and January 2024, is triggered.

REGULATIONS ON SECURITIES AND OVERSEAS LISTINGS

Securities Laws and Regulations

The Securities Law of the PRC (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, and was last amended on December 28, 2019 and came into effect on March 1, 2020, comprehensively regulating activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing its securities to be traded overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies which are denominated in foreign currencies, specific measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to implement centralized, unified supervision and administration of the securities markets nationwide. Currently, the issue and trading of H shares are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Overseas Listings

On February 17, 2023, the CSRC promulgated a set of new regulations, including the Trial Administrative Measures of Overseas Securities Offerings and Listings 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. The regulations came into effect on March 31, 2023. The Trial Measures refine the regulatory system by subjecting both direct and indirect overseas offering and listing activities to the CSRC filing-based administration. Requirements for filing entities, time points and procedures are specified. Where a domestic company seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC. Initial public offerings or listings in overseas markets shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas and a subsequent offering shall be filed with the CSRC within the timeframe required by the Trial Measures. Failure to complete the filing required by the Trial Measures may result in a warning and a fine between RMB1 million and RMB10 million as for the domestic entity.

On February 24, 2023, the CSRC, Ministry of Finance, National Administration of State Secrets Protection and National Archives Administration promulgated the Provisions on Strengthening 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 "**Confidentiality and Archives Administration Provisions**"), which came into effect on March 31, 2023. According to the Confidentiality and Archives Administration Provisions, where a PRC domestic company, either directly or through its overseas listed entity, plans to provide or publicly disclose to relevant individuals or entities, such as securities companies, securities service providers and overseas regulators, any documents and materials containing state secrets and working secrets of state organs, it shall obtain prior approvals from competent authorities according to law and file with the secrecy administrative department at the same level. To provide accounting archives or copies to relevant individuals and entities, such as securities companies, securities service providers and overseas regulators, a PRC domestic company shall perform the corresponding procedures in compliance with applicable national regulations. Working papers produced in the PRC by securities companies and securities service providers in the process of undertaking businesses related to overseas offering and listing by PRC domestic companies shall be retained in the PRC. Where such documents need to be transferred or transmitted to outside of the PRC, relevant approval procedures stipulated by regulations shall be followed.

We submitted a filing to the CSRC for application of the [**REDACTED**] and [**REDACTED**] of the Shares on the Stock Exchange on [●] and the CSRC published the notification on our completion of the required filing procedures on [●].

Full Circulation of H Shares

"Full Circulation" refers to listing and circulation of domestic unlisted shares of H-share listed companies on the Stock Exchange, 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》) ("**Guidelines for the Full Circulation**"), which were amended on August 10, 2023. As regulated in the Guidelines for 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 under relevant laws and regulations and the policies governing state-owned asset administration, foreign investment and industry regulation are met. Meanwhile, the H-share listed company may be entrusted to file the application for "full circulation" with the CSRC. An unlisted domestic joint stock company may apply with the CSRC for "full circulation" at the time of its application for initial public offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China. Pursuant to 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. Additionally, they are required to entrust the domestic company to file with the CSRC on their behalf. According to 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**"), promulgated by the China Securities Depository and Clearing Corporation Limited, or the CSDC, and Shenzhen Stock Exchange, or the SZSE, on December 31, 2019, the businesses of cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of participants and services of nominal holders in relation to the H-share "full circulation business", are subject to the Measures for Implementation. Where there is no provision in the Measures for Implementation, it shall be handled with reference to other business rules of the CSDC and China Securities Depository and Clearing (Hong Kong) Company Limited, or the CSDC (Hong Kong), and SZSE.

OVERVIEW

We are China's leading end-to-end digital retail service provider[1] and Silk Road E-commerce service provider[2]. We are also a brand asset manager — driven by AI and digital intelligence, we are committed to driving brand growth through digital intelligence technology and efficient operations and enhancing brand value. Our Company was established in October 2015 and was converted into a joint stock company with limited liability in December 2021.

KEY BUSINESS MILESTONES

The following table sets out the key milestones in our corporate and business development:

Year	Event
2015	We were established as a limited liability company in the PRC.
2016	We assisted international brands (including Walmart and Sam's Club) with setting up their flagship stores on JD's e-commerce platform.
2018	We completed our Series A financing with JD as the sole investor investing RMB25,000,000.
2019	We completed our Series A+ and Series A++ financings.
	The number of our brand cooperations exceeded 80.
	Suzhou Industrial Park awarded us the title of "Enterprise with Outstanding Economic Contribution (經濟貢獻突出企業)" and recognized us as a national high-tech enterprise.
2020	We completed our Series B financing, raising RMB234,000,000 in total, with participation from investors such as Yuanhe Yuandian, CCBI Tech Venture and Oriental Fortune (each as defined below).
2021	Our Company was converted into a joint stock company with limited liability.

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1 End-to-end digital retail service providers refer to brand e-commerce service providers whose client portfolio includes not only brand customers but also entity retailers.

2 Silk Road E-commerce service providers refer to brand e-commerce service providers that engage in cross-border e-commerce conducted under the framework of e-commerce cooperation mechanisms signed between China and partner countries, such as Vietnam, Italy and Australia.

Year	Event
2022	We were named as a potential unicorn enterprise in Jiangsu Province and selected as a science and technology innovation application case by MOFCOM.
2023	We completed our Series C financing, led by China Merchants Capital, with an aggregate investment of RMB113,000,000. We were named as a "Leading Enterprise of High Quality Development (高質量發展領軍企業)" in Jiangsu Province's modern service industry.
2024	We were named as a national "little giant" enterprise specializing in innovative technologies. Building on our cooperation with THE FORBIDDEN CITY CULTURE (故宮文化), we began cooperation with Warner Bros. Discovery and made significant progress in the field of IP commercialization. Our Singapore holding company, Simpor Jaya Pte. Ltd., launched operations in Southeast Asia, marking our official entry into the Southeast Asian market.
2025	We completed our pre-[**REDACTED**] round of financing with a fund of Walgreens Boots Alliance as the sole investor investing RMB40,000,000. At the same time, we entered into a business cooperation agreement with Walgreens Boots Alliance, an internationally renowned integrated healthcare, pharmacy and retail leader, making major strides in the expansion of our brand asset management business.

OUR MAJOR SUBSIDIARIES

Details of the major subsidiaries of our Company which, among other things, made a material contribution to our results of operation during the Track Record Period are set out below.

Company name	Place of establishment	Date of establishment	Principal business activities
Suzhou Jimao Information Technology Co., Ltd. (蘇州極茂信息技術有限公司)	PRC	May 2, 2018	Sales of goods and operation services
Wuxi Yisheng Ziyan Data Technology Co., Ltd. (無錫易勝紫岩數據科技有限公司) . . .	PRC	September 14, 2017	Sales of goods and operation services

Company name	Place of establishment	Date of establishment	Principal business activities
Suzhou Sistine Information Technology Co., Ltd. (蘇州西斯廷信息技術有限公司)	PRC	June 4, 2019	Sales of goods and operation services
Suzhou Yisheng Huaxin Information Technology Co., Ltd. (蘇州易勝華鑫信息技術有限公司)	PRC	October 28, 2019	Sales of goods and operation services
Beijing Jingshi Culture Media Co., Ltd. (北京晶世文化傳媒有限公司)	PRC	July 23, 2018	Operation services
Shanghai Bancheng E-commerce Co., Ltd. (上海半橙電子商務有限公司)	PRC	January 4, 2017	Sales of goods and operation services
Suzhou Gome Information Technology Co., Ltd. (蘇州購美信息技術有限公司)	PRC	March 24, 2020	Sales of goods and operation services
Jingshi Supply Chain (Shenzhen) Co., Ltd. (璟實供應鏈(深圳)有限公司)	PRC	April 24, 2023	Sales of goods and operation services
Shenzhen Jingshi Trading Co., Ltd. (深圳市璟實商貿有限公司)	PRC	June 30, 2023	Sales of goods and operation services
Shenzhen Jingshi Technology Co., Ltd. (深圳市璟實科技有限公司)	PRC	June 30, 2023	Sales of goods and operation services
Suzhou Xinyisheng Information Technology Co., Ltd. (蘇州新易盛信息技術有限公司)	PRC	April 22, 2020	Sales of goods and operation services
Shanghai Kewan Weixun Information Technology Co., Ltd. (上海可萬威訊信息技術有限公司)	PRC	January 21, 2020	Sales of goods and operation services
Hong Kong Ecmax Co., Limited (香港極易有限公司)	Hong Kong	August 8, 2018	Trading of products and related services
Solarisus Co., Limited (梭納投資有限公司)	Hong Kong	May 15, 2015	Trading of products and related services
Suzhou Hylife Data Network Technology Co., Ltd. (蘇州喜立數據網絡科技有限公司)	PRC	November 2, 2020	Sales of goods and operation services

CORPORATE DEVELOPMENT

Establishment of our Company

On October 21, 2015, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB20,000,000. The shareholding structure of our Company upon establishment is as follows:

Shareholder	Registered capital subscribed for	Equity interest in our Company
	(RMB)	
Mr. Wang	13,000,000	65.00%
Shanghai Yanhua Yan Industrial Development Co., Ltd. (上海焱華焱實業發展有限公司) ("**Shanghai Yanhua**")[1]	4,000,000	20.00%
Mr. Ji	2,000,000	10.00%
Xue Jun (薛軍)[2]	1,000,000	5.00%
Total	**20,000,000**	**100.00%**

Notes:

1. Shanghai Yanhua is an Independent Third Party. At the time of establishment of our Company, Mr. Wang was a shareholder of Shanghai Yanhua, holding approximately 5% of the equity interest thereof.

2. Xue Jun is an Independent Third Party.

Reduction in our registered capital

Pursuant to a Shareholders' resolution of our Company passed on July 20, 2016, our registered capital was reduced to RMB5,000,000. The equity interests of the then Shareholders remained unchanged.

Major corporate developments of our Company

(a) Equity transfers in 2017

Between July 2017 and September 2017, a number of equity transfers of our Company were effected at nil consideration among the then existing Shareholders, as well as to Suzhou Shanglai (one of our Employee Incentive Platforms) and Qingdao Yihua (of which Mr. Wang is the executive partner as of the Latest Practicable Date). No consideration was required for the equity transfers given that the equity interest acquired had not yet been paid up by the then relevant Shareholders. Following the transfers, Xue Jun and Shanghai Yanhua each ceased to be a Shareholder.

(b) Series A, Series A+ and Series A++ financings in 2018 and 2019

Pursuant to a capital increase agreement dated January 3, 2018, Jingdong Bangneng agreed to subscribe for RMB1,666,667 in the registered capital of our Company, representing approximately 25% of the equity interest in our Company upon completion of the capital increase, at a consideration of RMB25,000,000.

Pursuant to a capital increase agreement dated December 20, 2018, the following investors agreed to subscribe for RMB632,603 in the registered capital of our Company at an aggregate consideration of RMB39,000,000. The respective subscription amounts and consideration paid by the investors are as follows:

Name of investor	**Consideration**	**Registered capital subscribed for**	**Corresponding approximate equity interest in our Company (upon completion of the capital increase)**
	(RMB)	*(RMB)*	
Qianliang Investment Consulting (Shanghai) Co., Ltd. (謙亮投資諮詢(上海)有限公司) ("**Qianliang Investment**")	10,000,000	162,206	2.22%
Suzhou Xinlin Phase 3 Venture Capital Enterprise (L.P.) (蘇州新麟三期創業投資企業(有限合夥)) ("**Xinlin Phase 3**")	20,000,000	324,412	4.44%
Invest In Xiamen Equity Fund (L.P.) (廈門為來卓識股權投資基金合夥企業(有限合夥)) ("**Invest In Xiamen**")	9,000,000	145,985	2.00%

Pursuant to a capital increase agreement dated April 26, 2019, the following investors agreed to subscribe for RMB233,517 in the registered capital of our Company at an aggregate consideration of RMB15,500,000. The respective subscription amounts and consideration paid by the investors are as follows:

Name of investor	Consideration	Registered capital subscribed for	Corresponding approximate equity interest in our Company (upon completion of the capital increase)
	(RMB)	*(RMB)*	
Suzhou Industrial Park Zhongyimingyuan Phase II Venture Capital Center (Limited Partnership) (蘇州工業園區中億明源二期創業投資中心(有限合夥)) ("**Zhongyimingyuan**")	8,000,000	120,525	1.60%
Ningbo Meishan Bonded Port Area Sichang Investment Center (Limited Partnership) (寧波梅山保税港區嗣昌投資中心(有限合夥)) ("**Meishan Sichang**")	7,500,000	112,992	1.50%

(c) Equity transfers and Series B financing in 2020 and 2021

Between April 2020 and July 2020, the following equity transfers of our Company were effected:

Transferor	Transferee	Registered capital transferred	Approximate percentage of equity interest transferred	Consideration
		(RMB)		*(RMB)*
Qingdao Yihua	Suzhou Yipu No. 1 Equity Investment Partnership (L.P.) (蘇州翼樸一號股權投資合夥企業(有限合夥)) ("**Yipu No. 1**")	67,423	0.90%	7,250,000
Qingdao Yihua	Suzhou Yipu No. 2 Equity Investment Partnership Enterprise (Limited Partnership) (蘇州翼樸二號股權投資合夥企業(有限合夥)) ("**Yipu No. 2**")	67,423	0.90%	7,250,000

Transferor	Transferee	Registered capital transferred	Approximate percentage of equity interest transferred	Consideration
		(RMB)		*(RMB)*
Qingdao Yihua	Jiangsu Jiequan Yuanhe Origin Intelligent No. 3 Venture Capital Partnership Enterprise (Limited Partnership) (江蘇疌泉元禾原點智能叁號創業投資合夥企業(有限合夥)) ("**Yuanhe Yuandian**")	15,810	0.21%	1,700,000
Mr. Wang	Yuanhe Yuandian	32,549	0.43%	3,500,000
Mr. Ji	Yuanhe Yuandian	32,549	0.43%	3,500,000

Pursuant to a capital increase agreement dated April 16, 2020, the following investors agreed to subscribe for RMB1,678,735 in the registered capital of our Company at an aggregate consideration of RMB234,000,000. The respective subscription amounts and consideration paid by the investors are as follows:

Name of investor	Consideration	Registered capital subscribed for	Corresponding approximate equity interest in our Company (upon completion of the capital increase)
	(RMB)	*(RMB)*	
Yipu No. 1	17,750,000	127,340	1.38%
Yipu No. 2	17,750,000	127,340	1.38%
Yuanhe Yuandian	21,300,000	152,808	1.66%
Ningbo Daohe Ronghai Investment Management Partnership Enterprise (Limited Partnership) (寧波道合融海投資管理合夥企業(有限合夥)) ("**Daohe Ronghai**")	25,000,000	179,352	1.95%
Suzhou Wenhui Gaoqi Equity Investment Center (Limited Partnership) (蘇州文匯高齊股權投資中心(有限合夥)) ("**Wenhui Gaoqi**")	15,000,000	107,611	1.17%
CCBI Tech Venture (Suzhou) Combined Debt & Equity Private Equity Fund LLP (建銀科創(蘇州)投貸聯動股權投資基金(有限合夥)) ("**CCBI Tech Venture**")	30,000,000	215,222	2.34%
Yangzhou Fuhai Sanqi Internet Cultural Investment CITIC (L.P.) (揚州富海三七互聯網文化投資中心(有限合夥)) ("**Yangzhou Fuhai**")	25,000,000	179,352	1.95%

Name of investor	Consideration	Registered capital subscribed for	Corresponding approximate equity interest in our Company (upon completion of the capital increase)
	(RMB)	*(RMB)*	
Fujian Daqi Jiyi Equity Investment Partnership Enterprise (Limited Partnership) (福建大器極易股權投資合夥企業(有限合夥)) ("**Fujian Daqi**")	20,000,000	143,482	1.56%
Zhuhai Chongxing Equity Investment Partnership Enterprise (Limited Partnership) (珠海崇星股權投資合夥企業(有限合夥)) ("**Zhuhai Chongxing**")	7,200,000	51,653	0.56%
Shenzhen Guohong No. 3 Management Consulting Service Partnership Enterprise (Limited Partnership) (深圳市國宏三號管理諮詢服務合夥企業(有限合夥)) ("**Guohong No. 3**")	20,000,000	143,482	1.56%
Suzhou Kangli Junzhuo Equity Investment Center (L.P.) (蘇州康力君卓股權投資中心(有限合夥)) ("**Junzhuo Equity**")	20,000,000	143,482	1.56%
Xi'an Jiaotong University Siyuan Universal Investment Partnership Enterprise (Limited Partnership) (西安交大思源普惠投資合夥企業(有限合夥)) ("**Jiaoda Siyuan**")	15,000,000	107,611	1.17%
Total	**234,000,000**	**1,678,735**	**18.22%**

Between December 2020 and July 2021, the following equity transfers of our Company were effected:

Transferor	Transferee	Registered capital transferred	Approximate percentage of equity interest transferred	Consideration
		(RMB)		*(RMB)*
Mr. Wang	Yimai Youwei[1]	276,346	3.00%	750,000
Mr. Wang	Jiyi Dazhan[1]	506,634	5.50%	23,650,000
Mr. Wang	Suzhou Gaoce Jiyi Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (蘇州高策極易創業投資合夥企業(有限合夥)) ("**Suzhou Gaoce**")	70,858	0.77%	10,000,000
Mr. Wang	Shanghai Miaolin Consulting Management Partnership Enterprise (Limited Partnership) (上海淼霖諮詢管理合夥企業(有限合夥)) ("**Shanghai Miaolin**")	70,858	0.77%	10,000,000
Mr. Ji	Shanghai Miaolin	70,858	0.77%	10,000,000
Mr. Ji	Shanghai Qianjing Enterprise Management Center (Limited Partnership) (上海謙京企業管理中心(有限合夥)) ("**Shanghai Qianjing**")	17,714	0.19%	2,500,000
Mr. Ji	Meishan Sichang	17,714	0.19%	2,500,000
Qianliang Investment[2]	Shanghai Qianjing	162,206	1.76%	10,000,000
Mr. Ji	Nanjing Jisheng[3]	92,115	1.00%	2,260,000

Notes:

1. Yimai Youwei and Jiyi Dazhan are our Employee Incentive Platforms. For details, please refer to "— Employee Shareholding Platforms" in this section below.

2. At the time of the transfer, Qianliang Investment was the executive partner of Shanghai Qianjing. Following the transfer, Qianliang Investment ceased to be a Shareholder.

3. Nanjing Jisheng is the shareholding platform of Mr. Wang and Mr. Ji.

(d) Conversion into a joint stock company with limited liability

On December 3, 2021, our Company passed Shareholders' resolutions in general meeting approving (i) the change of name of our Company from "Suzhou Yimai Information Technology Co., Ltd. (蘇州易賣東西信息技術有限公司)" to "Suzhou ecMAX Information Technology Co., Ltd. (蘇州極易科技股份有限公司)", (ii) the conversion of our Company from a limited liability company into a joint stock company with limited liability, and (iii) an increase in our registered capital from RMB9,211,522 to RMB30,000,000. The audited net assets of RMB105,002,716.77 of our Company as at July 31, 2021 were converted into 30,000,000 Unlisted Shares of RMB1.00 per Share, with the remaining RMB75,002,716.77 recorded in our Company's capital reserve.

Upon completion of the conversion, the registered capital in our Company became RMB30,000,000 divided into 30,000,000 Unlisted Shares with a nominal value of RMB1.00 each, which were subscribed by the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on December 28, 2021.

(e) Series B+ financing in 2022

Pursuant to a share subscription agreement dated January 7, 2022, Mount Wuyi City Daqi No. 1 Equity Investment Partnership (Limited Partnership) (武夷山市大器一號股權投資合夥企業(有限合夥)) ("**Wuyishan Daqi**") agreed to subscribe for 700,935 Unlisted Shares, representing approximately 2.28% of the equity interest in our Company upon completion of the subscription, at a consideration of RMB30,000,000.

(f) Equity transfers and Series C financing in 2023

Between October 2023 and December 2023, the following transfers of Unlisted Shares were effected:

Transferor	Transferee	Number of Unlisted Shares subscribed	Approximate percentage of equity interest transferred	Consideration
				(RMB)
Yipu No. 1	Huaibei Industrial Support Fund Co., Ltd. (淮北市產業扶持基金有限公司) ("**Huaibei Industrial Fund**")	294,153	0.96%	14,352,247
Yipu No. 1	Suzhou Kangli Junzhuo Digital Economy Industry Investment Fund Partnership (Limited Partnership) (蘇州康力君卓數字經濟產業投資基金合夥企業(有限合夥)) ("**Junzhuo Digital**")	139,336	0.45%	6,798,433
Shanghai Qianjing .	Huaibei Industrial Fund	135,868	0.44%	4,647,753
Shanghai Qianjing .	Junzhuo Digital	64,359	0.21%	2,201,567

Pursuant to a share subscription agreement dated November 28, 2023 (as amended by a supplemental agreement dated December 21, 2023), the following investors agreed to subscribe for a total of 2,312,804 Unlisted Shares, representing approximately 7.01% of the equity interest in our Company upon completion of the subscription, at an aggregate consideration of RMB113,000,000. The respective subscription amounts and consideration paid by the investors are as follows:

Name of investor	Consideration	Number of Unlisted Shares subscribed	Corresponding approximate equity interest in our Company (upon completion of the capital increase)
	(RMB)		
Wuxi Industrial Development Service Trade Investment Fund Partnership (L.P.) (無錫產發服務貿易投資基金合夥企業(有限合夥)) ("**Wuxi Industrial Development**")	50,000,000	1,023,365	3.10%
Wuxi Economic Development Zone Xinzhi Venture Capital Partnership (Limited Partnership) (無錫經開區新智創業投資合夥企業(有限合夥)) ("**Wuxi Xinzhi**")	30,000,000	614,019	1.86%
Suzhou Qingce Venture Capital Partnership (L.P.) (蘇州清策創業投資合夥企業(有限合夥)) ("**Suzhou Qingce**")	8,000,000	163,738	0.50%
Suzhou Xinlin Phase IV Venture Capital Partnership Enterprise (Limited Partnership) (蘇州新麟四期創業投資合夥企業(有限合夥)) ("**Xinlin Phase 4**")	15,000,000	307,009	0.93%
Qingdao Xueheyou Qingyuan Venture Capital Fund Partnership (Limited Partnership) (青島雪和友清源創業投資基金合夥企業(有限合夥)) ("**Xueheyou**")	10,000,000	204,673	0.62%
Total	**113,000,000**	**2,312,804**	**7.01%**

(g) Equity transfers and pre-[REDACTED] *round of financing in 2024 and 2025*

Between November 2024 and May 2025, (i) Jingdong Bangneng, Daohe Ronghai, Zhongyimingyuan, Shanghai Qianjing, Invest in Xiamen and Zhuhai Chongxing each transferred all or part of the Unlisted Shares held by them to Nanjing Fanrui Industrial and Trade Co., Ltd. (南京泛瑞工貿有限責任公司) or Nanjing Jisheng, and such Unlisted Shares were subsequently transferred to Suzhou Zhidao Digital Economy Venture Capital Partnership (Limited Partnership) (蘇州致道數字經濟創業投資合夥企業(有限合夥)) ("**Zhidao Digital**"), Taicang Loucheng Biomedical Venture Capital Partnership (Limited Partnership) (太倉婁城生物醫藥創業投資合夥企業(有限合夥)) ("**Taicang Loucheng**"), Su Gan (Nanjing) Cultural

Industry Equity Investment Fund Partnership Enterprise (Limited Partnership) (蘇贛(南京)文化產業股權投資基金合夥企業(有限合夥)) ("**Sugan Wenhua**"), Nanjing Literature Capital Cultural Industry Development Fund (Limited Partnership) (南京市文學之都文化產業發展基金(有限合夥)) ("**Nanjing Wenxue**"), Wuhan Jiangtun Equity Investment Partnership Enterprise (Limited Partnership) (武漢江豚股權投資合夥企業(有限合夥)) ("**Wuhan Jiangtun**"), WBA Guangzhou Pharmaceutical (Guangzhou) Equity Investment Partnership (Limited Partnership) (沃博聯廣藥(廣州)股權投資合夥企業(有限合夥)) ("**WBA GP Fund**"), Nanjing Jisheng, and Beijing Century Guanghua Management Consulting Co., Ltd. (北京世紀光華管理諮詢有限公司) ("**Beijing Century**"); (ii) Jingdong Bangneng, Zhongyimingyuan and Yipu No. 1 each transferred all or part of the Unlisted Shares held by them to Suzhou Cultural Industry Investment Fund (Limited Partnership) (蘇州文化產業投資基金(有限合夥)) ("**Suzhou Cultural Fund**"); and (iii) Zhongyimingyuan and Junzhuo Digital each transferred all or part of the Unlisted Shares held by them to Hangzhou Cheers Venture Capital Partnership (Limited Partnership) (杭州乾杯創業投資合夥企業(有限合夥)) ("**Hangzhou Cheers**").

Following the transfers, Zhongyimingyuan, Shanghai Qianjing, Invest in Xiamen, Zhuhai Chongxing, Yipu No. 1 and Junzhuo Digital each ceased to be a Shareholder. For further details, please see the sub-section headed "Pre-[**REDACTED**] Investments" in this section below.

Pursuant to a share subscription agreement dated May 8, 2025, WBA GP Fund agreed to subscribe for 733,639 Unlisted Shares, representing approximately 2.17% of the equity interest in our Company upon completion of the subscription, at a consideration of RMB40,000,000.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, Suzhou Shanglai, Yimai Youwei and Jiyi Dazhan were each established in the PRC as our Employee Incentive Platforms which directly hold Shares in our Company.

(1) Suzhou Shanglai

Suzhou Shanglai was established as a limited liability partnership under the laws of the PRC on September 21, 2017. As of the Latest Practicable Date, Suzhou Shanglai directly holds approximately 3.86% of the equity interest in our Company. As of the Latest Practicable Date, Suzhou Shanglai has 23 partners, including Mr. Wang and 22 other eligible participants.

Mr. Wang is the general partner and executive partner responsible for the management of Suzhou Shanglai. The voting rights attached to the Unlisted Shares held by Suzhou Shanglai are exercised by the executive partner of Suzhou Shanglai in accordance with the partnership agreement entered into among the general and limited partners of Suzhou Shanglai.

(2) Yimai Youwei

Yimai Youwei was established as a limited liability partnership under the laws of the PRC on December 17, 2020. As of the Latest Practicable Date, Yimai Youwei directly holds approximately 2.67% of the equity interest in our Company. As of the Latest Practicable Date, Yimai Youwei has 37 partners, including Mr. Wang, Mr. Yang Xiaoying (our chief financial officer) and 35 other eligible participants.

Mr. Wang is the general partner and executive partner responsible for the management of Yimai Youwei. The voting rights attached to the Unlisted Shares held by Yimai Youwei are exercised by the executive partner of Yimai Youwei in accordance with the partnership agreement entered into among the general and limited partners of Yimai Youwei.

(3) Jiyi Dazhan

Jiyi Dazhan was established as a limited liability partnership under the laws of the PRC on December 18, 2020. As of the Latest Practicable Date, Jiyi Dazhan directly holds approximately 4.89% of the equity interest in our Company. As of the Latest Practicable Date, Jiyi Dazhan has 50 partners, including Mr. Wang, Mr. Wang Chenglong (the secretary to our Board), Mr. Zhu Ming (our joint company secretary), 45 other eligible participants, Suzhou Jiyi Xiaoman Enterprise Management Partnership (Limited Partnership) (蘇州極易小滿企業管理合夥(有限合夥)) ("**Jiyi Xiaoman**") and Suzhou Joy Pilot Enterprise Management Partnership (Limited Partnership) (蘇州極易領航企業管理合夥(有限合夥)) ("**Jiyi Linghang**"). Jiyi Xiaoman and Jiyi Linghang are each shareholding platforms which, as of the Latest Practicable Date, directly hold approximately 3.74% and 2.66% of the interest in Jiyi Dazhan, respectively. As of the Latest Practicable Date, (i) Jiyi Xiaoman has 32 partners, including Mr. Wang, Mr. Zhu Ming (our joint company secretary) and 30 other eligible participants; and (ii) Jiyi Linghang has 32 partners, including Mr. Wang, Mr. Wang Chenglong (the secretary to our Board) and 30 other eligible participants.

Mr. Wang is the general partner and executive partner responsible for the management of Jiyi Dazhan. The voting rights attached to the Unlisted Shares held by Jiyi Dazhan are exercised by the executive partner of Jiyi Dazhan in accordance with the partnership agreement entered into among the general and limited partners of Jiyi Dazhan.

PRE-[REDACTED] INVESTMENTS

Overview

Details of the Pre-[**REDACTED**] Investments are set out below:

Name of Pre-[REDACTED] Investor	Subscription or transfer of registered capital/ Unlisted Shares	Date of agreement	Date of settlement of consideration	Amount of registered capital/number of Unlisted Shares subscribed	Consideration	Approximate cost per Share paid[1]	Approximate discount to the [REDACTED][2]
					(RMB)	*(RMB)*	
Jingdong Bangneng	Subscription	January 3, 2018	April 2, 2018	RMB1,666,667	25,000,000	4.61	[REDACTED]
Xinlin Phase 3	Subscription	December 20, 2018	December 25, 2018	RMB324,412	20,000,000	18.93	[REDACTED]
Meishan Sichang	Subscription	April 26, 2019	May 20, 2019	RMB112,992	7,500,000	20.38	[REDACTED]
	Transfer	January 21, 2021	February 1, 2021	RMB17,714	2,500,000	43.33	[REDACTED]
Yipu No. 2	Transfer	April 13, 2020	April 29, 2020	RMB67,423	7,250,000	33.02	[REDACTED]
	Subscription	April 16, 2020	May 9, 2020	RMB127,340	17,750,000	42.80	[REDACTED]
Yuanhe Yuandian	Transfer	June 16, 2020	July 24, 2020	RMB15,810	1,700,000	33.02	[REDACTED]
	Transfer	June 16, 2020	July 24, 2020	RMB32,549	3,500,000	33.02	[REDACTED]
	Transfer	June 16, 2020	July 24, 2020	RMB32,549	3,500,000	33.02	[REDACTED]
	Subscription	April 16, 2020	July 24, 2020	RMB152,808	21,300,000	42.80	[REDACTED]
Daohe Ronghai	Subscription	April 16, 2020	April 30, 2020	RMB179,352	25,000,000	42.80	[REDACTED]
Wenhui Gaoqi	Subscription	April 16, 2020	June 1, 2020	RMB107,611	15,000,000	42.80	[REDACTED]
CCBI Tech Venture	Subscription	April 16, 2020	June 24, 2020	RMB215,222	30,000,000	42.80	[REDACTED]
Yangzhou Fuhai	Subscription	April 16, 2020	July 1, 2020	RMB179,352	25,000,000	42.80	[REDACTED]
Fujian Daqi	Subscription	April 16, 2020	April 27, 2020	RMB143,482	20,000,000	42.80	[REDACTED]
Guohong No. 3	Subscription	April 16, 2020	June 23, 2020	RMB143,482	20,000,000	42.80	[REDACTED]

Name of Pre-[REDACTED] Investor	Subscription or transfer of registered capital/ Unlisted Shares	Date of agreement	Date of settlement of consideration	Amount of registered capital/number of Unlisted Shares subscribed	Consideration	Approximate cost per Share paid[1]	Approximate discount to the [REDACTED][2]
					(RMB)	*(RMB)*	
Junzhuo Equity	Subscription	April 16, 2020	May 7, 2020	RMB143,482	20,000,000	42.80	[REDACTED]
Jiaoda Siyuan	Subscription	April 16, 2020	May 6, 2020	RMB107,611	15,000,000	42.80	[REDACTED]
Suzhou Gaoce	Transfer	January 21, 2021	February 1, 2021	RMB70,858	10,000,000	43.33	[REDACTED]
Shanghai Miaolin	Transfer	January 21, 2021	February 2, 2021	RMB70,858	10,000,000	43.33	[REDACTED]
	Transfer	January 21, 2021	February 1, 2021	RMB70,858	10,000,000	43.33	[REDACTED]
Wuyishan Daqi	Subscription	January 7, 2022	January 17, 2022	700,935 Unlisted Shares	30,000,000	42.80	[REDACTED]
Huaibei Industrial Fund .	Transfer	December 4, 2023	December 8, 2023	294,153 Unlisted Shares	14,352,247	48.79	[REDACTED]
	Transfer	October 30, 2023	December 8, 2023	135,868 Unlisted Shares	4,647,753	34.21	[REDACTED]
Wuxi Industrial Development	Subscription	November 28, 2023 (as amended by a supplemental agreement dated December 21, 2023)	December 26, 2023	1,023,365 Unlisted Shares	50,000,000	48.86	[REDACTED]
Wuxi Xinzhi	Subscription	November 28, 2023 (as amended by a supplemental agreement dated December 21, 2023)	December 28, 2023	614,019 Unlisted Shares	30,000,000	48.86	[REDACTED]

Name of Pre-[REDACTED] Investor	Subscription or transfer of registered capital/ Unlisted Shares	Date of agreement	Date of settlement of consideration	Amount of registered capital/number of Unlisted Shares subscribed	Consideration	Approximate cost per Share paid[1]	Approximate discount to the [REDACTED][2]
					(RMB)	*(RMB)*	
Suzhou Qingce	Subscription	November 28, 2023 (as amended by a supplemental agreement dated December 21, 2023)	December 15, 2023	163,738 Unlisted Shares	8,000,000	48.86	**[REDACTED]**
Xinlin Phase 4	Subscription	November 28, 2023 (as amended by a supplemental agreement dated December 21, 2023)	December 7, 2023	307,009 Unlisted Shares	15,000,000	48.86	**[REDACTED]**
Xueheyou	Subscription	November 28, 2023 (as amended by a supplemental agreement dated December 21, 2023)	December 7, 2023	204,673 Unlisted Shares	10,000,000	48.86	**[REDACTED]**
Suzhou Cultural Fund	Transfer	November 14, 2024	November 19, 2024	220,092 Unlisted Shares	10,000,000	45.44	**[REDACTED]**
	Transfer	November 14, 2024	November 19, 2024	52,822 Unlisted Shares	1,600,000	30.29	**[REDACTED]**
	Transfer	November 14, 2024	November 19, 2024	200,813 Unlisted Shares	8,400,000	41.83	**[REDACTED]**
Zhidao Digital	Transfer	March 12, 2025	March 20, 2025	330,137 Unlisted Shares	15,000,000	45.44	**[REDACTED]**
Taicang Loucheng	Transfer	March 28, 2025	April 3, 2025	910,724 Unlisted Shares	40,000,000	43.92	**[REDACTED]**

Name of Pre-[REDACTED] Investor	Subscription or transfer of registered capital/ Unlisted Shares	Date of agreement	Date of settlement of consideration	Amount of registered capital/number of Unlisted Shares subscribed	Consideration	Approximate cost per Share paid(1)	Approximate discount to the [REDACTED](2)
					(RMB)	(RMB)	
Sugan Wenhua	Transfer	April 11, 2025	April 16, 2025	198,082 Unlisted Shares	9,000,000	45.44	[REDACTED]
Nanjing Wenxue	Transfer	April 11, 2025	April 16, 2025	132,055 Unlisted Shares	6,000,000	45.44	[REDACTED]
Wuhan Jiangtun	Transfer	April 10, 2025	April 25, 2025	660,275 Unlisted Shares	30,000,000	45.44	[REDACTED]
WBA GP Fund.	Transfer	May 8, 2025	May 16, 2025	380,928 Unlisted Shares	15,000,000	39.38	[REDACTED]
	Subscription	May 8, 2025	May 16, 2025	733,639 Unlisted Shares	40,000,000	54.52	[REDACTED]
Beijing Century	Transfer	April 10, 2025	April 16, 2025	800,333 Unlisted Shares	40,000,000	49.98	[REDACTED]
Hangzhou Cheers	Transfer	February 24, 2025	March 27, 2025	126,442 Unlisted Shares	5,000,000	39.54	[REDACTED]
	Transfer	February 24, 2025	March 27, 2025	203,695 Unlisted Shares	10,000,000	49.09	[REDACTED]

Notes:

1. In respect of investments made by our Pre-[**REDACTED**] Investors prior to the conversion of our Company into a joint stock company with limited liability in December 2021 (the "**Conversion**"), the cost per Share has been adjusted to take into account the enlarged registered capital of our Company as a result of the Conversion. The amount is arrived at by dividing the consideration by the total number of Shares to be converted from the registered capital held by the relevant Pre-[**REDACTED**] Investors as a result of the Conversion, based on their respective subscriptions or purchases.

2. Assuming the [**REDACTED**] is [**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**] range.

3. The table above only provides the particulars of the equity transfers and capital injections made by our Pre-[**REDACTED**] Investors, being investors who remained as our Shareholders as of the Latest Practicable Date.

Our Company became acquainted with each of the Pre-[**REDACTED**] Investors through introduction by our Directors, Shareholders or business partners, or through networking events.

Principal terms of the Pre-[REDACTED] Investments

Set out below are the principal terms of the Pre-[**REDACTED**] Investments:

Basis of determination of consideration	The consideration for the Pre-[**REDACTED**] Investments were determined based on arm's length negotiations between our Company (or the respective selling Shareholders, as applicable) and the Pre-[**REDACTED**] Investors after taking into account the timing of the investments and the operations and prospects of our Company.
Use of proceeds from the Pre-[REDACTED] Investments	As of the Latest Practicable Date, all of the proceeds which our Company obtained from the Pre-[**REDACTED**] Investments have been utilized for our principal business, including but limited to growth and expansion of our business and for general working purposes.
Strategic benefits brought to our Company by the Pre-[REDACTED] Investors	We are of the view that our Company can benefit from the additional capital injected by the Pre-[**REDACTED**] Investors' investments. Their investments also demonstrate their confidence in our Group's business and operations, and serve as an endorsement of our Group's performance, strengths and prospects. We are also of the view that most of the Pre-[**REDACTED**] Investments are made by professional strategic investors in relevant industries which can provide us with their knowledge and experience which we believe are beneficial to our Group's future development.
Lock-up	Pursuant to applicable PRC laws, all existing Shareholders (including the Pre-[**REDACTED**] Investors) cannot transfer any of the Shares held by them within the 12 months following the [**REDACTED**].

Special rights of the Pre-[REDACTED] Investors

Pursuant to the shareholders' agreement dated May 8, 2025 entered into between, among others, our Company, Mr. Wang, Mr. Ji and the Pre-[**REDACTED**] Investors, the Pre-[**REDACTED**] Investors were entitled to certain customary special rights including, among others, right of first offer, right of first refusal, pre-emptive right, right of co-sale, anti-dilution right, redemption right, director nomination right and information right.

Pursuant to a supplemental agreement to the shareholders' agreement dated May 8, 2025 entered into between, among others, our Company, Mr. Wang, Mr. Ji and the Pre-[**REDACTED**] Investors (the "**Supplemental Agreement**"), certain special rights (including the redemption right) were suspended upon the signing of the Supplemental Agreement or immediately prior to the submission of our [**REDACTED**], and will be terminated immediately prior to the [**REDACTED**]. The special rights suspended under the Supplemental Agreement shall be automatically reinstated upon the earliest occurrence of any of the following events: (i) our Company fails to submit a [**REDACTED**] by December 31, 2025; (ii) our Company's [**REDACTED**] is rejected; (iii) the [**REDACTED**] does not occur within 18 months of the submission of our [**REDACTED**] (or such later date as agreed by Shareholders holding two thirds or more of the voting rights in our Company); and/or (iv) our Company withdraws its [**REDACTED**]. All other special rights will be terminated immediately prior to the [**REDACTED**].

Information about our Pre-[REDACTED] Investors

Jingdong Bangneng

Jingdong Bangneng is a limited liability company established in the PRC in August 2015 and principally engaged in investment management. It is a consolidated variable interest entity of JD.com, Inc., whose shares are listed on the Main Board of the Hong Kong Stock Exchange (stock codes: 9618 (HKD counter) and 89618 (RMB counter)) and whose American depositary shares are listed on Nasdaq (under the symbol "JD"). To the best knowledge of our Company, Jingdong Bangneng is an Independent Third Party.

Xinlin Phase 3

Xinlin Phase 3 is a limited partnership established in the PRC in March 2017. The general partner of Xinlin Phase 3 is SND VC Group Tsing-Yuan Xinlin VC Management Co., Ltd. (蘇州高新創業投資集團清源新麟創業投資管理有限公司) ("**Tsing-Yuan Xinlin Management Company**"), whose controlling shareholder is Shenzhen Tsing-Yuan Times Investment Holding Co., Ltd. (深圳清源時代投資管理控股有限公司). The controlling shareholder of Shenzhen Tsing-Yuan Times Investment Holding Co., Ltd. is Shenzhen Tsing-Yuan Investment Management Co., Ltd. (深圳清源投資管理股份有限公司). The actual controllers jointly controlling Shenzhen Tsing-Yuan Investment Management Co., Ltd. are Wang Hong (汪宏) and Liu Jianyun (劉建雲). Xinlin Phase 3 has 16 limited partners, none of which holds 30% or more of the interests therein. To the best knowledge of our Company, each of Xinlin Phase 3, Tsing-Yuan Xinlin Management Company, Shenzhen Tsing-Yuan Times Investment Holding Co., Ltd., Shenzhen Tsing-Yuan Investment Management Co., Ltd., Wang Hong, Liu Jianyun and the limited partners of Xinlin Phase 3 is an Independent Third Party.

Meishan Sichang

Meishan Sichang is a limited partnership established in the PRC in May 2016. The general partner of Meishan Sichang is Ningbo Meishan Bonded Port Area Boshi Investment Center (Limited Partnership) (寧波梅山保稅港區伯施投資中心(有限合夥)), the general partner of which is Ning Bo Mei Shan Bonded Port ZhuChi YunDing Investment Management Partnership (寧波梅山保稅港區珠池鋆鼎投資管理合夥企業(有限合夥)). Ningbo Meishan Bonded Port Area Boshi Investment Center (Limited Partnership) is affiliated with PGA Capital (寶捷會創新基金), which originates from the P&G Alumni Association (寶潔校友會). The P&G Alumni Association has brought together 4,000 alumni, of which more than 600 are president-level executives of businesses, including the China regional presidents of Nike, Anta, Philips, Johnson & Johnson, Nestle and SC Johnson etc., as well as a large number of well-trained marketing and management talent with practical experience. Meishan Sichang has 27 limited partners, none of which is interested in 30% or more of the interest therein. To the best knowledge of our Company, each of Meishan Sichang, Ningbo Meishan Bonded Port Area Boshi Investment Center (Limited Partnership), Ning Bo Mei Shan Bonded Port ZhuChi YunDing Investment Management Partnership and the limited partners of Meishan Sichang is an Independent Third Party.

Yipu No. 2

Yipu No. 2 is a limited partnership established in the PRC in January 2020. The general partner of Yipu No. 2 is Suzhou Yipu No. 2 Chuangzhe Management Consulting Partnership Enterprise (Limited Partnership) (蘇州翼樸二號創喆管理諮詢合夥企業(有限合夥)), the general partner of which is Suzhou Kington Capital Co., Ltd. (蘇州翼樸股權投資基金管理有限公司). Yipu No. 2 has 17 limited partners, none of which is interested in 30% or more of the interests therein. To the best knowledge of our Company, each of Yipu No. 2, Suzhou Yipu No. 2 Chuangzhe Management Consulting Partnership Enterprise (Limited Partnership), Suzhou Kington Capital Co., Ltd. and the limited partners of Yipu No. 2 is an Independent Third Party.

Yuanhe Yuandian

Yuanhe Yuandian is a limited partnership established in the PRC in June 2020. The general partner of Yuanhe Yuandian is Suzhou Industrial Park Origin Governance Entrepreneurship Investment Management Center (Limited Partnership) (蘇州工業園區原點治則創業投資管理中心(有限合夥)), the executive partner of which is Fei Jianjiang (費建江). Yuanhe Yuandian has 12 limited partners, with its largest limited partner, Suzhou Industrial Park Yuanhe Origin No. 3 Venture Capital Enterprise (Limited Partnership) (蘇州工業園區元禾原點叁號創業投資企業(有限合夥)), holding an approximately 45.8% interest. None of the remaining limited partners of Yuanhe Yuandian is interested in 30% or more of the interests therein. To the best knowledge of our Company, each of Yuanhe Yuandian, Suzhou Industrial Park Origin Governance Entrepreneurship Investment Management Center (Limited Partnership), Fei Jianjiang and the limited partners of Yuanhe Yuandian is an Independent Third Party.

Daohe Ronghai

Daohe Ronghai is a limited partnership established in the PRC in July 2018. The general partner of Daohe Ronghai is Beijing Xiaoxi Cultural and Creative Management Consulting Partnership (L.P.) (北京小溪文創管理諮詢合夥企業(有限合夥)), the general partner of which is Ji Xinghui (姬興慧). Daohe Ronghai has two limited partners, with its largest limited partner, Beijing Wenhua Innovation Equity Investment Partnership (Limited Partnership) (北京文華創新股權投資合夥企業(有限合夥)) ("**Wenhua Innovation**"), holding an approximately 83.6% interest. To the best knowledge of our Company, each of Daohe Ronghai, Beijing Xiaoxi Cultural and Creative Management Consulting Partnership (L.P.), Ji Xinghui and the limited partners of Daohe Ronghai is an Independent Third Party.

Wenhui Gaoqi

Wenhui Gaoqi is a limited partnership established in the PRC in July 2019. The general partner of Wenhui Gaoqi is Beijing Wenhuahaihui Investment Management Co., Ltd. (北京文華海匯投資管理有限公司), which is ultimately controlled by Ji Xinghui (姬興慧). Wenhui Gaoqi has seven limited partners, with its largest limited partner, Wenhua Innovation, holding a 34% interest. None of the remaining limited partners of Wenhui Gaoqi is interested in 30% or more of the interests therein. To the best knowledge of our Company, each of Wenhui Gaoqi, Beijing Wenhuahaihui Investment Management Co., Ltd., Ji Xinghui and the limited partners of Wenhui Gaoqi is an Independent Third Party.

CCBI Tech Venture

CCBI Tech Venture is a limited partnership established in the PRC in December 2017 and is a sub-fund of the CCB International Fund Series. The general partner of CCBI Tech Venture is Tianjin CCB International Jinhe Equity Investment Management Limited (天津建銀國際金禾股權投資管理有限公司), which is ultimately wholly owned by CCB International Capital (Tianjin) Ltd. CCBI Tech Venture has nine limited partners, none of which is interested in 30% or more of the interests therein. To the best knowledge of our Company, each of CCBI Tech Venture, Tianjin CCB International Jinhe Equity Investment Management Limited, CCB International Capital (Tianjin) Ltd. and the limited partners of CCBI Tech Venture is an Independent Third Party.

Yangzhou Fuhai

Yangzhou Fuhai is a limited partnership established in the PRC in June 2017. The general partners of Yangzhou Fuhai are Shanghai Fuhai Wansheng Investment Management Co., Ltd. (上海富海萬盛投資管理有限公司) ("**Fuhai Wansheng**") and Shanghai Fuhai Sanqi Investment Management Co., Ltd. (上海富海三七投資管理有限公司), of which Fuhai Wansheng serves as the executive partner. Fuhai Wansheng is wholly owned by Shenzhen Oriental Fortune Capital Co., Ltd. (深圳市東方富海投資管理股份有限公司) ("**Oriental Fortune**"). Oriental Fortune is directly and indirectly held as to approximately 44.4% by Chen Wei (陳瑋). Shanghai Fuhai Sanqi Investment Management Co., Ltd. was jointly established by Fuhai Wansheng (which holds a 70% equity interest) and 37 Mutual Entertainment (Shanghai) Science and Technology Co., Ltd. (三七互娛(上海)科技有限公司) (which holds a 30% equity interest). Yangzhou Fuhai has 16 limited partners, none of which is interested in 30% or more of the interests therein. To the best knowledge of our Company, each of Yangzhou Fuhai, Fuhai Wansheng, Shanghai Fuhai Sanqi Investment Management Co., Ltd., Oriental Fortune, Chen Wei, 37 Mutual Entertainment (Shanghai) Science and Technology Co., Ltd. and the limited partners of Yangzhou Fuhai is an Independent Third Party.

Fujian Daqi

Fujian Daqi is a limited partnership established in the PRC in January 2020. The general partner of Fujian Daqi is Huachen Chuangxin Venture Capital Fund Management (Hainan) Co., Ltd. (華宸創芯創業投資基金管理(海南)有限公司), which is ultimately controlled by Hua Haibo (華海波). Fujian Daqi has eight limited partners, none of which is interested in 30% or more of the interests therein. To the best knowledge of our Company, each of Fujian Daqi, Huachen Chuangxin Venture Capital Fund Management (Hainan) Co., Ltd., Hua Haibo and the limited partners of Fujian Daqi is an Independent Third Party.

Guohong No. 3

Guohong No. 3 is a limited partnership established in the PRC in March 2016. The general partner of Guohong No. 3 is Ma Zhiqiang (馬志強), who holds a 60% interest, with the remaining interest held by Liu Simin (劉思敏). To the best knowledge of our Company, each of Guohong No. 3, Ma Zhiqiang and Liu Simin is an Independent Third Party.

Junzhuo Equity

Junzhuo Equity is a limited partnership established in the PRC in April 2018. The general partner of Junzhuo Equity is Suzhou Junzhuo Venture Capital Management Co., Ltd. (蘇州君卓創業投資管理有限公司) ("**Junzhuo Venture Capital**"), which is held as to 55% by Suzhou Clivia Capital Manage Co., Ltd. (蘇州君子蘭資本管理有限公司), 35% by Canny Elevator Co., Ltd. (康力電梯股份有限公司) ("**Canny Elevator**"), a company listed on the Shenzhen Stock Exchange (stock code: 002367), and 10% by Suzhou Industrial Park Junzi Xin Enterprise Management Co., Ltd. (蘇州工業園區君子鑫企業管理有限公司). Junzhuo Equity has two limited partners, with its largest limited partner, Canny Elevator, holding an approximately 87.7% interest. To the best knowledge of our Company, each of Junzhuo Equity, Junzhuo Venture Capital, Suzhou Clivia Capital Manage Co., Ltd., Canny Elevator, Suzhou Industrial Park Junzi Xin Enterprise Management Co., Ltd. and the other limited partner of Junzhuo Equity is an Independent Third Party.

Jiaoda Siyuan

Jiaoda Siyuan is a limited partnership established in the PRC in April 2018. The general partner of Jiaoda Siyuan is Ningbo Siyuan Puhui Asset Management Co., Ltd. (寧波思源普惠資產管理有限公司), which is held as to 99% by Zhang Qi (張旗) and 1% by He Yuanling (何元淩). Jiaoda Siyuan has two limited partners, with its largest limited partner, Xi'an Jiaotong University Education Foundation (西安交通大學教育基金會), holding an approximately 98% interest. To the best knowledge of our Company, each of Jiaoda Siyuan, Ningbo Siyuan Puhui Asset Management Co., Ltd., Zhang Qi, He Yuanling and the limited partners of Jiaoda Siyuan is an Independent Third Party.

Suzhou Gaoce

Suzhou Gaoce is a limited partnership established in the PRC on October 19, 2020. The general partner of Suzhou Gaoce is Shenzhen Tsing-Yuan. For details of Shenzhen Tsing-Yuan, please see the description of Xinlin Phase 3 above. Suzhou Gaoce has two limited partners, being Suzhou Qingce, another Pre-[**REDACTED**] Investor of our Company, and Suzhou Gao Chuang Angel No. 2 Investment Partnership (Limited Partnership) (蘇州高創天使二號投資合夥企業(有限合夥)), each holding an approximately 49.5% interest. To the best knowledge of our Directors, each of Shenzhen Tsing-Yuan and Suzhou Gao Chuang Angel No. 2 Investment Partnership (Limited Partnership) is an Independent Third Party.

Shanghai Miaolin

Shanghai Miaolin is a limited partnership established in the PRC in October 2020. The general partner of Shanghai Miaolin is Lu Ruihao (陸瑞豪). Shanghai Miaolin has two limited partners, with Jiang Ming (姜明) and Lai Jianfa (賴建法) each holding a 45% interest, and the remaining interest held by Lu Ruihao. To the best knowledge of our Directors, each of Lu Ruihao, Jiang Ming and Lai Jianfa is an Independent Third Party.

Wuyishan Daqi

Wuyishan Daqi is a limited partnership established in the PRC in February 2020. The general partner of Wuyishan Daqi is Huachen Chuangxin Venture Capital Fund Management (Hainan) Co., Ltd. (華宸創芯創業投資基金管理 (海南) 有限公司), which is held as to 80% by Hua Haibo (華海波) and 20% by Hainan Huazhong Chengxin Technology Center (Limited Partnership) (海南華眾成鑫科技中心(有限合夥)). Hainan Huazhong Chengxin Technology Center (Limited Partnership) is in turn held as to 95% by Hua Haibo and 5% by Hua Haiyan (華海燕). Wuyishan Daqi has three limited partners, with its largest limited partner, Tianjin Daqi Concept Investment Partnership Enterprise (Limited Partnership) (天津大器概念投資合夥企業(有限合夥)), holding an approximately 81.4% interest. To the best knowledge of our Company, each of Wuyishan Daqi, Huachen Chuangxin Venture Capital Fund Management (Hainan) Co., Ltd., Hua Haibo, Hainan Huazhong Chengxin Technology Center (Limited Partnership), Hua Haiyan and the limited partners of Wuyishan Daqi is an Independent Third Party.

Huaibei Industrial Fund

Huaibei Industrial Fund is a limited liability company established in the PRC in July 2015. It is wholly owned by Huaibei Science and Technology Industry Investment and Development Co., Ltd. (淮北市科技產業投資發展有限公司), a state-owned company which is wholly owned by Huaibei Industrial Investment Group Co., Ltd. (淮北市產業投資集團有限公司), a limited liability company wholly owned and controlled by the State Owned Assets Supervision and Administration Commission of Huaibei Municipal People's Government (淮北市人民政府國有資產監督管理委員會). To the best knowledge of our Company, each of Huaibei Industrial Fund, Huaibei Science and Technology Industry Investment and Development Co., Ltd. and Huaibei Industrial Investment Group Co., Ltd. is an Independent Third Party.

Wuxi Industrial Development

Wuxi Industrial Development is a limited partnership established in the PRC in November 2019, and is a fund of China Merchants Capital (招商局資本) that mainly invests in technology projects. The general partner of Wuxi Industrial Development is China Merchants Helios Capital Management Co., Ltd. (深圳市招商金葵資本管理有限責任公司), which is an investment company owned as to 100% by China Merchants Capital Management Co., Ltd. (招商局資本管理有限責任公司). Wuxi Industrial Development has six limited partners, with its largest limited partner, Wuxi Industry Development Group Co., Ltd. (無錫產業發展集團有限公司), holding an approximately 49.3% partnership interest. Further, one of Wuxi Industrial Development's key limited partners, Service Trade Innovation Development Guidance Fund (Limited Partnership) (服務貿易創新發展引導基金(有限合夥)), was jointly founded by, among others, the Ministry of Finance and China Merchants Group, and is a national government investment fund established with social funds guided by the central government. None of the other limited partners is interested in 30% or more of the partnership interests in Wuxi Industrial Development. To the best knowledge of our Company, each of Wuxi Industrial Development, China Merchants Helios Capital Management Co., Ltd., China Merchants Capital Management Co., Ltd. and the limited partners of Wuxi Industrial Development is an Independent Third Party.

Wuxi Xinzhi

Wuxi Xinzhi is a limited partnership established in the PRC in January 2022. The general partner of Wuxi Xinzhi is Wuxi Shangxian Private Equity Fund Management Co., Ltd. (無錫尚賢私募基金管理有限公司), which is wholly owned by Wuxi Xinshang Investment Co., Ltd. (無錫新尚投資有限公司), a state-owned limited liability company established in the PRC. Wuxi Xinzhi has four limited partners, none of which holds 30% or more of the interests therein. To the best knowledge of our Company, each of Wuxi Xinzhi, Wuxi Shangxian Private Equity Fund Management Co., Ltd., Wuxi Xinshang Investment Co., Ltd. and the limited partners of Wuxi Xinzhi is an Independent Third Party.

Suzhou Qingce

Suzhou Qingce is a limited partnership established in the PRC in December 2019. The general partner of Suzhou Qingce is Shenzhen Tsing-Yuan. For details of Shenzhen Tsing-Yuan, please see the description of Xinlin Phase 3 above. Suzhou Qingce has seven limited partners, none of which holds 30% or more of the interests therein. To the best knowledge of our Company, each of Suzhou Qingce, Shenzhen Tsing-Yuan and the limited partners of Suzhou Qingce is an Independent Third Party.

Xinlin Phase 4

Xinlin Phase 4 is a limited partnership established in the PRC in November 2021. The general partner of Xinlin Phase 4 is Tsing-Yuan Xinlin Management Company. For details of Tsing-Yuan Xinlin Management Company, please see the description of Xinlin Phase 3 above. Xinlin Phase 4 has 24 limited partners, none of which holds 30% or more of the interests therein. To the best knowledge of our Company, each of Xinlin Phase 4, Tsing-Yuan Xinlin Management Company and the limited partners of Xinlin Phase 4 is an Independent Third Party.

Xueheyou

Xueheyou is a limited partnership established in the PRC in May 2022. The general partner of Xueheyou is Qingdao Xueheyou Qingyuan Enterprise Management Partnership (Limited Partnership) (青島雪和友清源企業管理合夥企業(有限合夥)), the general partner of which is Tsing-Yuan Xinlin Management Company. For details of Tsing-Yuan Xinlin Management Company, please see the description of Xinlin Phase 3 above. Xueheyou has five limited partners, none of which holds 30% or more of the interests therein. To the best knowledge of our Company, each of Xueheyou, Qingdao Xueheyou Qingyuan Enterprise Management Partnership (Limited Partnership), Tsing-Yuan Xinlin Management Company and the limited partners of Xueheyou is an Independent Third Party.

Suzhou Cultural Fund

Suzhou Cultural Fund is a limited partnership established in the PRC in February 2021. The general partner of Suzhou Cultural Fund is Suzhou Suxin Cultural Industry Development Partnership Enterprise (Limited Partnership) (蘇州蘇新文化產業發展合夥企業(有限合夥)), the general partner of which is Suzhou Culture Investment Development Group Co., Ltd. (蘇州文化投資發展集團有限公司), a limited liability company wholly owned by Suzhou Finance Bureau. Suzhou Cultural Fund has four limited partners, with its largest limited partner, Suzhou Culture and Tourism Group Cultural Development Co., Ltd. (蘇州文旅集團文化發展有限公司), holding a 40% interest. None of the remaining limited partners of Suzhou Cultural Fund is interested in 30% or more of the interests therein. To the best knowledge of our Company, each of Suzhou Cultural Fund, Suzhou Suxin Cultural Industry Development Partnership Enterprise (Limited Partnership), Suzhou Culture Investment Development Group Co., Ltd. and the limited partners of Suzhou Cultural Fund is an Independent Third Party.

Zhidao Digital

Zhidao Digital is a limited partnership established in the PRC in May 2023. The general partner of Zhidao Digital is Suzhou Industrial Park Jixin Enterprise Management Center (Limited Partnership) (蘇州工業園區計鑫企業管理中心(有限合夥)), the general partner of which is Wang Xiaochun (王曉春). Zhidao Digital has 14 limited partners, none of which holds 30% or more of the interests therein. To the best knowledge of our Company, each of Zhidao Digital, Suzhou Industrial Park Jixin Enterprise Management Center (Limited Partnership), Wang Xiaochun and the limited partners of Zhidao Digital is an Independent Third Party.

Taicang Loucheng

Taicang Loucheng is a limited partnership established in the PRC in May 2022. The general partner of Taicang Loucheng is Suzhou Yanying Investment Co., Ltd (蘇州衍盈投資管理有限公司), which is held as to 51% by Suzhou XiangTang Technology Industry Co., Ltd (蘇州香塘科技實業股份有限公司), with the remaining shares held by three other shareholders. Suzhou XiangTang Technology Industry Co., Ltd is ultimately controlled by Gu Zhenqi (顧振其). Taicang Loucheng has one limited partner, Taicang High Tech Investment Management Co., Ltd. (太倉高新投資管理有限公司), which holds 99% of the partnership interest, with the remaining interest held by Suzhou Yanying Investment Co., Ltd. To the best knowledge of our Company, each of Taicang Loucheng, Suzhou Yanying Investment Co., Ltd, Suzhou XiangTang Technology Industry Co., Ltd, Gu Zhenqi and Taicang High Tech Investment Management Co., Ltd. is an Independent Third Party.

Sugan Wenhua

Sugan Wenhua is a limited partnership established in the PRC in October 2024. The general partner of Sugan Wenhua is Nanjing Wentou Equity Investment Management Co., Ltd. (南京文投股權投資管理有限公司) ("**Nanjing Wentou Equity**"), which is held as to 60% by Nanjing Cultural Investment Holding Group Co., Ltd. (南京市文化投資控股集團有限責任公司) ("**Nanjing Cultural Investment**") and 40% by Nanjing Cultural and Financial Service Center Co., Ltd. (南京文化金融服務中心有限責任公司). Nanjing Cultural and Financial Service Center Co., Ltd. is wholly owned by Nanjing Cultural Investment, which is in turn wholly owned by Nanjing Municipal Finance Bureau. Sugan Wenhua has eight limited partners, none of which holds 30% or more of the interests therein. To the best knowledge of our Company, each of Sugan Wenhua, Nanjing Wentou Equity, Nanjing Cultural Investment, Nanjing Cultural and Financial Service Center Co., Ltd. and the limited partners of Sugan Wenhua is an Independent Third Party.

Nanjing Wenxue

Nanjing Wenxue is a limited partnership established in the PRC in June 2021. The general partner of Nanjing Wenxue is Nanjing Wentou Equity. For details of Nanjing Wentou Equity, please see the description of Sugan Wenhua above. Nanjing Wenxue has two limited partners, being Nanjing Cultural Investment, holding a 69% interest and Jiangsu Grand Canal (Nanjing) Cultural and Tourism Development Fund (Limited Partnership) (江蘇省大運河(南京)文化旅遊發展基金(有限合夥)), holding a 30% interest. To the best knowledge of our Company, each of Nanjing Wenxue, Nanjing Wentou Equity and the limited partners of Nanjing Wenxue is an Independent Third Party.

Wuhan Jiangtun

Wuhan Jiangtun is a limited partnership established in the PRC in July 2024. The general partners of Wuhan Jiangtun are Wanyin Asset Management Co., Ltd. (萬銀資產管理有限公司) and Shenzhen SAIF Dynamiques Equity Investment Fund Management Partnership (Limited Partnership) (深圳市賽富動勢股權投資基金管理企業(有限合夥)). Wanyin Asset Management

Co., Ltd. is ultimately controlled by Gong Xiaolin (龔小林). Shenzhen SAIF Dynamiques Equity Investment Fund Management Partnership (Limited Partnership) is backed by SAIF Partners (賽富投資基金) (formerly known as Softbank Asia Infrastructure Fund (SAIF) until its renaming in 2009). SAIF Partners is a leading private equity firm that provides capital to high-growth companies in the Asia-Pacific region, focusing on investments in early and growth stage high-tech companies in China and India. It is also one of the first large-scale equity fund management platforms in China. Wuhan Jiangtun has one limited partner, Wushang Group Co., Ltd. (武商集團股份有限公司), holding a 96.5% interest. Wushang Group Co., Ltd. is one of the largest integrated commercial retail enterprises in Hubei Province. To the best knowledge of our Company, each of Wuhan Jiangtun, Wanyin Asset Management Co., Ltd., Shenzhen SAIF Dynamiques Equity Investment Fund Management Partnership (Limited Partnership), Gong Xiaolin and Wushang Group Co., Ltd. is an Independent Third Party.

WBA GP Fund

WBA GP Fund is a limited partnership established in the PRC in June 2023. The general partner of WBA GP Fund is Guangzhou Guangyao Capital Private Equity Fund Management Co., Ltd. (廣州廣藥資本私募基金管理有限公司), which is held as to 80% by Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司), a state-owned limited liability company established in the PRC, and 20% by Guangzhou Mingshuo Investment Co., Ltd. (廣州明碩投資有限公司). WBA GP Fund has five limited partners, including Guangzhou Guangyao Fund Equity Investment Partnership (Limited Partnership) (廣州廣藥基金股權投資合夥企業(有限合夥)) and WBA Asia Investments Limited, each holding a 33.4% interest. WBA Asia Investments Limited is a company controlled by Walgreens Boots Alliance, an internationally renowned integrated healthcare, pharmacy and retail leader. None of the remaining limited partners of WBA GP Fund is interested in 30% or more of the interests therein. To the best knowledge of our Company, each of WBA GP Fund, Guangzhou Guangyao Capital Private Equity Fund Management Co., Ltd., Guangzhou Pharmaceutical Holdings Limited, Guangzhou Mingshuo Investment Co., Ltd. and the limited partners of WBA GP Fund is an Independent Third Party.

Beijing Century

Beijing Century is a limited liability company established in the PRC in November 2023. It is wholly owned by Ma Xujie (馬旭傑). To the best knowledge of our Company, each of Beijing Century and Ma Xujie is an Independent Third Party.

Hangzhou Cheers

Hangzhou Cheers is a limited partnership established in the PRC in September 2021. The general partner of Hangzhou Cheers is Hangzhou Cheers Enterprise Management Consulting Partnership (Limited Partnership) (杭州乾杯企業管理諮詢合夥企業(有限合夥)), the general partner of which is Hangzhou Cheers Cultural Consulting Co., Ltd. (杭州乾杯文化諮詢有限公司), which is ultimately controlled by Zhu Yichen (朱軼晨). Hangzhou Cheers has seven limited partners, with its largest limited partner, Shanghai Huijie Culture Communication Co., Ltd. (上海繪界文化傳播有限公司), holding a 45.2% interest. Shanghai Huijie Culture

Communication Co., Ltd. is wholly owned by Shanghai Hode Information Technology Co., Ltd., a subsidiary of China's renowned online platform bilibili. None of the remaining limited partners of Hangzhou Cheers is interested in 30% or more of the interests therein. To the best knowledge of our Company, each of Hangzhou Cheers, Hangzhou Cheers Enterprise Management Consulting Partnership (Limited Partnership), Hangzhou Cheers Cultural Consulting Co., Ltd., Zhu Yichen and the limited partners of Hangzhou Cheers is an Independent Third Party.

Compliance With Guide for New Listing Applicants

On the basis that (i) the considerations for the Pre-[**REDACTED**] Investments have been settled no less than 28 clear days before the date of the first submission of the [**REDACTED**] to the Stock Exchange; and (ii) the termination of special rights granted to the Pre-[**REDACTED**] Investors as disclosed in the sub-section headed "Special rights of the Pre-[**REDACTED**] Investors" above, the Sole Sponsor is of the view that the Pre-[**REDACTED**] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

COMPLIANCE WITH LAWS AND REGULATIONS

Our PRC Legal Advisor has confirmed that we have legally completed and obtained all necessary regulatory approvals and registrations required under PRC laws with respect to all of the aforesaid capital increases, equity transfers, share subscriptions, changes in registered capital and conversion into a joint stock company with limited liability.

[**REDACTED**]

CAPITALIZATION OF OUR COMPANY

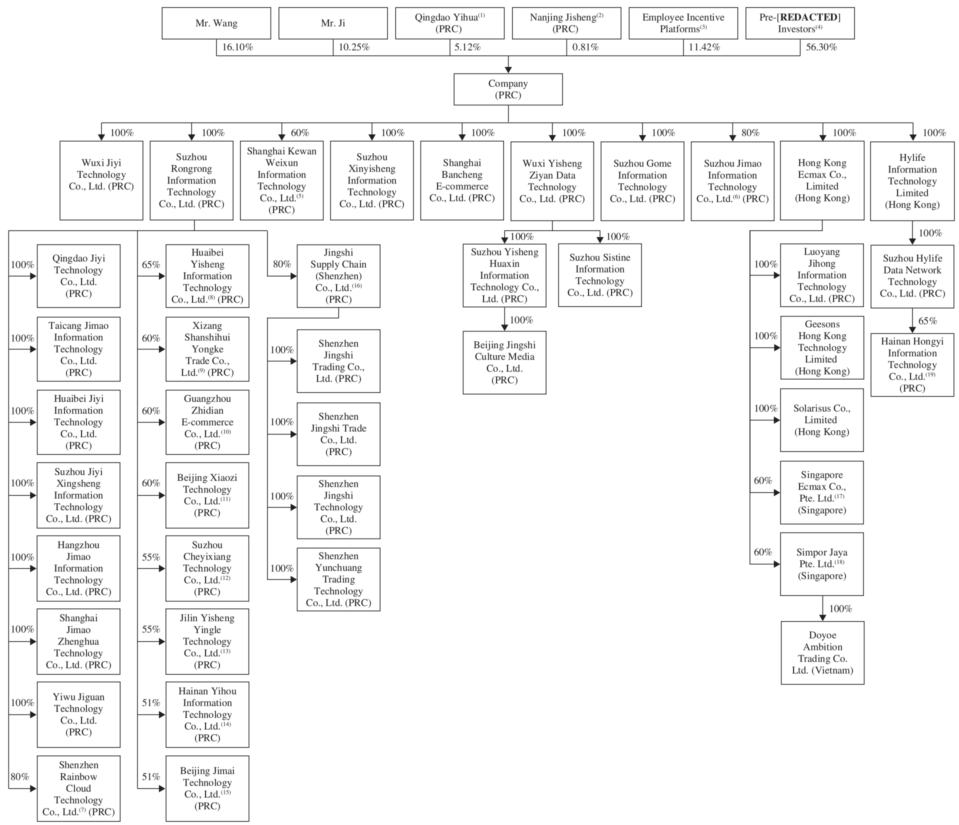
Our Company has applied for H-share full circulation to convert certain Unlisted Shares into H Shares after the [**REDACTED**]. The conversion of Unlisted Shares into H Shares will involve an aggregate of [**REDACTED**] Unlisted Shares, representing approximately [**REDACTED**] of the total issued share capital of our Company as of the Latest Practicable Date. The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and the conversion of Unlisted Shares into H Shares:

	As of the Latest Practicable Date			Immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Shareholder	Number of Shares held	Description of Shares	Approximate percentage of shareholding	Number of Shares held	Description of Shares	Approximate percentage of shareholding
Mr. Wang	5,431,529	Unlisted Shares	16.10%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Ji	3,460,014	Unlisted Shares	10.25%	[REDACTED]	[REDACTED]	[REDACTED]
Qingdao Yihua	1,729,336	Unlisted Shares	5.12%	[REDACTED]	[REDACTED]	[REDACTED]
Suzhou Shanglai	1,302,716	Unlisted Shares	3.86%	[REDACTED]	[REDACTED]	[REDACTED]
Jingdong Bangneng	3,203,972	Unlisted Shares	9.49%	[REDACTED]	[REDACTED]	[REDACTED]
Xinlin Phase 3	1,056,542	Unlisted Shares	3.13%	[REDACTED]	[REDACTED]	[REDACTED]
Meishan Sichang	425,682	Unlisted Shares	1.26%	[REDACTED]	[REDACTED]	[REDACTED]
Yipu No. 2	634,302	Unlisted Shares	1.88%	[REDACTED]	[REDACTED]	[REDACTED]
Yuanhe Yuandian	761,164	Unlisted Shares	2.26%	[REDACTED]	[REDACTED]	[REDACTED]
Daohe Ronghai	443,926	Unlisted Shares	1.32%	[REDACTED]	[REDACTED]	[REDACTED]
Wenhui Gaoqi	350,467	Unlisted Shares	1.04%	[REDACTED]	[REDACTED]	[REDACTED]
CCBI Tech Venture	700,933	Unlisted Shares	2.08%	[REDACTED]	[REDACTED]	[REDACTED]
Yangzhou Fuhai	584,112	Unlisted Shares	1.73%	[REDACTED]	[REDACTED]	[REDACTED]
Fujian Daqi	467,291	Unlisted Shares	1.38%	[REDACTED]	[REDACTED]	[REDACTED]
Guohong No. 3	467,291	Unlisted Shares	1.38%	[REDACTED]	[REDACTED]	[REDACTED]
Junzhuo Equity	467,291	Unlisted Shares	1.38%	[REDACTED]	[REDACTED]	[REDACTED]
Jiaoda Siyuan	350,467	Unlisted Shares	1.04%	[REDACTED]	[REDACTED]	[REDACTED]
Yimai Youwei	900,001	Unlisted Shares	2.67%	[REDACTED]	[REDACTED]	[REDACTED]
Jiyi Dazhan	1,650,001	Unlisted Shares	4.89%	[REDACTED]	[REDACTED]	[REDACTED]
Suzhou Gaoce	230,770	Unlisted Shares	0.68%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Miaolin	461,539	Unlisted Shares	1.37%	[REDACTED]	[REDACTED]	[REDACTED]
Nanjing Jisheng	274,235	Unlisted Shares	0.81%	[REDACTED]	[REDACTED]	[REDACTED]
Wuyishan Daqi	700,935	Unlisted Shares	2.08%	[REDACTED]	[REDACTED]	[REDACTED]
Huaibei Industrial Fund	430,021	Unlisted Shares	1.27%	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi Industrial Development	1,023,365	Unlisted Shares	3.03%	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi Xinzhi	614,019	Unlisted Shares	1.82%	[REDACTED]	[REDACTED]	[REDACTED]
Suzhou Qingce	163,738	Unlisted Shares	0.49%	[REDACTED]	[REDACTED]	[REDACTED]
Xinlin Phase 4	307,009	Unlisted Shares	0.91%	[REDACTED]	[REDACTED]	[REDACTED]
Xueheyou	204,673	Unlisted Shares	0.61%	[REDACTED]	[REDACTED]	[REDACTED]

	As of the Latest Practicable Date			Immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Shareholder	**Number of Shares held**	**Description of Shares**	**Approximate percentage of shareholding**	**Number of Shares held**	**Description of Shares**	**Approximate percentage of shareholding**
Suzhou Cultural Fund	473,727	Unlisted Shares	1.40%	[REDACTED]	[REDACTED]	[REDACTED]
Zhidao Digital	330,137	Unlisted Shares	0.98%	[REDACTED]	[REDACTED]	[REDACTED]
Taicang Loucheng	910,724	Unlisted Shares	2.70%	[REDACTED]	[REDACTED]	[REDACTED]
Sugan Wenhua	198,082	Unlisted Shares	0.59%	[REDACTED]	[REDACTED]	[REDACTED]
Nanjing Wenxue	132,055	Unlisted Shares	0.39%	[REDACTED]	[REDACTED]	[REDACTED]
Wuhan Jiangtun	660,275	Unlisted Shares	1.96%	[REDACTED]	[REDACTED]	[REDACTED]
WBA GP Fund	1,114,567	Unlisted Shares	3.30%	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Century	800,333	Unlisted Shares	2.37%	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Cheers	330,137	Unlisted Shares	0.98%	[REDACTED]	[REDACTED]	[REDACTED]
Other [REDACTED] Shareholders	–	–	–	[REDACTED]	[REDACTED]	[REDACTED]
	33,747,378		**100%**	[REDACTED]		**100%**

CORPORATE STRUCTURE

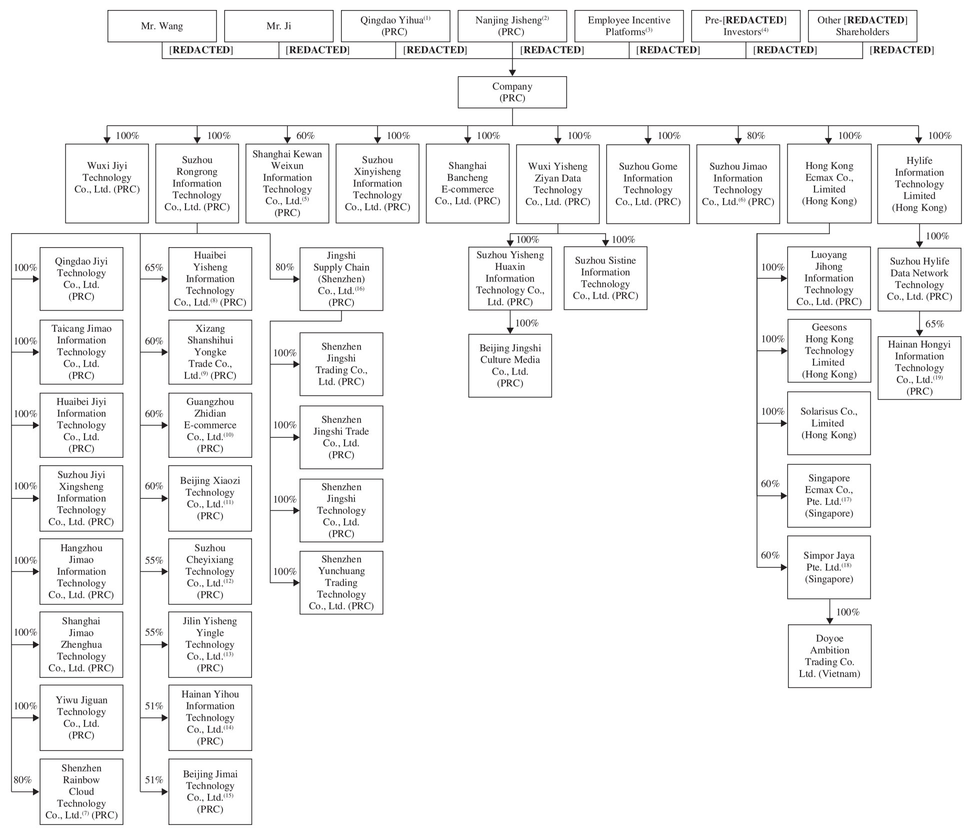
The chart below illustrates the corporate structure of our Group as of the Latest Practicable Date:



Notes:

1-19. See the corresponding notes to the corporate structure of our Group immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

The chart below illustrates the corporate structure of our Group immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):



Notes:

1. As of the Latest Practicable Date, Mr. Wang is the executive partner of Qingdao Yihua.

2. Pursuant to a voting rights proxy agreement entered into between Mr. Wang and Nanjing Jisheng (the "**Voting Rights Proxy Agreement**"), Nanjing Jisheng appointed Mr. Wang as his true and lawful proxy to vote in respect of all Shares of our Company held by Nanjing Jisheng. Prior to the Voting Rights Proxy Agreement, Nanjing Jisheng has acted in accordance with Mr. Wang's directions for all actions in relation to the voting rights attached to our Shares held by Nanjing Jisheng.

3. Suzhou Shanglai, Yimai Youwei and Jiyi Dazhan are our Employee Incentive Platforms which directly hold Shares in our Company, and each holds less than 5% of the equity interest in our Company. For further details, please refer to the sub-section headed "Employee Shareholding Platforms" above.

4. The Pre-[**REDACTED**] Investors comprise Jingdong Bangneng, Xinlin Phase 3, Meishan Sichang, Yipu No. 2, Yuanhe Yuandian, Daohe Ronghai, Wenhui Gaoqi, CCBI Tech Venture, Yangzhou Fuhai, Fujian Daqi, Guohong No. 3, Junzhuo Equity, Jiaoda Siyuan, Suzhou Gaoce, Shanghai Miaolin, Wuyishan Daqi, Huaibei Industrial Fund, Wuxi Industrial Development, Wuxi Xinzhi, Suzhou Qingce, Xinlin Phase 4, Xueheyou, Suzhou Cultural Fund, Zhidao Digital, Taicang Loucheng, Sugan Wenhua, Nanjing Wenxue, Wuhan Jiangtun, WBA GP Fund, Beijing Century, and Hangzhou Cheers. For further details, please see the sub-section headed "Information about our Pre-[**REDACTED**] Investors" above.

   As far as our Company is aware, Jiaoda Siyuan was involved in litigation unrelated to us as of the Latest Practicable Date. As a result of such litigation, pursuant to a judgment issued by the People's Court of the Hengqin Guangdong-Macao In-depth Cooperation Zone (橫琴粵澳深度合作區人民法院), Jiaoda Siyuan received a freezing order against its equity interest in our Company for the period from October 8, 2023 to October 7, 2026. As advised by our PRC Legal Advisor, a judiciary freeze of shares or equity interest of a shareholder in a company would not affect the legal ownership of such shares or equity interest held by the shareholder, except that the shareholder would not be able to dispose of any part of such shares or equity interest which is subject to the freezing order during the prescribed period.

5. The remaining equity interest in Shanghai Kewan Weixun Information Technology Co., Ltd. (上海可萬威訊信息技術有限公司) is held as to 40% by Beijing Xinyisheng Enterprise Management Co., Ltd. (北京信邑晟企業管理有限公司), an Independent Third Party.

6. The remaining equity interest in Suzhou Jimao Information Technology Co., Ltd. (蘇州極茂信息技術有限公司) is held as to 20% by Suzhou Rongrong Information Technology Co., Ltd., a wholly-owned subsidiary of our Company.

7. The remaining equity interest in Shenzhen Rainbow Cloud Technology Co., Ltd. (深圳市彩虹雲科技有限公司) is held as to 20% by Hainan Deshan Supply Chain Management Co., Ltd. (海南德贍供應鏈管理有限公司), an Independent Third Party.

8. The remaining equity interest in Huaibei Yisheng Information Technology Co., Ltd. (淮北易勝信息科技有限責任公司) is held as to 35% by Jing Song (敬松), an Independent Third Party.

9. The remaining equity interest in Xizang Shanshihui Yongke Trade Co., Ltd. (西藏山石會永科貿有限公司) is held as to 40% by Wang Yan (王岩), an Independent Third Party.

10. The remaining equity interest in Guangzhou Zhidian E-commerce Co., Ltd. (廣州智點電子商務有限公司) is held as to 40% by Sun Dandan (孫丹丹), an Independent Third Party.

11. The remaining equity interest in Beijing Xiaozi Technology Co., Ltd. (北京小資科技有限公司) is held as to 40% by Chen Mingwei (陳明偉), an Independent Third Party.

12. The remaining equity interest in Suzhou Cheyixiang Technology Co., Ltd. (蘇州車易享科技有限公司) is held as to 45% by Hangzhou Guolian Zhumeng Technology Partnership Enterprise (Limited Partnership) (杭州國鏈築夢科技合夥(有限合夥)), an Independent Third Party.

13. The remaining equity interest in Jilin Yisheng Yingle Technology Co., Ltd. (吉林省易勝盈樂科技有限公司) is held as to 45% by Jilin Yingle Investment Co., Ltd. (吉林省盈樂投資有限公司), an Independent Third Party.

14. The remaining equity interest in Hainan Yihou Information Technology Co., Ltd. (海南易後信息技術有限公司) is held as to 49% by Shanghai Houfei Software Technology Co., Ltd. (上海後非軟件科技有限公司), an Independent Third Party.

15. The remaining equity interest in Beijing Jimai Technology Co., Ltd. (北京極邁科技有限公司) is held as to 49% by Haikou Rongzhi Youshu Technology Partnership (Limited Partnership) (海口融智有數科技合夥企業(有限合夥)), an Independent Third Party.

16. The remaining equity interest in Jingshi Supply Chain (Shenzhen) Co., Ltd. (璟實供應鏈(深圳)有限公司) is held as to 20% by Hainan Deshan Supply Chain Management Co., Ltd. (海南德贍供應鏈管理有限公司), an Independent Third Party.

17. The remaining equity interest in Singapore Ecmax Co., Pte. Ltd. is held as to 40% by HK Xinyicheng Int'l Trading Limited, an Independent Third Party.

18. The remaining equity interest in Simpor Jaya Pte. Ltd. is held as to 40% by Jiraporn Ananthasook, an Independent Third Party.

19. The remaining equity interest in Hainan Hongyi Information Technology Co., Ltd. (海南鴻億信息技術有限公司) is held as to 35% by Jin Wenjing (金文靜), an Independent Third Party.

OUR VISION

With our leading AI and digital intelligence technologies, we aspire to become global brand customers' preferred commercialization and digitalization partner and an outstanding brand asset manager.

OUR MISSION

Enhance the value and empower the growth of global brands, offering consumers a better life.

OVERVIEW

Who We Are

We are China's leading end-to-end digital retail service provider[1] and Silk Road E-commerce service provider[2]. We are also a brand asset manager — driven by AI and digital intelligence, we are committed to driving brand growth through digital intelligence technology and efficient operations and enhancing brand value. Under the new landscape of cross-border e-commerce and global digital trade, we have the opportunity to work with a wide range of exceptional retail brands in a global market. Leveraging our self-developed AI agent platform and extensive industry expertise, we provide global brands with one-stop end-to-end digital retail services to facilitate their growth. As of the Latest Practicable Date, we had cumulatively collaborated with over 200 representative brands around the globe across various product categories, including healthcare, beauty and personal care, fast-moving consumer goods (including food, beverage, and maternity and baby products), and home furnishing and appliances, most of which are top international brands. According to Frost & Sullivan, we ranked first among brand e-commerce service providers[3] in China in terms of GMV from healthcare products in 2024. In addition, we provide end-to-end digital retail services to multiple supermarkets, membership stores and other entity retailers around the globe, assisting traditional retailers in integrating online and offline channels.

We ranked second among end-to-end digital retail service providers in China and fifth among brand e-commerce service providers in China in terms of GMV in 2024, according to Frost & Sullivan. As an industry-leading Silk Road E-commerce service provider, we assist

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[1] End-to-end digital retail service providers refer to brand e-commerce service providers whose client portfolio includes not only brand customers but also entity retailers.

[2] Silk Road E-commerce service providers refer to brand e-commerce service providers that engage in cross-border e-commerce conducted under the framework of e-commerce cooperation mechanisms signed between China and partner countries, such as Vietnam, Italy and Australia.

[3] Brand e-commerce service providers are service providers that focus on providing brands with comprehensive e-commerce services, including IT solutions, online store operation, marketing, customer services, and warehousing and fulfillment.

global retail brands in penetrating and expanding in the Chinese market through cross-border import. In 2024, our GMV from cross-border import e-commerce reached RMB7.4 billion, ranking first among brand e-commerce service providers in China, according to Frost & Sullivan. We also position cross-border export as our key development strategy. Starting in 2024, leveraging our extensive experience in cross-border import, particularly in areas such as channel distribution, industry insights, and supply chain management, we have been gradually exploring cross-border export, partnering with Chinese brands that aspire to expand into overseas markets, and building up our omnichannel distribution capabilities in cross-border export e-commerce. We have gradually expanded our business to overseas markets such as Australia and Southeast Asia, and have started to establish a presence in the Middle East and North Africa.

By providing high-quality services to our brand partners, we continuously enhance our key operating metrics, such as our GMV and market share in terms of GMV. Our GMV increased by 35.1% from RMB8.2 billion in 2022 to RMB11.1 billion in 2023 and further increased by 35.3% to RMB15.0 billion in 2024.

(1) According to Frost & Sullivan, in terms of GMV in 2024;
(2) According to Frost & Sullivan, in terms of GMV and revenue from healthcare products;
(3) According to Frost & Sullivan, in terms of revenue in 2024;
(4) According to Frost & Sullivan, in terms of GMV in 2024;
(5) As of the Latest Practicable Date, we had cumulatively collaborated with over 200 representative brands around the globe across various product categories, including healthcare, beauty and personal care, fast-moving consumer goods (including food, beverage, and maternity and baby products), and home furnishing and appliances

Our Market Opportunities

The Wave of Digital Transformation for Brands Around the Globe

With the proliferation of mobile internet and social media, the shopping experiences that global consumers expect have shifted from simply purchasing products to seamless, personalized, and instantaneous shopping experiences. Digitalization enables brands to capture consumer preferences and thereby optimize operational decisions. As such, brands must utilize digital means to analyze consumer behavior data, understand consumer needs, and thereby innovate products and optimize decisions accordingly to precisely meet consumer demands. In this context, traditional brands and retailers around the globe are facing an increasing demand for end-to-end digital retail services to achieve cost reduction, efficiency improvement, business expansion, and sustainable development.

Enhanced Demand for Professionalized, Integrated and Customized Operations

In recent years, due to the increasingly complex e-commerce operating environment and the more diverse, unpredictable consumer behaviors, brands are showing a rising need for integrated, professionalized, customized, and highly-efficient operation services and improvement of consumer experience to enhance their market competitiveness. As a result, brand e-commerce services are evolving to become more professionalized and digitally intelligent. To help brands excel in a complicated market landscape, brand e-commerce service providers must fully understand brands' core values while possessing extensive industry experience, data analysis capabilities, operation management skills and customized service capabilities to provide brands with integrated solutions all the way from strategy to execution.

Digital Intelligence Empowering E-commerce

Globally, particularly in China, an established e-commerce market with a large consumer base has been formed, creating ample opportunities for applications of AI technology in the e-commerce sector. Digital intelligence is becoming the core driver of e-commerce operations. Empowered by AI-driven capabilities, e-commerce operations can transform from purely relying on industry experience to utilizing algorithms and data analytics capabilities to achieve more efficient operations and higher conversion rates.

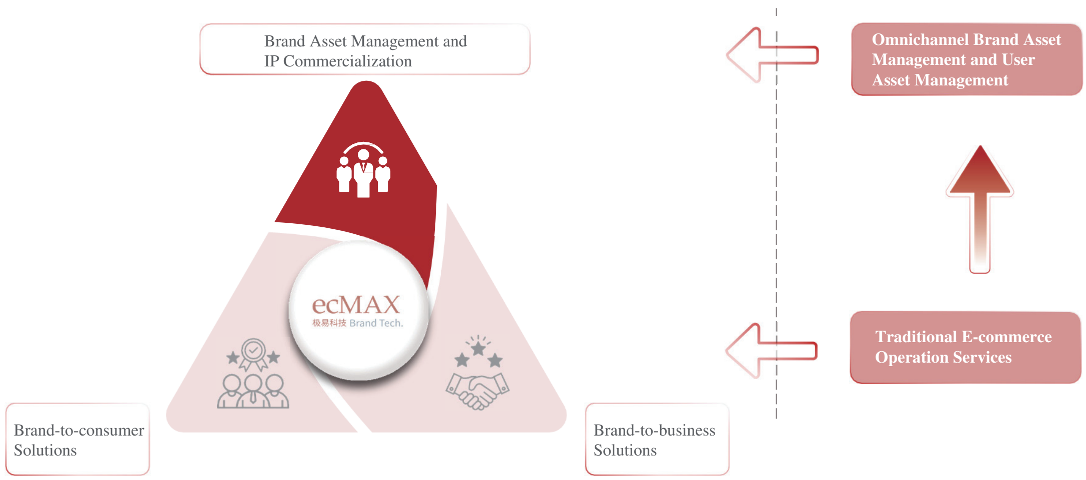
Our Forward-Looking Strategies in Response to Market Changes

In recent years, China's brand e-commerce service industry has undergone substantial transformation. According to Frost & Sullivan, accelerated industry consolidation, trends toward service homogenization, and rapid technological innovation present challenges for industry participants in seizing market opportunities and adapting to service iterations. Traditional, limited brand e-commerce services can no longer meet the needs of brands, e-commerce platforms, and consumers. With the global expansion of Chinese manufacturing and the growing influence of e-commerce, Silk Road e-commerce service providers are gradually becoming a key force driving the growth of cross-border trade.

Under such market changes, the ability to provide professionalized and customized services, as well as the application of AI technology, is essential. With years of industry expertise, we have developed our proprietary AI agent platform in response to these market changes, thereby creating core technological barriers. This enables us to optimize various aspects of our operations, facilitate brands in efficiently reaching global consumers, and significantly enhance consumer experience. By continuingly enhancing our brand e-commerce services, we have successfully seized opportunities during market changes and industry development, gradually evolving from a retail and data operation service provider to a digital intelligence-driven brand asset manager. This transition has allowed us to accumulate vast user, brand, and data assets, enabling us to collaboratively cultivate and operate brands with our brand partners, ultimately enhancing brand value.

Our Solutions

We have developed differentiated solutions and brand asset management capabilities based on our years of industry expertise and insights, data intelligence, and integrated supply chain management capabilities. Our solutions help our brand partners define brand image more precisely, expand brand outreach more broadly, manage consumer profiles more accurately, and enhance product distribution more efficiently.



Depending on whether we help our brand partners sell products to consumers, we provide end-to-end digital retail services mainly through our brand-to-consumer solutions and brand-to-business solutions. We also provide brand asset management and IP commercialization and, to a lesser extent, other services.

- **Brand-to-consumer solutions**. Our brand-to-consumer solutions serve as a bridge that effectively connects brands with consumers. Through our brand-to-consumer solutions, we help brand partners sell products to consumers, meanwhile offering other end-to-end digital retail services encompassing brand strategy, online store operation, product distribution, integrated marketing and advertising, and supply chain management to assist their product sales. Our brand-to-consumer solutions can be further divided into online channel distribution model and service fee model. The services we provide to brand partners under these two models are similar in nature, with the main difference being whether we also purchase products from brand partners or merely provide them with services.

- **Brand-to-business solutions**. Our brand-to-business solutions serve as a bridge that effectively connects brands with high-quality offline channels with large consumer base, including supermarkets, membership stores and other entity retailers such as Walmart, RT-MART and METRO. Under our brand-to-business solutions, we purchase products from brand partners and sell them to offline channels, which subsequently sell these products to consumers on their own.

- **Brand asset management and IP commercialization**. Leveraging our industry insights accumulated over years and our service capabilities spanning across brand's value chain, we have gradually established deeper cooperation with brand partners through various business models, including joint new product development with established brand partners, exclusive authorization from brand partners, exclusive brand agency within the designated area, and equity investment in or joint venture with brand partners. Under our brand asset management business, we are in charge of brands' market insights and omnichannel integrated marketing and operation and conduct joint product innovation and development with brands. In addition, we engage in IP commercialization business by purchasing brand IP licenses from brand partners and developing, selling, and promoting IP-based products, thereby enhancing brand IPs' awareness and influence.

- **Other services**. In addition to the end-to-end digital retail services as described above, we provide brand partners with project-based digital operation and marketing services, including ad creative design, multi-channel ad placements, as well as market consulting and strategy services, for which we charge service fees. We also provide project-based system upgrades and software development services, for which we charge service fees.

Leveraging our industry experience and digital operation capabilities accumulated from ten years of experience within the e-commerce service sector, we have built a robust AI technology system. Our AI agent platform, which is a self-developed multimodal heterogeneous computing engine platform, optimizes various aspects of our solutions, reducing costs and improving efficiency while minimizing human error: for example, for intelligent content generation, we use our AI agent platform to create and refine high-quality product marketing materials, such as articles and posters, which effectively enhances the appeal of product advertisement and reduce the time spent in producing marketing materials and ad creatives; for targeted marketing and product recommendations, we utilize AI algorithms and consumer data to provide consumers with personalized experience, significantly enhancing conversion rates of advertisements. In addition, we utilize our AI platform to digitalize our various key business scenarios: for example, for smart replenishment, we monitor sales and inventory data in real time and use AI demand forecasting to automatically generate procurement planning, enhancing procurement efficiency and accuracy; for smart customer service, we build AI-powered framework of dialogue samples based on a vast amount of real human customer service conversations, generating personalized service plans and tailored product recommendations based on consumer profile, thereby enhancing customer satisfaction while reducing costs; for smart marketing, we leverage AI to automatically formulate and continuously adjust marketing strategies, ensuring efficient utilization of advertising resources. Our application of AI technology also reduced the manpower required for various aspects of our operation and lowered human errors, thereby enhancing our internal operating efficiency.

Partnering with Globally-Leading Brands

Benefiting from our consumer-centric brand e-commerce experience and industry insights from professional talent across various verticals, we analyze consumers' shifting consumption awareness and strategically focus on high-potential categories such as healthcare, beauty and personal care, fast-moving consumer goods, and home furnishing and appliances. These categories have high margins but require more specialized brand e-commerce service capabilities. Most of our brand partners are renowned international brands. We believe it is crucial to partner with brands with global reputation and leading market positions in specific verticals. Such brand partners recognize our values, and partnership with them fosters our mutual growth.

For example, we are one of the few brand e-commerce service providers focusing on the healthcare sector. According to Frost & Sullivan, among the brand e-commerce service providers in China, we ranked first in terms of GMV generated from healthcare products in 2024. In 2022, 2023 and 2024, our revenue from healthcare category accounted for 45.5%, 39.3% and 44.0% of our total revenue for the respective periods. As of the Latest Practicable Date, we have established extensive collaborations with globally-leading brands in the healthcare sector, including GNC, Bayer, Sanofi, and Viatris.

During the Track Record Period and up to the Latest Practicable Date, we maintained partnership with all our brand partners, except for those with whom we strategically terminated partnership. Our ongoing and increasingly deepened collaborations with established brands and the experience we have accumulated not only enable us to timely and accurately gauge market trends but also allow us to amass substantial user, brand, and data assets. This effectively sets us apart from our competitors in terms of operational capabilities.

OUR STRENGTHS

China's leading end-to-end digital retail service provider and Silk Road E-commerce service provider

We are China's leading end-to-end digital retail service provider and Silk Road E-commerce service provider. We ranked second among end-to-end digital retail service providers in China and fifth among brand e-commerce service providers in China in terms of GMV in 2024, according to Frost & Sullivan. Leveraging our diverse service matrix and robust service capabilities covering brands' entire value chain, including brand strategy, online store operation, product distribution, integrated marketing and advertising, and supply chain management, as of the Latest Practicable Date, we had cumulatively collaborated with over 200 representative brands around the globe in product categories including healthcare, beauty and personal care, fast-moving consumer goods, and home furnishing and appliances, most of which are top international brands. Moreover, we have evolved from a traffic-oriented brand e-commerce service provider to a consumer-oriented brand e-commerce service provider, transforming the traditional retail model (which focuses on seeking consumers based on products) to a new retail model (which focuses on product innovation and development as well as consumption scenarios construction based on consumer needs). This transition has established our core capability barrier. In addition, as China's e-commerce industry continues to develop, we seized the opportunity to build our proprietary AI agent platform, creating core technological barriers. This enables us to optimize various aspects of the consumer ecosystem, facilitate brands in efficiently reaching global consumers while significantly enhance consumer experience. Our continuous technological innovation also enables us to digitalize various key business scenarios, consistently enhance our operational efficiency, and in turn serve more brands.

We are also an industry-leading Silk Road e-commerce service provider, importing high-quality overseas products to meet Chinese consumers' rising demand for these products, while partnering with Chinese brands that aspire to expand into overseas markets and exporting high value-for-money Chinese products that are favored by overseas consumers. In 2024, our GMV from cross-border import e-commerce reached RMB7.4 billion, ranking first among brand e-commerce service providers in China, according to Frost & Sullivan. With our extensive experience in cross-border supply chain integration and international brand channel deployment, as of the Latest Practicable Date, we had cumulatively served over 140 international brands. Leveraging our extensive experience in cross-border import and comprehensive service capabilities, we have been gradually exploring cross-border export through overseas platforms, bulk commodity trading, and equity investments and overseas asset acquisitions, fostering synergistic development of our cross-border import and export. According to Frost & Sullivan, we have become one of the few brand e-commerce service providers in China that are able to provide both cross-border import and export services at scale. We believe our industry-leading cross-border import and export service capabilities can help us continuously expand our footprint both in China and overseas.

Our remarkable performance has been widely recognized by the industry and various authorities. We are recognized as State-level Technologically Advanced Little Giant Enterprise, High and New Technology Enterprise, and Ministry of Commerce Science and Technology Innovation Application Case Unit. We also won the Gold Prize of Tiger Roar Awards and ECI Awards.

In-depth industry insights empowering premium sectors, such as healthcare, with differentiated solutions

Leveraging our e-commerce experience and deep industry insights, we strategically focus on high-potential categories that have high margins but also higher requirements for brand e-commerce service capabilities, such as healthcare, beauty and personal care, and home furnishing and appliances. This focus allows us to maximize our advantages.

As consumers are placing increasing value on health, and that more healthcare brands are starting to transition to the direct-to-consumer business model, the healthcare sector possesses tremendous growth potential. According to Frost & Sullivan, GMV generated by brand e-commerce service providers in the healthcare sector reached RMB80.1 billion in 2024 and is expected to reach RMB237.9 billion in 2029, with a CAGR of 24.3% from 2024 to 2029. Brand e-commerce operation in the healthcare sector faces significant entry barriers. Due to the compliance requirements for special healthcare products, such as prescription drugs, and various restrictions on healthcare product marketing and promotion, brand e-commerce service providers in the healthcare sector must possess extensive industry know-how and professional background and knowledge. For instance, the pharmaceutical segment is subject to strict regulations on product promotion and sales processes. Brand e-commerce service providers must accurately describe drug effects, indications, and contraindications and ensure that advertisements do not contain false or exaggerated information. Additionally, sales of pharmaceuticals are usually subject to specific regulations with respect to distribution channels and sales qualifications. Brand e-commerce service providers must ensure they conduct business operations within the scope permitted by laws and regulations, including obtaining necessary business licenses and complying with relevant requirements on the storage and transportation of pharmaceuticals (such as cold chain transportation).

We have begun expanding our business in the healthcare sector since 2018, when we established cooperation with a globally renowned healthcare brand that focuses on ginseng products. We have gradually established deep collaborative relationships with leading healthcare brands such as Bayer, Sanofi, Viatris, and GNC. Leveraging our expertise in the healthcare sector, we have become a leading e-commerce service provider with a focus on the healthcare sector in China. According to Frost & Sullivan, among the brand e-commerce service providers in China, we ranked first in terms of GMV generated from healthcare products in 2024. Our healthcare team consists of tens of healthcare experts with an average of over five years of experience in the healthcare sector and extensive brand e-commerce service experience in prescription drugs and OTC drugs. Leveraging our healthcare team's extensive expertise in product principles and regulatory compliance, along with the data assets we have accumulated through years of dedication to the healthcare sector, we assist brand partners in executing targeted product promotions and advertising campaigns to meet the differentiated needs of healthcare consumers, boosting their product sales, and enhancing their brand influence. In 2022, 2023 and 2024, our revenue from healthcare category accounted for 45.5%, 39.3% and 44.0% of our total revenue for the respective periods.

In addition, leveraging our industry experience and digital intelligence capabilities, we have actively entered into other markets, providing brand partners across different sectors with differentiated solutions. Benefiting from our business development and digital operation capabilities, we have entered into premium beauty market, which is characterized by high entry barriers, high margins, and extensive growth potential. We are also actively establishing cooperation with brand partners in the fast-moving consumer goods sector, with a focus on food, fresh produce and mother and baby care segments. We are also expanding our presence in the low-temperature and frozen product segments, continuously optimizing our operational processes and enhancing our operating efficiency to meet the stringent logistics and warehousing requirements of these specialized segments.

Moreover, we provide end-to-end digital retail services to multiple supermarkets, membership stores and other entity retailers, assisting traditional retailers in integrating online and offline channels. Since 2016, we have been taking care of Walmart's online operations, and we have subsequently partnered with other supermarkets, membership stores and other entity retailers, including Sam's Club, METRO, and Wumart, excelling in managing complex tasks involving a large volume of SKUs.

Mature full brand value chain service capabilities and cross-border import and export capabilities

With a decade of dedication to brand e-commerce service industry, we have developed industry-leading service capabilities covering brands' entire value chain. While assisting brands in boosting product sales, we leverage data bank and our core customer relationship management ("CRM") capabilities to accumulate and improve consumer demographics assets. This strategy aims to enhance brand value while boosting brands' product sales, ultimately achieving brands' long-term development. Depending on the specific needs of our brand partners, we provide comprehensive end-to-end digital retail services across five key areas, namely, brand strategy, online store operation, product distribution, integrated marketing and advertising, and supply chain management. These services not only assist in driving product sales but also enhance brand awareness and operational efficiency, thereby fueling brand growth. Our full value chain service capabilities form the core engine that drives our brand-to-consumer solutions, brand-to-business solutions, and brand asset management and IP commercialization.

Drawing on our years of accumulated service experience covering brands' entire value chain, we have developed extensive industry insights into various aspects of brand ecosystems across different sectors. This enables us to help our brand partners quickly grasp market trends, competitive landscape, sales channels, and consumer demands and habits. For example, in the healthcare sector, products such as dietary supplements, nutritional foods, prescription drugs, and OTC drugs vary widely in varieties and characteristics, and the complex regulations and policies on promotion of such products increase the difficulty of consumer reach. Leveraging our healthcare team's extensive expertise in product principles and regulatory compliance, along with the data assets we have accumulated through years of dedication to healthcare sector, we help brand partners to effectively utilize tools offered by e-commerce platforms and execute targeted product promotions and advertisements based on healthcare consumers' differentiated needs. This enables our brand partners to attract new consumers, boost repeat purchases, and enhance product sales.

As one of the first cross-border e-commerce service providers in China, we have accumulated diverse channel resources and are able to sell products of various brands and product categories through multiple channels. As such, we are able to assist our brand partners in effectively reaching consumers through the most suitable channel based on their needs. Our channels resources cover major, integrated e-commerce platforms, such as JD.com and Tmall, specialized vertical e-commerce platforms, such as Vipshop, newly-emerged social media platforms, such as Douyin, Kuaishou, Xiaohongshu, and WeChat (via its Moments and Mini Programs functions), and offline channels, including supermarkets, membership stores and other entity retailers. By analyzing product sales through different distribution channels, we identify key channels for sales enhancement and develop targeted distribution strategies, helping brands effectively extend their product reach to a wide base of consumers and enhancing their brand influence.

In addition, we are one of the few brand e-commerce service providers in China that are able to provide both cross-border import and export services at scale, according to Frost & Sullivan. Most of the brand partners we collaborate with are international brands, and a significant portion of the products we sell under different business models are imported and sold to China through cross-border e-commerce. According to Frost & Sullivan, we ranked first among brand e-commerce service providers in China in terms of GMV from cross-border import in 2024. As our business scale continues to expand, we have been exploring cross-border export and expanding our global presence, including through our partnerships with automotive brands for the export of auto parts. We are also expanding our business in the cross-border export market and overseas markets through methods including equity investments. Our cross-border export business currently primarily covers Australia and Southeast Asia, and we are also assisting local retailers in Southeast Asian markets with their transition to online operations. We have also deployed localized teams in Thailand, Vietnam and Malaysia to better serve the brands and further support our business expansion in the local markets.

Evolving from brand e-commerce service provider to brand asset manager with more decision power

In recent years, brand e-commerce services have gradually evolved to become more professionalized and digitally intelligent, and brands are demonstrating a growing demand for highly efficient integrated, professionalized, and customized operational services. Leveraging our industry insights accumulated over the years and our service capabilities spanning across brand's value chain, we select and partner with brands with high-growth potential. Through joint new product development with established brand partners, exclusive authorization from brand partners, exclusive brand agency within the designated area, equity investment in or joint venture with brand partners, and other business cooperation models, we are in charge of brands' market insights and omnichannel integrated marketing and operation and conduct joint product innovation and development with brands. We integrate our operational analysis capabilities driven by digital intelligence throughout brands' lifecycle, enabling comprehensive operation of brands. This fosters a holistic management of brand insights, product operation and distribution, consumption scenarios, and distribution channels, enabling us to collaborate closely with brand partners to cultivate and operate brands and enhance brand value. For example, in the context of exclusive brand agency, we have been authorized to exclusively operate a British beauty brand, which is known for its world-class bath, body and beauty products and vintage-style packaging, in China. Additionally, in the context of equity investment, we have established a joint venture with Chongqing Lummy Pharmaceutical Co., Ltd., a pharmaceutical company listed on the Shenzhen Stock Exchange, to deepen our collaboration in the healthcare sector. Engaging in the management and operation of brands across their entire lifecycle, we have evolved from selling brand products through specific channels or providing brands with operation services to forming multi-faceted partnership and deep, strategic cooperation with brands. This allows us to gradually transform from a brand e-commerce service provider to a brand asset manager.

We also engage in IP commercialization business. We purhcase brand IP licenses from brand partners and subsequently develop, sell, and promote IP-based products, thereby enhancing brand IPs' awareness and influence. Since 2019 when we operated the brand flagship store of THE FORBIDDEN CITY CULTURE (故宮文化) on a major e-commerce platform, we subsequently provided online marketing, data insights and product innovation, distribution, and large-scale procurement services in relation to cultural-creative IPs, such as THE FORBIDDEN CITY (故宮). Building on this foundation, we further entered into cooperation agreements with Star Plus Legend and Warner Bros. Discovery, which granted us the rights to operate their brand flagship stores on all channels and develop derivative products based on their classic brand IPs, including CHOUCHOU (周同學), Harry Potter, and Tom and Jerry. This allows us to attract a broad base of fans and consumers of these brand IPs. Furthermore, we are in active preparation for incubating our own brand IP and developing IP-based products. We aim to become an operator capable of IP incubation, product design and development, supply chain management, and omnichannel sales across the entire IP value chain.

Forward-looking AI technology deployment to establish digital operation capabilities for brand e-commerce services, creating operating barriers, reducing cost, and enhancing efficiency

With extensive experience in digital operations and brand e-commerce service operations, we built our proprietary AI agent platform and established industry-leading digital operation capabilities. Our proprietary AI agent platform integrates multiple open-source and closed-source large models to enable efficient AI workflows and applications. Leveraging our strong technical and data foundation, combined with our proprietary algorithm library and deep industry insights, we utilize AI model reasoning, induction, and summarization to precisely identify potential consumer groups and sales channels for brands, assisting and supporting their marketing decisions. As of the Latest Practicable Date, we had accumulated over 40 software copyrights and over ten patents in big data analysis algorithms and marketing outreach, establishing our technological moat.

Our AI agent platform leads innovation in several areas:

- **Vertical domain cognition enhancement system**. Leveraging our industry knowledge graph developed from our ten years of industry experience that cover consumer profiles, channel characteristics, and supply chain networks, we extracted general capabilities from our historical business data, quickly and seamlessly deploying our experience and industry insights across various business scenarios. We have trained multiple domain-specific models, such as sales forecasting and brand growth insight models, significantly enhancing our operational efficiency, enabling us to transition our commercial decision-making from experience-driven to data-driven.

- **Paradigm innovation of human-machine collaboration**. Through full-chain automation powered by large models — from intent recognition to response execution, knowledge feedback, and self-update — we have achieved digital intelligence in multiple key business scenarios. For instance, in automatic replenishment, we use model algorithms to automatically generate procurement planning based on historical data, place orders, and confirm transactions. We further update the model through analyses of actual sales results and the effectiveness of the procurement plan, significantly reducing reliance on human decision-making in supply chain replenishment.

- **Multi-matrix agents collaboration**. We continuously optimize and iterate our AI agents serving different functions, such as our operation agent, research agent, and legal agent, enhancing their intelligence and the efficiency of their processing capabilities in their respective fields, reducing human intervention, and improving our internal efficiency. Additionally, we have achieved cross-departments agents interaction and collaboration. For example, in the scenario of business project initiation, we have restructured the end-to-end workflow from opportunity discovery to project review by coordinating the market insights agent, resource coordination agent, risk control agent, and decision-making agent, significantly enhancing internal communication and project initiation efficiency.

- **AI-driven brand asset management innovation**. We have built a cross-brand knowledge engine enabling us to extract and transfer our experiences in benchmark brand operations to other cases. Based on our industry knowledge graph, we form reusable templates, assisting brands in building consumer data asset libraries, establishing brand risk control systems, and developing creative marketing and promotion suitable for brand positioning.

Through our efficient technology applications that align with our operational needs, we continuously refine our data analytics capabilities, empowering our business operations. Based on our data and technology accumulation within the industry, we have built a data analytics system that integrates supply chain, operational analysis, and CRM data analysis, enabling detailed supply chain forecasting, precise product sales analysis across different cycles, future procurement planning, and inventory and days inventory outstanding tracking. In addition, by conducting comparative analysis of sales performance for products of both our brand partners and their competitors, we set, adjust, and review sales targets and strategies. This helps brands enhance consumer satisfaction and sales conversion rates while identifying potential business growth opportunities. Furthermore, based on the data we process and analyze in our operations, we continuously optimize and upgrade our AI models, achieving industry-leading forecast accuracy and efficiency.

Our data analysis experience across various product categories enables us to reuse and extend our experience and technology and create operational barriers. Through extensive collaboration with industry benchmark brand customers that have higher demand for refined operational capabilities, we have developed rare experience in precision operations as well as standardized solutions. Through years of accumulation, our technology has bridged various product categories, securing renowned brand customers across multiple categories. While ensuring data privacy and security, we facilitate data sharing among our cooperations with different brands. By leveraging interconnected and cross-analytical data, we identify new business opportunities and areas for improvement for brands, applying our experience and technology accumulated from cooperation with one brand to cooperation with other brands. Furthermore, we apply our refined operational system and product operation experience to all channels, including online channels such as JD.com, Tmall, Douyin, and Pinduoduo, as well as offline distribution channels. Through this multi-brand, multi-channel matrix, we have built a strong competitive barrier in digital operation.

Talent is crucial to our R&D success. We have assembled a specialized technology team to ensure our continuous development in technology and R&D. As of December 31, 2024, we had 74 technology personnel, accounting for 9.3% of the total number of employees. Our technology team includes numerous information technology experts with extensive experience in the development of AI, automation, data, and algorithm. We are committed to technological innovations and R&D. In 2022, 2023 and 2024, our R&D expenses were RMB15.2 million, RMB10.1 million, and RMB15.7 million, respectively. In addition, we collaborate with top domestic and international universities and research institutions for in-depth industry-academia-research cooperation. We have established a joint R&D center for digital retail technology in collaboration with the Suzhou Research Institute of Xi'an Jiaotong University, enabling us to leverage external resources to develop data-driven precision operations. We are also collaborating with partners, including Soochow University, Xi'an Jiaotong-Liverpool University and China United Network Communications Group Co., Ltd. (Suzhou Industrial Park Branch), to establish a global AI data collaboration and industrial innovation consortium. This initiative focuses on the breakthroughs and industrial applications of core technologies in the AI field, including data privacy protection and compliance, consumer behavior and profile and capturing, and data-driven supply chain collaboration and inventory optimization, aiming to create an innovation hub for AI in the Yangtze River Delta region. Our digital intelligence capabilities have been recognized by numerous renowned platforms and industry institutions, earning renowned industry awards such as Gold Prize of Tiger Roar Award. We are recognized as State-level Technologically Advanced Little Giant Enterprise, High and New Technology Enterprise, and Ministry of Commerce Science Technology Innovation Application Case Unit.

Visionary and entrepreneurial management and team with extensive industry experience

We are led by a visionary and entrepreneurial management team. Our core management team has extensive industry experience, consisting of industry veterans with an average of over 20 years of experience working in the industry. Our management team possesses strong resource integration capabilities and keen business acumen, enabling them to stay abreast of the latest market trends and promptly adjust operational strategies in response.

Talent is crucial to the sustainable development of our business. We have gradually built a mature and specialized operational team with expertise in data banking, CRM, and content production and media operations. This enables us to provide comprehensive service solutions that include consumer segment analysis and positioning, product development and testing, content generation and media communication, and consumer assets management. Our professional team comprises talents from globally-renowned brand groups and leading internet enterprises, with background covering various aspects of business chain. Our team includes not only talents with brand e-commerce service experience but also talents with background in well-known retail brands, e-commerce platforms, and offline sales channels. This diverse expertise allows us to comprehensively understand the business from multiple perspectives, including product innovation, operations, market strategy, and supply chain, enabling us to better address the essential needs of both upstream and downstream partners.

We place great emphasis on talent cultivation, providing team members with ongoing, job-specific training to maintain a robust talent pool, enhance team cohesion, and ensure our upward progression. We are committed to our employees' personal growth by offering them a variety of career development opportunities. In addition, we achieve continuous improvement in organizational effectiveness through dynamic architectural design and agile team configurations, while enhancing team cohesion and stability. Our management team has an average tenure of over five years, and more than 30% of our mid- to senior-level management team consists of our internally-cultivated employees, fostering an organizational characteristic that balances strategic focus with innovative vitality.

OUR STRATEGIES

AI-driven improvement in our omnichannel, full value chain service abilities

Committing to digital intelligence-driven operation, we will continue to strengthen our AI capabilities in the brand e-commerce service industry and increase technology and R&D investments to solidify our competitive advantage and our ability to enhance brand value.

Our technology development and application is consumer-centric, aimed at empowering brand partners in their brand e-commerce operations. By leveraging AI technology for in-depth exploration and comprehensive empowerment, we enhance the efficiency and outcome across various aspects of our business, including operation, supply chain management, design, finance, and customer service.

Through intelligent analysis and decision support, we optimize resource allocation, increase workflow automation, reduce human errors, and provide more precise services and innovative design solutions. This will improve our overall performance in vertical scenarios and facilitate a data-driven, intelligent transformation to sustain our growth and competitive advantages. We plan to utilize AI technology to empower our global expansion, optimizing the cross-border e-commerce service process, including customized marketing content generation, KOL/KOC collaboration, and supply chain services. This will enhance cross-border e-commerce efficiency, assisting brands in expanding into international markets and achieving global growth.

We will focus on enhancing our data capabilities, strengthening the foundation of our knowledge platform, and further upgrading our proprietary AI agent platform. We are committed to continuously improving our digital analytical capabilities and optimizing data algorithms to better understand consumer habits and thereby formulate and adjust our operational policies. In addition, we will enhance our digital intelligence capabilities by expanding our AI model library, strengthening the training of small models across multiple domains, elevating the intelligence level of our AI agents, and building a robust knowledge platform.

Through these initiatives, we will feed our rich corporate experience and expertise to our AI systems, constructing a solid storage of corporate knowledge. Based on this foundation, we will build up a scenario factory that contains distinctive operation scenarios and develop more AI agents tailored to different scenarios. We target to establish an intelligent, efficient, and data-driven platform that enables AI to better understand and apply corporate knowledge, thereby enhancing decision-making accuracy and efficiency, and providing strong support for innovation and development.

To achieve this strategy, we will also continue to recruit and train new talent, particularly AI data analysts, front-end developers, algorithm engineers, and software architects. We will also continue to partner with top domestic and international universities and research institutions, set up joint laboratories and R&D centers with them, and engage in in-depth industry-academia-research collaboration with them in areas such as digital retail and intelligent marketing. Through these collaborations, we will be able to gain access to the latest research outcomes and technical resources, while at the same time providing universities and research institutions with real application scenarios and pathways for commercialization.

Continuous expansion of brand asset management and IP commercialization business, evolving from brand e-commerce service provider to brand asset manager with more decision-making power

As competition intensifies in digital retail and e-commerce market, brands face challenges including consumer traffic fragmentation, personalized consumer demands, and the need for immediate product innovation. As such, brands require digitalization partners with comprehensive service capabilities, including omnichannel operations, data insights, and supply chain optimization, to share equity, co-manage risks, and form deep collaboration. Leveraging our engagement in the management and operation of brands across their entire lifecycle, we are gradually evolving from selling brand products through specific channels or providing brands with operation services to forming multi-faceted partnership and deep, strategic cooperation with brands. We establish extensive cooperation with brand partners through various business models, including joint new product development, exclusive authorization, exclusive brand agency, and equity investment. This allows us to gradually transform from a brand e-commerce service provider to a brand asset manager. We plan to continuously expand our brand asset management and IP commercialization business and shift from a "behind-the-scenes service provider" to a "frontline decision maker" through technological empowerment, asset acquisitions, and customer operations.

Specifically, we plan to actively explore opportunities in the following areas:

- *Joint new product development*: In addition to providing brand partners with end-to-end digital retail services, we plan to leverage our strengths in market insights, competitive landscape analysis, and market strategy, to jointly innovate and develop new products with retail brands with a leading position in niche markets. We will also exclusively undertake the incubation, integrated marketing, omnichannel sales, and customer operations for particular new products. For example, since 2025, we have deepened our collaboration with a globally recognized dietary supplement brand. In addition to providing traditional brand e-commerce services to this brand, we jointly conduct market insights, customer research, and product design for their new SKUs and exclusively manage the comprehensive marketing and sales for these new SKUs.

- *Exclusive brand agency*: We plan to introduce more retail brands with influence and growth potential and become their exclusive agent in China or overseas markets, comprehensively managing the integrated marketing and sales across all channels. We will select the most suitable distribution channels for brands and design personalized sales strategies targeting distinctive channels, helping brand products reach a wider consumer base and maximizing brand sales and visibility. This will not only diversify our revenue streams but also support the growth of our brand partners.

- *Equity investment*: We intend to deepen our partnership with brands through investments in brands or the establishment of joint ventures with brands, particularly brands in healthcare and fast-moving consumer goods sectors. We will participate in the research, development and planning of the products along with brands, take full responsibility for marketing and sales, and engage deeply in brands' decision-making and operational management, while extending our business operations to upstream and downstream within the industry chain.

- *IP Commercialization*: We intend to continue the expansion of our IP commercialization business. We plan to acquire various types of brand IP licenses, design, develop and operate IP-based products based on these brand IPs, and leverage our integrated marketing capabilities and extensive channel resources to market and sell them to broader markets. This would allow us to further enhance brand IPs' awareness and influence. We also plan to incubate our own brand IP and develop IP-based products.

From China to Global

We believe the cross-border export market possesses significant potential and is in need of service providers with comprehensive, specialized service capabilities. According to Frost & Sullivan, GMV of China's business-to-consumer cross-border export e-commerce market reached RMB4.3 trillion in 2024 and is expected to further increase to RMB6.6 trillion by 2029, with a CAGR of 8.9% from 2024 to 2029. We are confident that our capabilities developed through our cross-border import, including channel distribution, business operation, financing, and inventory and supply chain management (including custom clearing and warehousing and logistics) capabilities, as well as our risk management ability and industry insights, can be applied to our cross-border export, fostering synergistic development of our cross-border import and export operations, and allowing us to continuously expand our footprint both in China and overseas.

We expect to expand our cross-border export through various means. Under our brand-to-consumer solutions, we intend to partner with established Chinese brands that aspire to expand into overseas market and high product certification requirements. We intend to independently operate online stores on platforms with large consumer base and traffic, such as Temu, Amazon, eBay, and SHEIN, and sell products through these channels, assisting domestic brands in going global. Under our brand-to-business solutions, we intend to strategically focus on healthcare, fast-moving consumer goods, home furnishing and appliances, and industrial products sectors. For example, since 2024, we began exporting automotive chassis components, control arms, and other automotive parts to overseas markets. Furthermore, we plan to invest in or acquire overseas brands and local marketing and technology teams in the overseas markets, participating in their business, including their marketing, promotion, and operations, and potentially gaining decision-making power over their business, meanwhile enhancing our capabilities of operating brands in overseas markets. Our cross-border export currently primarily covers Australia and Southeast Asia, and we are also assisting local retailers in Southeast Asian markets with their transition to online operations. We have also deployed localized teams in Thailand, Vietnam and Malaysia to better serve the brands and further support our business expansion in the local markets.

OUR BUSINESS MODELS

We are China's leading end-to-end digital retail service provider and Silk Road E-commerce service provider. We are also a brand asset manager driven by AI and digital intelligence. We ranked second among end-to-end digital retail service providers in China and fifth among brand e-commerce service providers in China in terms of GMV in 2024, according to Frost & Sullivan. We are committed to partnering with globally-leading brands, driving brand growth through digital intelligence and efficient operations, and enhancing brand value through brand asset management and IP commercialization. We have cumulatively collaborated with over 200 representative brands around the globe across various product categories, including healthcare, beauty and personal care, fast-moving consumer goods (including food, beverage, and maternity and baby products), and home furnishing and appliances, most of which are top international brands. According to Frost & Sullivan, among the brand e-commerce service providers in China, we ranked first in terms of GMV generated from healthcare products in 2024.

With a decade of dedication to China's brand e-commerce service industry, we have developed industry-leading service capabilities covering brands' entire value chain. Catering to the specific needs of our brand partners, we provide comprehensive end-to-end digital retail services encompassing brand strategy, online store operation, product distribution, integrated marketing and advertising, and supply chain management (including cross-border import and export), enhancing their product sales, brand awareness and operational efficiency, and ultimately driving brand growth.

Depending on whether we help our brand partners sell products to consumers, we provide end-to-end digital retail service mainly through our brand-to-consumer solutions and brand-to-business solutions. We also provide brand asset management and IP commercialization and, to a lesser extent, other services.

- **Brand-to-consumer solutions**. Our brand-to-consumer solutions serve as a bridge that effectively connects brands with consumers. Through our brand-to-consumer solutions, we help brand partners sell products to consumers, meanwhile offering other end-to-end digital retail services encompassing brand strategy, online store operation, product distribution, integrated marketing and advertising, and supply chain management to assist their product sales. Our brand-to-consumer solutions can be further divided into online channel distribution model and service fee model. The services we provide to brand partners under these two models are similar in nature, with the main difference being whether we also purchase products from brand partners or merely provide them with services.

○ ***Online channel distribution model***. Under the online channel distribution model, we purchase products from brand partners and help our brand partners sell products to consumers through online channels. Based on who the customer is, our online channel distribution model can be divided into two forms — B2B2C model and B2C model.

  Under the B2B2C model, we purchase products from brand partners and sell them to e-commerce platforms; we subsequently assist these e-commerce platforms in selling the products to consumers through their self-owned stores that we operate for them. Under the B2B2C model, brand partners are our suppliers, e-commerce platforms are our customers, and we generate revenue from our product sales to e-commerce platforms.

  Under the B2C model, we purchase products from brand partners and sell them directly to consumers through the brand flagship stores we operate on e-commerce platforms. Under the B2C model, brand partners are our suppliers, consumers are our customers, and we generate revenue from product sales to consumers.

○ ***Service fee model***. Under the service fee model, we provide brand partners with one-stop end-to-end digital retail services, including brand planning, operation of their online brand flagship stores on e-commerce platforms, integrated marketing and advertising, and supply chain management. Unlike the online channel distribution model, under the service fee model, we do not purchase products from brand partners or take ownership of the products. Under the service fee model, brand partners are our customers, and we record service fees generated from brand partners for our provision of end-to-end digital retail services as revenue.

• **Brand-to-business solutions**. Our brand-to-business solutions serve as a bridge that effectively connects brands with high-quality offline channels with large consumer base. Under our brand-to-business solutions, we purchase products from brand partners and sell them to offline channels, including supermarkets, membership stores and other entity retailers such as Walmart, RT-MART and METRO, which subsequently sell these products to consumers on their own. Under our brand-to-business solutions, brand partners are our suppliers, offline channels are our customers, and we generate revenue from product sales to offline channels.

- **Brand asset management and IP commercialization**. Leveraging our industry insights accumulated over years and our service capabilities spanning across brand's value chain, we have gradually established deeper cooperation with brand partners through various business models, including joint new product development with established brand partners, exclusive authorization from brand partners, exclusive brand agency within the designated area, and equity investment in or joint venture with brand partners. Under our brand asset management and IP commercialization business, we are in charge of brands' market insights and omnichannel integrated marketing and operation and conduct joint product innovation and development with brands. Through brand asset management, we work with brand partners to cultivate, develop and operate brands and further enhance brand value. In addition, we engage in IP commercialization business, under which we purchase brand IP licenses from brand partners and develop, sell, and promote IP-based products, thereby enhancing brand IPs' awareness and influence.

- **Other services**. In addition to the end-to-end digital retail services as described above, we provide brand partners with project-based digital operation and marketing services, including ad creative design, multi-channel ad placements, as well as market consulting and strategy services, for which we charge service fees. We also provide project-based system upgrades and software development services, for which we charge service fees.

With the consumption upgrading and globalization, Chinese consumers' demand for high-quality overseas products has continued to rise; while Chinese brands, with their high value for money, are showing strong competitiveness in the global market and are favored by overseas consumers. As a result, there has been an increasing demand for cross-border import and export e-commerce services, and therefore cross-border import and export capabilities are crucial for brand e-commerce service providers. We are one of the few brand e-commerce service providers in China that are able to provide both cross-border import and export services at scale, ranking first among brand e-commerce service providers in China in terms of GMV from cross-border import in 2024, according to Frost & Sullivan. Most of the brand partners we collaborate with are international brands, and a significant portion of the products we sell under different business models are imported and sold to China through cross-border e-commerce. In addition, starting in 2024, leveraging our extensive experience in cross-border import, particularly in areas such as channel distribution, industry insights, and supply chain management, we have been gradually exploring cross-border export. We are partnering with Chinese brands that aspire to expand into overseas markets, independently operating online stores on platforms such as Temu, Amazon, Coupang, and SHEIN, and building our comprehensive distribution capabilities in cross-border export. Our industry-leading cross-border import and export service capabilities help us continuously expand our footprint in China and overseas. For more details, see "— Full Brand Value Chain Service Capabilities — Supply Chain Management."

The following table sets forth a breakdown of our revenue by business segment, both in absolute amount and as a percentage of our total revenue, for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Revenue:						
Brand-to-consumer solutions	989,586	88.5	973,726	71.8	843,199	60.2
Online channel distribution model	906,602	81.1	876,868	64.7	733,832	52.4
Service fee model	82,984	7.4	96,858	7.1	109,367	7.8
Brand-to-business solutions	63,217	5.7	282,130	20.8	494,461	35.3
Brand asset management and IP commercialization	40,989	3.7	74,450	5.5	44,506	3.2
Other services	23,458	2.1	25,197	1.9	18,121	1.3
	1,117,250	**100.0**	**1,355,503**	**100.0**	**1,400,287**	**100.0**

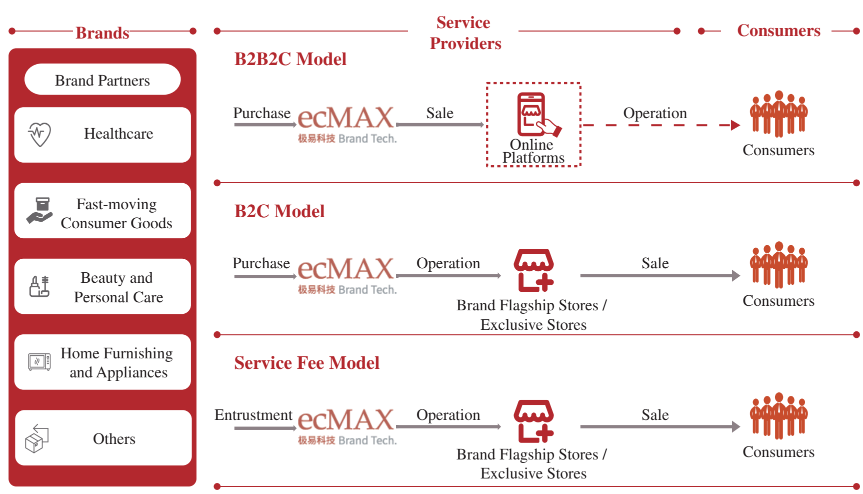
In practice, we negotiate with brand partners based on their needs in sales channels, logistics, and other aspects to jointly determine the specific business model under which we cooperate. For example, premium beauty brands typically sell directly to consumers through their official channels (such as their brand flagship stores on mainstream e-commerce platforms, official website marketplace, or apps) without intermediaries, and therefore we mainly provide services to them under the service fee model of our brand-to-consumer solutions. For brand partners that lack established sales channels in the Chinese market, we typically cooperate with them under the online channel distribution model of our brand-to-consumer solutions, or through our brand-to-business solutions. Additionally, for cross-border import brands with longer logistics chains and higher inventory management requirements, we usually act as an intermediary for their inventory and sell their products to the Chinese market under the online channel distribution model of our brand-to-consumer solutions or through our brand-to-business solutions.

Brand-to-Consumer Solutions

Our brand-to-consumer solutions serve as a bridge that effectively connects brands with consumers. Through our brand-to-consumer solutions, we leverage our omnichannel distribution capabilities and help brand partners sell products to consumers, meanwhile offering other end-to-end digital retail services (brand strategy, online store operation, product distribution, integrated marketing and advertising, and supply chain management) to further assist their product sales. See "— Full Brand Value Chain Service Capabilities."

Based on whether we purchase products from brand partners and take ownership of the products before selling these products, our brand-to-consumer solutions can be further divided into online channel distribution model and service fee model. The services we provide to brand partners under these two models are similar in nature, with the main difference being whether we also purchase products from brand partners or merely provide them with services.

Brand-to-consumer Solutions



Online Channel Distribution Model

Under the online channel distribution model, we purchase products from brand partners and help our brand partners sell products to consumers through online channels. Our brand partners under the online channel distribution model span various product categories, including healthcare, beauty and personal care, fast-moving consumer goods, home furnishing and appliances, and other product categories. In 2022, 2023 and 2024, our revenue from the online channel distribution model amounted to RMB906.6 million, RMB876.9 million, and RMB733.8 million, respectively, accounting for 81.1%, 64.7%, and 52.4% of our total revenue during the same periods.

Based on who the customer is, our online channel distribution model can be divided into two forms — B2B2C model and B2C model.

B2B2C Model

Under the B2B2C model, we purchase products from brand partners and sell them to e-commerce platforms; we subsequently assist these e-commerce platforms in selling the products through their self-owned stores that we operate for them. We assist brand products in reaching a wide consumer base through high-quality e-commerce platforms under this model. Our brand partners under the B2B2C model span various product categories, including healthcare, beauty and personal care, fast-moving consumer goods, home furnishing and appliances, and other product categories. As of the Latest Practicable Date, we sold products from brand partners to seven e-commerce platforms. We operated 28 self-owned stores of these e-commerce platforms, selling products purchased from brand partners to consumers. We are responsible for the entire operation and management of these online stores, including product management, online store content management, in-store marketing and promotion management, customer service, and inventory forecasting and management of product delivery to e-commerce platforms' warehouses.

Under the B2B2C model, brand partners are our suppliers, e-commerce platforms are our customers, and we generate revenue from our product sales to e-commerce platforms. Under the B2B2C model, we have ownership of the product we purchase from the brand partner before we sell it to the e-commerce platform.

B2C Model

Under the B2C model, we purchase products from brand partners and sell them directly to consumers through the brand flagship stores we operate on e-commerce platforms. Our brand partners under the B2C model span various product categories, including healthcare, beauty and personal care, fast-moving consumer goods, home furnishing and appliances, and other product categories. As of the Latest Practicable Date, we operated 118 brand flagship stores on 11 e-commerce platforms, selling products purchased from brand partners to consumers. All the brand flagship stores we operate are established with authorization from, and owned by, our brand partners, and we are responsible for the entire operation and management of these online stores, including product management, online store content management, in-store marketing and promotion management, customer service, and inventory forecasting and product delivery.

Under the B2C model, brand partners are our suppliers, consumers are our customers, and we generate revenue from product sales to consumers. Under the B2C model, we have ownership of the product we purchase from the brand partner before we sell it to the consumer.

Service Fee Model

Under the service fee model, we provide brand partners with one-stop end-to-end digital retail services, assisting them in selling their products directly to consumers through the brand flagship stores we operate for them on e-commerce platforms. In addition to online store operation, we provide brand partners with other end-to-end digital retail services, including brand strategy, integrated marketing and advertising, and supply chain management. Our brand partners under the service fee model are primarily across product categories such as healthcare (mainly prescription drugs), beauty and personal care (particularly premium beauty), and fast-moving consumer goods.

Unlike the online channel distribution model of our brand-to-consumer solutions and our brand-to-business solutions, under the service fee model of our brand-to-consumer solutions, we do not purchase products from brand partners, take ownership of the products, or take any inventory. Under the service fee model, brand partners are our customers, and we record service fees generated from brand partners for our provision of end-to-end digital retail services as revenue. The service fees we charged to our brand partners are mainly either fixed service fees or commissions (typically at a pre-agreed ratio of the GMV).

In 2022, 2023 and 2024, our revenue from the service fee model amounted to RMB83.0 million, RMB96.9 million, and RMB109.4 million, respectively, accounting for 7.4%, 7.1%, and 7.8% of our total revenue during the same periods.

Brand-to-Business Solutions

Our brand-to-business solutions serve as a bridge that effectively connects brands with high-quality offline channels with large consumer base. Under our brand-to-business solutions, we purchase products from brand partners and sell them to offline channels, including supermarkets, membership stores and other entity retailers such as Walmart, RT-MART and METRO, which subsequently sell these products to consumers on their own. For more details, see "— Offline Channels" and "— Full Brand Value Chain Service Capabilities." Our brand partners under our brand-to-business solutions span various product categories, including healthcare, beauty and personal care, fast-moving consumer goods, home furnishing and appliances, and other product categories. As of the Latest Practical Date, we sold products from brand partners to 11 offline channels.

Under our brand-to-business solutions, brand partners are our suppliers, offline channels are our customers, and we generate revenue from product sales to offline channels. Under our brand-to-business solutions, we have ownership of the product we purchase from the brand partner before we sell it to the offline channel.

In 2022, 2023 and 2024, our revenue from our brand-to-business solutions amounted to RMB63.2 million, RMB282.1 million, and RMB494.5 million, respectively, accounting for 5.7%, 20.8%, and 35.3% of our total revenue during the same periods.

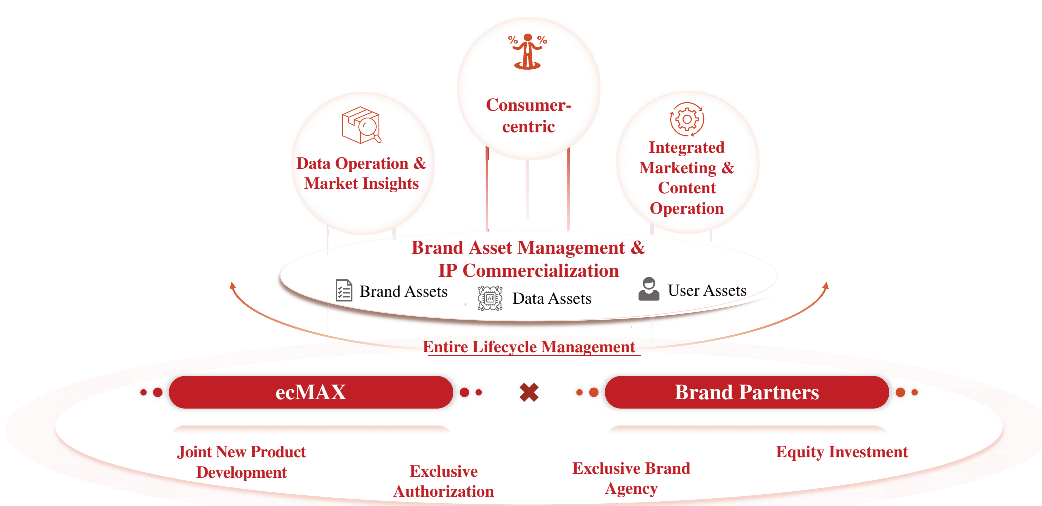
Brand Asset Management and IP Commercialization

In recent years, brand e-commerce services have gradually evolved to become more professionalized and digitally intelligent, and brands are demonstrating a growing demand for highly efficient integrated, professionalized, and customized operational services. Leveraging our industry insights accumulated over years and our service capabilities spanning across brand's value chain, we select brands with high-growth potential and establish deeper collaborations with them through various business models, including joint new product development with established brand partners, exclusive authorization from brand partners, exclusive brand agency within the designated country or region, and equity investment in or joint venture with brand partners, and IP commercialization, gradually transforming from an e-commerce service provider to a brand asset manager.

In the initial stages of collaboration with our brand partners under brand asset management, we typically cooperate with them through the exclusive brand agency model, under which we are responsible for omnichannel distribution for the brand over a specified period. This allows us to rapidly build up the relationship with brand partner while gaining deeper insights into the brand and the industry to assess the growth potential and long-term development prospects of the brand. As we acquire a more profound understanding of the brand, for those brands with positive growth prospects, we upgrade the model of our business cooperation from exclusive brand agency to equity investments under which we establish joint ventures with brand partners, build up our own team to manage the operation of joint ventures, and participate in comprehensive management of the brands, thereby facilitating rapid growth of the brands. Additionally, we engage in IP commercialization business, enhancing brand awareness and influence through effective management and utilization of brand IP. Under our IP commercialization business, we establish co-branding relationship with brand partners by purchasing brand IP licenses from them and subsequently developing, selling, and promoting IP-based products, enhancing brand IPs' awareness and influence; we might also resell the IP licenses and collecting royalties.

Compared to our brand-to-consumer solutions and brand-to-business solutions, brand asset management and IP commercialization allow us to take charge of market insights provision and omnichannel integrated marketing and operation for the brand and conduct joint product innovation and development with brands. For instance, under our brand-to-consumer solutions and brand-to-business solutions, brands typically authorize multiple brand e-commerce service providers, each of whom is only authorized to sell brand products through limited, designated channels, and therefore we typically sell products through certain specific online or offline channels; however, under the exclusive brand agency model of our brand asset management, we are authorized by the brands to be their exclusive agent in China or other designated areas, and therefore leveraging our diverse channel resources, we conduct omnichannel distribution and sell brand products across all channels, assisting brands to reach a broader consumer base. In addition, under our brand-to-consumer solutions and brand-to-business solutions, we generally only provide end-to-end digital retail service based on brand partners' needs, while under the brand asset management model, we comprehensively participate in the development, planning and operation of brand products. For example, under equity investments of our brand asset management, we make equity investments in brand partners or establish joint ventures with brand partners to jointly develop and make planning for the products, deeply participating in the decision-making, operation and management of brands. Under our IP commercialization business, we hold specialized brand IP licenses and possess all the IP-related rights, which allow us to independently design, develop, plan, sell, and promote the IP-based products. We also plan to incubate our own brands in the future to further expand our brand asset management and IP commercialization business.

Under our brand asset management and IP commercialization, we manage and operate brands throughout their entire lifecycle, including product development, planning, and operation, evolving from a brand e-commerce service provider to a brand asset manager with more power in decision-making, while accumulating massive user assets, brand assets, and data assets. By leveraging our capabilities in digital operating analysis and supply chain management, we are able to manage brands in all aspects of brand operation, including consumer engagement (people), product operation and distribution (product), and consumption scenarios and channels (scenario). This enables us to more accurately position brand identity, broaden the reach of brand products, refine consumer profile, enhance product distribution efficiency, and deepen our industry insights, thereby jointly fostering and managing brands in collaboration with our brand partners to enhance brand value.



Our brand asset management and IP commercialization business is currently in a phase of rapid development. As of the Latest Practicable Date, we had provided nearly ten brand partners with brand asset management and IP commercialization services. Our revenue generated from brand asset management and IP commercialization mainly includes sales income from the distribution of brand partners' products, sales income from sales of products we independently develop or co-developed with brand partners, and others. In 2022, 2023 and 2024, our revenue from brand asset management and IP commercialization amounted to RMB41.0 million, RMB74.5 million, and RMB44.5 million, respectively, accounting for 3.7%, 5.5%, and 3.2% of our total revenue during the same periods.

Other Services

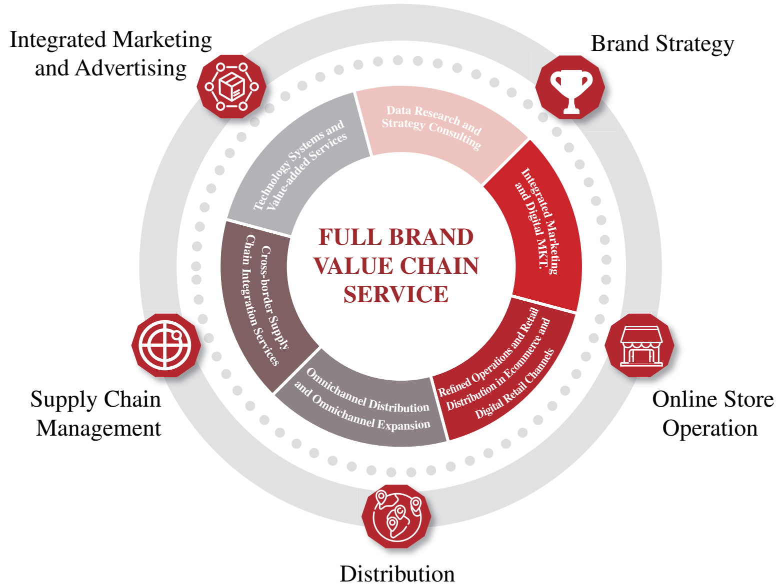
Based on the marketing needs of our brand partners, we also provide project-based content marketing services, including ad creative design, ad placement on different channels, market consulting and strategy, and others, for which we charge service fees. For example, we provided content marketing services for a leading U.S. high-performance sports equipment brand. Through historical sales data analysis and competitor analysis, we assisted the brand customer in designing and placing advertisements targeting different channels and audience. During the service period, we drove over 300,000 visitors to the brand customer's online store, with an increase by over 800% in channel traffic.

We are also engaged by brand customers to provide technology development services from time to time, for which we also charge service fees. For example, we conducted digitalization upgrade of the online shopping system for a leading Chinese technology company and integrated its online shopping system with its membership rights system, significantly reducing response time, increasing the number of visitors to the brand customer's online store, and improving consumer satisfaction.

In 2022, 2023 and 2024, our revenue from other services amounted to RMB23.5 million, RMB25.2 million, and RMB18.1 million, respectively, accounting for 2.1%, 1.9%, and 1.3% of our total revenue during the same periods.

FULL BRAND VALUE CHAIN SERVICE CAPABILITIES

With a decade of dedication to China's brand e-commerce service industry, we have developed industry-leading service capabilities covering brands' entire value chain. Depending on the specific needs of our brand partners, we provide comprehensive end-to-end digital retail services across five key areas, namely, brand strategy, online store operation, product distribution, integrated marketing and advertising, and supply chain management. These services not only assist in driving product sales but also enhance brand awareness and operational efficiency, thereby fueling brand growth. Our full value chain service capabilities form the core engine that drives our brand-to-consumer solutions, brand-to-business solutions, and brand asset management and IP commercialization.



Brand Strategy Services

Drawing on years of experience in online store operation, we have gained deep insights across various product categories. Leveraging our knowledge of market trends, competitive landscape, sales channels, consumer mindset, and consumer behavior, we deliver differentiated and localized brand strategies that effectively communicate brand image and brand products' core value propositions to target consumers. Our brand strategies empower new brands to successfully penetrate the Chinese market, support emerging Chinese brands in expanding into overseas markets, and help established brands optimize their product portfolios and boost sales performance.

Our brand strategy services primarily include:

– *Market and consumer research*: Our dedicated data and research teams conduct in-depth market research, analyzing industry development trends and competitive landscape. We utilize generative AI technology to generate market analysis reports and consumer research results, improving both our research efficiency and report quality. We also analyze industry data, user data, and public reaction to gain insights into market trends and consumer preferences. Additionally, based on consumer behavior data and consumer profile tags, we use big data analytics and machine learning algorithms for cluster analysis. This analysis enables brands to identify core consumers for each product category and understand consumer portfolios and characteristics, as well as their purchase preferences. It also enables us to develop more effective brand strategy solutions for our brand partners. For example, through data analysis, we discovered that the core consumers of a premium beauty brand we cooperate with were primarily concentrated in first-tier cities, with a preference for products made with natural ingredients. Accordingly, we designed marketing campaigns targeting these core consumers' regions and preferences, significantly boosting the brand's market share and consumer satisfaction.

– *Brand positioning*: Our brand management team collaborates with brand partners through various forms of consultations and workshops to uncover their perceptions of their own brands and products. Leveraging our comprehensive research on target markets and consumer demographics, we deliver our brand partners' brand identities and attributes in a manner that aligns with the commercial practices and cultural nuances of China or other target markets.

– *Channel analysis*: We analyze the sales performance of our brand partners' products across different sales channels. We employ AI algorithms based on sales data and overall market trends to recommend optimal sales channels for new products and adjust sales channels for existing ones, ultimately improving overall sales performance. For instance, if the AI analysis identifies a channel with the highest sales conversion rate for a product, we would advise the brand partner to focus their resources on promoting the product through that specific channel.

Online Store Operation Services

Leveraging our market analysis and insights, we provide online store operation services to brand partners to help them identify target consumers, enhance brand influence, and ultimately improve consumer stickiness. Specifically, we offer comprehensive online store operation services covering product and pricing strategy, consumer penetration tactics, consumer engagement, and customer service support.

– *Identification of product value proposition and construction of pricing system*: We analyze relationships between product categories and understand the purchase preferences of new and existing consumers to provide suggestions to brand partners on product portfolio optimization and cross-selling strategies. In addition, we use AI algorithms to analyze competitors and compare the sales performance of products across different price ranges and channels, thereby helping brand partners build more attractive online pricing systems and formulate more reasonable pricing strategies and promotion arrangements.

– *Brand penetration*: We assist brand partners in formulating one-to-three-year GMV targets and identifying key operational tasks for each year. By evaluating the consumer acquisition effectiveness of different sales channels across various consumer segments — in terms of metrics such as click-through rates and conversion rates — we help brand partners develop plans for traffic resource placement. Leveraging on-platform resources such as daily promotions, major sales events, and product recommendation systems, as well as off-platform resources such as social media marketing and search engine marketing, we utilize tools such as coupons and gifts to efficiently reach target consumers. This approach helps brand partners increase brand exposure, ensure higher sales returns on marketing investments, and maximize return on investment (ROI).

– *Consumer lifecycle management*: We support brand partners in managing consumer lifecycle. By analyzing the differences in consumer profiles between new and existing consumers, we identify potential consumers and facilitate membership conversion. Meanwhile, we use AI technology to evaluate the recency, frequency, and monetary value of consumer purchases to segment existing consumers and employ AI technology to analyze the inflow and outflow of consumers purchasing competing products, thereby providing brand partners intelligent consumer retention solutions. In addition, we leverage AI-driven recommendation systems to regularly push personalized product and promotion information to consumers, aiming to improve the repurchase rate of existing consumers and re-engage inactive consumers. We also enhance consumers loyalty by offering diverse interaction formats and differentiated membership benefits.

– *Customer support*: We provide both pre-sales and after-sales customer services. Pre-sales customer service typically involves responding to customers inquiries about product specifications or promotion details before purchase. After-sales customer service typically includes following up on delivery, arranging product return and exchange, and handling customer complaints.

Distribution

We possess omnichannel sales capabilities that span multiple brands, product categories, and channels. Based on the needs of our brand partners, we can sell their products to consumers through e-commerce platforms' self-owned stores and brand flagship stores that we operate on e-commerce platforms. Alternatively, we can distribute their products to offline channels such as supermarkets, membership stores and other entity retailers, which then sell the products to consumers.

– *Comprehensive e-commerce platforms*: Our distribution channels cover major, integrated e-commerce platforms such as JD.com, Tmall, and Kaola. These mainstream e-commerce platforms encompass multiple industry categories and attract the majority of China's online shopping traffic. We have invested significant efforts in product sales to e-commerce platforms and operation of online stores on these platforms, and have accumulated extensive experience in product categories such as healthcare products and premium beauty products, establishing our competitive advantage in these product categories. For example, in the healthcare sector, products such as dietary supplements, nutritional foods, prescription drugs, and OTC drugs vary widely in varieties and characteristics, and the complex regulations and policies on promotion of such products increase the difficulty of consumer reach. Our healthcare team consists of tens of healthcare experts with an average of over five years of experience in the healthcare sector and extensive brand e-commerce service experience in prescription drugs and OTC drugs. Leveraging our healthcare team's extensive expertise in product principles and regulatory compliance, along with the robust data assets we've accumulated through years of dedicated focus on the healthcare sector, we empower brand partners to effectively utilize e-commerce platform tools and execute targeted product promotions and advertisements based on healthcare consumers' differentiated needs. This enables our brand partners to attract new consumers, boost repeat purchases, and enhance product sales.

We collaborate with comprehensive e-commerce platforms primarily through our brand-to-consumer solutions, enabling our brand partners' products to reach a wide consumer base through these platforms. For more details, see "— Our Business Model — Brand-to-Consumer Solutions."

– *Social media platforms*: In addition to comprehensive e-commerce platforms, we also collaborate closely with emerging social media platforms. As of the Latest Practicable Date, we have conducted sales and promotion activities, such as digital marketing, content creation, and online sales, on social media platforms including Douyin, Kuaishou, Xiaohongshu, and WeChat (via its Moments and Mini Programs functions). For example, based on the needs of our brand partners, we publish marketing content such as product recommendation posts on social media platforms to boost product sales.

– *Offline channels*: To address the significant offline consumer base in China, we partner with supermarkets, membership stores and other entity retailers such as Walmart, RT-MART and METRO. By leveraging their extensive offline presence in China, superior customer service, and robust membership systems, we facilitate the sale of our brand partners' products through these channels. We collaborate with these offline channels primarily through our brand-to-business solutions. Furthermore, we provide comprehensive end-to-end digital retail services to supermarkets, membership stores and other entity retailers, supporting their digital transformation and enabling seamless integration of their online and offline operations. For instance, we have assisted METRO in managing its official app, offering comprehensive end-to-end digital retail services including product management, website content management, online event management, and customer service.

Integrated Marketing and Advertising

We adhere to a methodology of integrating data analysis and marketing, offering brand partners flexible, data-driven, and consumer-centric real-time decision-making capabilities. This empowers them to refine integrated marketing and advertising strategies to navigate complex and evolving market conditions.

– *Marketing strategy development ("Evolve")*: A thorough analysis of market opportunities and brand assets is a critical foundation for successful product marketing. We transform insights from market opportunity analysis and brand asset assessment into effective product marketing strategies, driving the success of product campaigns. In our market opportunity analysis, we leverage machine learning and clustering models to analyze vast consumer data, identifying market opportunities and potential consumer segments. This analysis enables us to evaluate the needs of consumers across different regions, age groups, and spending levels and forecast emerging market trends, thereby enabling us to develop differentiated and localized marketing strategies for brand partners. For example, through comprehensive analysis of keywords and industry reports, we are able to quickly identify new niche market opportunities and provide forward-looking marketing strategy recommendations to our brand partners. Additionally, we utilize generative AI technologies to automatically generate market analysis reports and strategic recommendations, enhancing the efficiency and depth of our market opportunity analysis. In brand asset analysis, we collect multi-dimensional brand data to identify the target consumers. We then analyze consumer feedback to uncover unmet consumer needs, helping brands develop customized brand value propositions. Based on the collected data, we assist brands in selecting the most suitable marketing channels.

– *Marketing plan execution ("Execute")*: In the execution of marketing plans, we focus on the construction of marketing scenarios and effective reach of marketing initiatives, while dynamically monitoring traffic. We place a strong emphasis on creating multi-scenario collaboration and personalized marketing scenarios. We place customized-content advertisements based on the unique characteristics of each brand product and its target consumers, reinforcing brand image. In addition, we utilize paid search tools to help brands define and optimize target consumer segments and product keywords, ensuring high product visibility during consumer searches using keywords. During the process of marketing plan execution, we employ a big data decision-making system to adjust marketing plans in real time based on consumer behavior data and industry dynamics. We also leverage AI-driven traffic management tools to optimize on ad placement strategies, dynamically adjusting the channels and methods for ad placement to maximize conversion rates and ROI.

  With respect to consumer reach strategies, we integrate multi-channel user data to build a unified consumer profile system, enhancing the precision and effectiveness of ad placements through consumer profile analysis. For example, for high-value potential new consumers, we employ multi-format advertising approaches combined with incentives to new consumers to encourage their purchases. For existing consumers who have already made purchases, we push highly relevant products or exclusive membership offers to drive repeat purchases and enhance brand loyalty.

With respect to traffic management, we make dynamic adjustments to traffic allocation across different channels based on factors including traffic quality, conversion rates, and cost-effectiveness. For example, during peak e-commerce sales periods, we increase traffic investments in high-conversion shopping scenarios; while during new product launch phases, we focus on driving traffic through social media channels to boost consumer engagement and brand awareness. Additionally, we have implemented a traffic monitoring and alert system to track abnormal traffic fluctuations in real time. This allows us to promptly adjust our strategies to ensure stable and efficient utilization of traffic resources.

– *Marketing Effectiveness Evaluation ("Evaluate"*): We place a strong emphasis on evaluating marketing effectiveness to continuously refine and improve the marketing strategies we develop for brand partners. After executing a marketing plan, we employ data analysis techniques to conduct a comprehensive review process for evaluating the performance of marketing campaigns. We collect key metrics — such as ad impressions, click-through rates, conversion rates, sales revenue, and cost-per-click — from e-commerce platforms and channels where we run marketing campaigns. Using data mining and statistical analysis methods, combined with advanced big data analytics tools, we conduct in-depth analysis of the collected data, which allows us to compare the performance of different campaigns and strategies, identify data patterns and anomalies. For example, we run comparison tests to analyze how different ad creatives impact user click-through rates. Based on these data and the results of our data analysis, we provide a holistic assessment of the overall effectiveness of marketing campaigns, determining whether the results meet the expected goals, which aspects performed well, and where improvements are needed, and identifying how improvements can be made. We typically compile detailed evaluation reports on marketing effectiveness, which offer data-driven insights and decision-making support for subsequent optimization of marketing strategies.

When evaluating marketing effectiveness, we focus on key metrics, such as ROI and new customer conversion rates, and conduct thorough analyses on these key metrics. For ROI analysis, we break down advertising costs in details, including ad production and media placement expenses, and compare these costs against the direct sales revenue generated, taking into consideration the impact of different placement channels and timeframes on ROI. For new customer conversion rate analysis, beyond evaluating the penetration rate of paid campaigns, we delve deeper into metrics such as source channels of new customers, types and amounts of products they purchase, their retention rates, and their repeat purchase behavior. We also analyze consumer behavior paths to identify key touchpoints and reasons for drop-offs during the process from knowing brand to making a purchase. In addition, we use multi-touch attribution models to assess the contribution and effectiveness of different marketing channels. This helps brand partners identify the most effective channels and optimize their resource allocation for future marketing campaigns.

– *Marketing strategies refinement ("Enhance")*: Based on our evaluation of marketing effectiveness and our predictions of shifting market opportunities, we continuously refine and adjust brand marketing strategies to maintain brand competitiveness and brand appeal. We have established a closed-loop feedback mechanism to systematically collect and analyze various data feedback from the execution process of marketing strategies, using these insights to optimize strategies and better meet customer needs. For example, if a particular marketing channel or format shows a low ROI, we would reduce related investments accordingly. If a social media ad campaign achieves high exposure but low conversion rates, we reassess the ad placement strategy, adjust the format, placement timing, or target audience of the campaign, or consider terminating placement on such channel and reallocating resources to higher-performing alternatives. In cases of low new customer conversion rates, we optimize customer acquisition and conversion strategies. If certain channels attract new customers but fail to convert them effectively, we explore new high-quality channels or deepen collaborations with existing high-conversion channels. If significant drop-offs occur at specific stages during the purchase process — such as high cart abandonment rates — we address these bottlenecks by optimizing the process of such stage, offering incentives, or enhancing consumer experience to reduce drop-off rates. Furthermore, we leverage machine learning and predictive analytics to proactively adjust and optimize marketing strategies based on historical data and current market dynamics.

Our capabilities in product marketing and ad placement have garnered significant recognition and multiple well-known awards, including Gold Prize of Tiger Roar Awards and ECI Awards.

Supply Chain Management

We provide brand partners with supply chain management services, covering the entire process from inventory planning, receiving and inspecting, warehousing, and storage to order fulfillment and delivery. We handle the overall inventory stocking, developing procurement plans based on historical sales data and projected demand. During the process, we closely track the status of incoming shipments to ensure timely entry and accurate recording of products. In terms of inventory management, we have established a complete inventory management system to comprehensively manage and develop inventory turnover plans for inventory stored in both our leased warehouses and third-party facilities. For more details, see "— Inventory Management." In order fulfillment, we optimize logistics plans based on order distribution and the regional capabilities of various logistics service providers to ensure timely and accurate delivery of products. In addition, we leverage digital systems to enhance management efficiency across all aspects of the supply chain, further optimizing inventory management and improving order efficiency, thereby assisting brands in providing consumers with a seamless and efficient shopping experience. For example, we use supply chain optimization models to make real-time adjustments to inventory and logistics plans, ensuring products reach consumers in the shortest time possible, thus enhancing sales efficiency and consumer experience.

With the consumption upgrading and globalization, Chinese consumers' demand of for high-quality overseas products has continued to rise; while Chinese brands, with their high value for money, are showing strong competitiveness in the global market and are favored by overseas consumers. As a result, there's been an increasing demand for cross-border import and export e-commerce services in China. Therefore, robust supply chain management capabilities for both cross-border import and export are critical for brand e-commerce service providers seeking to expand their international business. We are one of the few brand e-commerce service providers in China that are able to provide both cross-border import and export services at scale, according to Frost & Sullivan. Our robust cross-border import and export capabilities are a vital component of our supply chain management expertise.

– *Cross-border imports*: Leveraging our experience in diverse trade forms and accumulated industry expertise and resources, we are able to provide brand partners with a comprehensive, one-stop solution for cross-border import supply chain management. We seamlessly connect brands with third-party service providers, including customs brokers, airlines, trucking companies, and courier services. We procure overseas products from brand partners and arrange for their consolidated shipment to China's cross-border bonded zones. Upon arrival, the goods undergo first-line customs declaration and are either transported to e-commerce platform bonded warehouses under the B2B2C model of our brand-to-consumer solutions or held for customs clearance under the B2C model of our brand-to-consumer solutions. Under the B2B2C model of our brand-to-consumer solutions, after receiving orders from e-commerce platforms or offline channels, we arrange for product delivery to their designated locations, with the e-commerce platforms or offline channels managing the bonded warehouses. Under the B2C model of our brand-to-consumer solutions, we typically participate in the management of the bonded warehouses. Once a consumer completes a purchase, we handle the customs clearance process for the specific products and arrange for their delivery to the consumer, typically engaging third-party partners to execute these tasks. We generally sign annual service agreements with warehousing and logistics service providers and assume the risk of product damage or loss not caused by the service providers. For more details, see "— Warehousing and Logistics Partners."

  According to Frost & Sullivan, we ranked first among brand e-commerce service providers in China in terms of GMV from cross-border import in 2024.

– *Cross-border exports*: We apply our extensive experience in supply chain management in cross-border import to cross-border export, comprehensively expanding our cross-border e-commerce business. We have established logistics chains in Japan and the United States, deploying inventory in multiple overseas warehouses at Amazon's Japan and U.S. sites to achieve or even outperform the Amazon platform's delivery timeline and meet the needs of customers in various regions in in Japan and the United States. We also operate online stores on platforms such as SHEIN and Temu, selling products overseas and creating a diversified outbound model. We utilize a mixed stocking and shipping strategy that combines Fulfillment by Merchant (FBM) and Fulfillment by Amazon (FBA) to adapt to the demands for different product categories, platforms, and time periods. Furthermore, we have also laid out our supply chain in Thailand, Malaysia, and Vietnam to support our business operations across Southeast Asia.

Case Study

Case study: Viagra

Client's challenge: Viagra, a leading prescription drug brand in the men's health category under Viatris, has long maintained a dominant market position. However, with the influx of lower-priced generic alternatives, the market has become increasingly competitive. This has led to a decline in Viagra's sales, with existing customers gradually shifting to cheaper competitors and new customer growth turning negative. To sustain its leadership in this fiercely competitive market, Viagra needed a breakthrough in customer acquisition.

Our solution: We addressed Viagra's challenges by developing a targeted customer segmentation model and implementing tailored marketing strategies to retain existing customers, win back lost customers, and drive new customer growth.

- *New customer segmentation model*: In developing the target customer segmentation model, we identified two key customer segments for Viagra and focused our customer acquisition efforts on these two customer segments — competitors' customers and cross-category high-affinity customers. Through data analysis, we discovered that while over two million users browsed Viagra and its competitors, less than one-fourth of them exclusively viewed Viagra. This highlighted the potential traffic from targeting competitors' customers, and we therefore identified them as a key customer segment for Viagra. Additionally, we identified cross-category high-affinity customers by analyzing purchasing behaviors in related product categories. Using data analysis tools, we pinpointed these cross-category high-affinity customers: male delay and lubricant purchasers in the sexual wellness category, consumers of dietary supplements in the OTC drugs category, and consumers alcohol-related products.

- *Marketing content matching and outreach*: After establishing the target customer segmentation model, we customized marketing content outreach for each distinct group. We first capitalized on the Chinese Valentine's Day Promotion as a prime marketing opportunity, developing marketing plans targeted on the customers of contraceptive and adult products. During the Chinese Valentine's Day Promotion, with heightened attention to sexual health, we integrated online and offline channel resources, leveraging different webpage channels, keyword searches, and other consumer traffic sources to accurately target high-potential consumers aged 25 to 40 based on demographic data tags. To drive sales conversion, we employed a dual-engine strategy of "flash sales + keyword interception." We provided limited-time discounts to stimulate consumer purchasing desire, and meanwhile we analyzed consumer search data and designed exclusive promotional activities to attract consumer attention. We also established a patient education content system, providing consumers with relevant health knowledge and educational content in a visual format, thereby fostering interaction with consumers. By creating an emotional resonance space for consumers within private channels, we enhanced consumers' sense of identification and brand loyalty, thereby improving their experience and promoting sales conversion, achieving a dual enhancement of brand value and sales results.

- *Customized operating strategies*: Furthermore, by analyzing the changes in the overall consumer profile of the brand's customers and the differences in the consumer profile among customers of various product specifications, we observed that the sales of Viagra were rapidly increasing among younger consumer demographics while steadily growing among middle-aged family consumers. We found that buyers of lower-dose options (e.g., one or two pills) primarily consisted of students and young adults aged 16 to 35, whereas buyers of higher-dose options primarily consisted of middle-class and senior consumers characterized by marriage and high purchasing power. Based on this results of analysis, we developed customized operating strategies for the brand: for high-value consumers who exhibited outstanding purchasing ability, frequency, or loyalty, we offered them exclusive membership benefits and customized product combinations; for category-specific target groups that exhibited high purchasing intent in particular scenarios or for specific products, we conducted secondary precise outreach through targeted coupon distribution and customized marketing content based on specific purchasing scenarios or consumer needs. Through our customized operating strategies, we enhanced sales conversion efficiency and maximized customer value.

Results: Through the implementation of the customized solutions we provided for Viagra, we successfully achieved growth in both new and returning customer numbers. In 2024, Viagra's brand flagship store on a mainstream e-commerce platform saw a 5% year-over-year increase in new customers and a 13% year-over-year increase in returning customers compared to 2023. Additionally, sales to returning customers in Viagra's brand flagship store on the mainstream e-commerce platform significantly rose by 38% year-over-year compared to 2023.

Case study: A Premium Fragrance Brand

Client's challenge: In 2022, a premium fragrance brand launched its brand flagship store on a mainstream e-commerce platform. In 2024, due to the intensified competition and pressure from higher sales targets it faces, the brand was in urgent need to identify new business opportunities to sustain growth. As the brand's full-service provider on the platform, we leveraged our data-driven capabilities and analytical expertise to refine its customer asset management. By combining our marketing expertise with extensive resources, we helped the brand uncover new growth drivers.

Our solution: The customized solution we developed for this premium fragrance brand consists of the following steps:

- *"Who" — identifying potential customers*: To identify this premium fragrance brand's target consumers and understand their purchasing habits, we utilized data analysis tool to analyze consumer purchase data from the brand's brand flagship store on the platform during the 2023 promotional season and the consumer base who purchased fragrances on the platform. We conducted consumer segmentation based on their consumption habits, including their consumption categories, purchase timing, purchase frequency, and spending amount. Leveraging the consumer segmentation framework of this mainstream e-commerce platform, we conducted a comprehensive analysis of the brand's customer base, examining their fundamental tags, characteristics tags, and preferences. Using clustering algorithm for predictive modeling, we categorized the brand's target consumers into four distinct groups: quality-oriented families, middle-class consumers, self-indulgent females, and ritual-focused Gen Z.

- *"What"— uncovering consumer needs*: We analyzed fragrance sales data across different price segments to uncover target consumers' specific needs, such as their demand shifts with price changes. Our findings revealed a polarization in fragrance sales trends: sales increased significantly in the low-price range (below RMB300) and the high-price range (RMB800 to RMB1,000 and above), while the mid-price range (RMB300-600) experienced a noticeable decline.

- *"Where"— analyzing consumption scenarios*: We conducted cluster analysis on consumers who purchased products of this premium fragrance brand during the 2023 promotional season, focusing on their attributes and purchasing behaviors. For example, we discovered that gift-giving was a significant consumption scenario during the promotional period. Among gift buyers, male users typically exhibited short decision-making cycles, with their purchasing activity peaking two to three days before the promotional day and reaching its highest point on the promotion day itself.

- *"Who + What + Where"— implementing the solution*: Leveraging our analysis of and insights into consumer behavior, we first developed a "consumer + product" strategy, matching the four core consumer segments with tailored products, gift sets, and promotional mechanisms. In constructing marketing scenarios, we focused on the gift-giving scenario, developing a strategy targeting male gift buyers. Aligning with our analysis of male buyers' decision-making cycles, we intensified marketing efforts as the promotional period approached. Additionally, we created customized marketing materials for each consumer segment and deployed them to their respective audiences. We conducted comparison testing and evaluated the performance of different marketing content deployed to the same consumer segment to identify the most effective marketing materials and their ideal consumer matches, thereby optimizing the efficiency and outcomes of our marketing campaigns.

Results: Through the implementation of our customized solutions, in 2024, this premium fragrance brand achieved a 60% year-over-year increase in GMV from sales in its brand flagship store on the platform and a top ranking among fragrance and home furnishing brands on the platform. In addition, we helped the brand reduce its customer acquisition costs by 40%, expand beyond traditional consumer circles, and attract a significant influx of new customers.

Case study: Zespri

Client's challenge: Zespri is the world's largest seller of kiwifruit, with its products sold to over 50 countries. When it initially entered the Chinese market, Zespri focused on offline sales channels. With the launch of its first five-year plan in 2020, online sales through e-commerce platforms became the growth engine for Zespri's business expansion. As one of Zespri's key partners in digital operations, we empowered them with our capabilities in data analysis, decision-making, and marketing activities.

Our solution: The customized solution we developed for Zespri consists of the following steps:

- *"Who"— identifying potential customers:* We first utilized cluster analysis techniques to analyze Zespri's consumer purchase behavior on a mainstream e-commerce platform and reconstruct the Target Demographic Index (TDI) tags. This process enabled us identify the types of products that consumers typically purchase alongside Zespri products. Our analysis revealed that customers who purchase Zespri products often also purchase dairy products, imported foods, and maternity and baby products.

- *"What + Where"— uncovering consumer needs:* We conducted cluster analysis on purchasers of Zespri products, focusing on their attributes and purchase behavior. We identified four major consumer segments who purchase Zespri products on the platform and subsequently created labels for Zespri's various product specifications and conducted targeted placement and conversion tests for these four consumer segments and their corresponding consumption scenarios. These tests enabled us to better understand consumer's repurchase likelihood and repurchase preferences in each scenario to help Zespri plan for potential sales growth tailored to different scenarios and design corresponding product specifications. For example, certain consumer segment showed a strong preference for purchasing 22-count jumbo kiwi and 25-27-count extra-large kiwi packs, and their main consumption scenarios included breakfast and snack scenarios.

- *Implementation of solutions*: Leveraging our analysis of and insights into consumer behavior, we developed a multi-faceted promotional strategy for Zespri tailored to different consumer segments and consumption scenarios. Our approach includes diverse promotional methods such as flash sales and pre-orders, Key Opinion Leader (KOL) promotion, offline event marketing, and membership coupons for new customers. For example, with respect to the breakfast and snack scenarios for the parenting families, we recommended Zespri to conduct co-marketing with yogurt brands and collaborate with cheese stick brands in membership card registration, along with other promotions such as coupon offering. This strategy emphasized promoting the jumbo and extra-large kiwis packs that parenting families are most likely to purchase.

Results: Through our customized solutions for Zespri, in 2024, Zespri achieved a 35% year-over-year increase in GMV from sales in its brand flagship store on the platform. In addition, we helped Zespri boost sales to its existing customers, resulting in a 40% increase in GMV from existing customers compared to 2023.

BRAND PARTNERS

We believe it is crucial to our business to cooperate with globally recognized brands that hold leading positions in their respective product categories and enjoy strong reputation among Chinese consumers, or with quality brands possessing great growth potential. These partnerships enable mutual value recognition and collaborative growth between our brand partners and us.

Recognizing the growing consumer awareness of health, we have identified substantial market potential in the healthcare sector. We have forged deep partnerships with internationally renowned brands such as Bayer, Sanofi, Viatris, and GNC. These collaborations have provided us with valuable insights into product innovation, compliant retail operation, and precise marketing within the healthcare sector, driving significant business growth.

Since 2020, we have collaborated with Viatris to manage well-known prescription drug brands, including Viagra, marking our official entry into the brand e-commerce operations in the prescription drugs and OTC drugs segments. As we deepen our expertise in the healthcare sector, we have partnered with more renowned healthcare brands, covering multiple prescription drugs and OTC drugs. As of December 31, 2024, we have sold an total of 25 prescription drugs and five OTC drugs on e-commerce platforms. Additionally, we are closely working with a world-renowned pet pharmaceutical brand to actively expand into the veterinary medicine field.

Our exceptional e-commerce operational capabilities in the healthcare sector have consistently helped our brand partners enhance their sales and brand influence. For instance, since our partnership with Viatris in 2020, we have assisted them in increasing the GMV of Viatris' brand flagship store on a mainstream e-commerce platform from RMB190 million in 2021 to over RMB500 million in 2024. With respect to our partnership with Bayer, in January 2020, we became the operator of Bayer's brand flagship store on a mainstream e-commerce platform, as well as Bayer's secondary brand distributor, responsible for direct-to-consumer product sales through Bayer's brand flagship store on the platform. Under our operation, the GMV of Bayer's brand flagship store during the Singles Day Promotion in 2020 reached RMB14.82 million. As a result of our remarkable performance, in January 2022, we were promoted to Bayer's core operation service provider and primary brand distributor, assisting Bayer's brand flagship store in achieving a GMV of RMB182 million in 2022.

In addition, leveraging our robust business development and digital operation capabilities, we have strategically entered the premium beauty market. This product category is characterized by high entry barriers, high margins, and extensive growth potential. We have successfully established partnerships with prestigious international premium beauty brands, including Clinique, Jo Malone, and Dr. Jart+ under the Estée Lauder Group, Avène and Klorane under the Pierre Fabre Group, and SK-II under the P&G Group. In 2021, we began our collaboration with Estée Lauder Group to operate its brand flagship store on a mainstream e-commerce platform. By 2024, the number of premium beauty brands we served had grown to six, and our GMV in the premium beauty category has exceeded RMB1.7 billion.

Furthermore, we actively paying attention to our brand partners in the fast-moving consumer goods sector, with a focus on food, fresh produce, and mother and baby care segments. We are also expanding our presence in the low-temperature and frozen product segments, continuously optimizing our operational processes and enhancing our operating efficiency to meet the stringent logistics and warehousing requirements of these specialized segments.

As of the Latest Practicable Date, we have established a comprehensive network of brand partners, sourcing products from 33 brand partners (covering 51 brands) and providing operational services for 28 brand partners (covering 33 brands).

The following table highlights key brands we collaborate with under our three primary business segments as indicated as of the Latest Practicable Date:

	Healthcare	Beauty and Personal Care	Fast-moving Consumer Goods	Home Furnishing and Appliances	Others
Brand-to-consumer solutions	Bayer Viatris Ostelin Cenovis OLLY	SK-II Jo Malone Sensodyne Vera Wang Selsun Sheveu FLAUHRA (蜂花)	Häagen-Dazs Oreo Wanchai Ferry (灣仔碼頭) Yili (伊利) Zespri Feihe Medela Knorr North Latitude 47° (北緯47°)	Starbucks MUJI Siemens Bosch	Sam's Club METRO
Brand-to-business solutions	–	Avène	Feihe (飛鶴)	–	–
Brand asset management and IP commercialization	GNC	Dermaroller Soap & Glory	Yuyuan (豫園)	Kartell	Warner Bros. Discovery The Palace Museum (故宮文創) CHOUCHOU (周同學)

The following table sets forth a breakdown of our revenue by product category, both in absolute amount and as a percentage of our total revenue, for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	Revenue	% of total revenue	Revenue	% of total revenue	Revenue	% of total revenue
	(RMB'000, except for percentage)					
Healthcare	508,052	45.5	533,102	39.3	615,456	44.0
Beauty and personal care	73,086	6.5	199,179	14.7	187,304	13.4
Fast-moving consumer goods	339,140	30.4	474,812	35.0	324,160	23.1
Home furnishing and appliances	117,339	10.5	71,790	5.3	116,439	8.3
Others	79,633	7.1	76,620	5.7	156,928	11.2
Total	**1,117,250**	**100.0**	**1,355,503**	**100.0**	**1,400,287**	**100.0**

The following table sets forth a breakdown of our GMV by product category, both in absolute amount and as a percentage of our total GMV, for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	GMV	% of total GMV	GMV	% of total GMV	GMV	% of total GMV
	(RMB'000, except for percentage)					
Healthcare	1,405,352	17.1	2,284,611	20.6	2,805,924	18.7
Beauty and personal care	1,622,157	19.8	2,862,608	25.8	5,128,627	34.2
Fast-moving consumer goods	4,406,246	53.7	5,295,580	47.7	6,350,513	42.3
Home furnishing and appliances	774,936	9.4	646,681	5.9	723,090	4.8
Others	2,806	0.0	5,163	0.0	7,361	0.0
Total	**8,211,497**	**100.0**	**11,094,643**	**100.0**	**15,015,515**	**100.0**

Selection and Maintenance of Brand Partners

When establishing partnerships with new brand partners, we have in place and execute a rigorous screening process that encompasses a complete workflow from identifying cooperation opportunities, evaluating and screening new brands, to initiating collaborations with new brands.

- *Identifying cooperation opportunities*: We source opportunities for potential new brand partnerships through various channels, including industry referrals from e-commerce platform partners and existing brand partners, proactive outreach from brands attracted by our online and offline public relations efforts, and active seeking potential brands partners at industry events and exhibitions.

- *Evaluation and screening*: We categorize potential new brand partners based on their scale and market presence (including their GMV, market share, and brand recognition), the nature of potential business cooperation, and the brands' development stage. Following this initial categorization, we conduct a systematic evaluation of the brands' sales scale, financial capacity, nature of business, partnership structure, and cooperation channels to analyze their strengths, weaknesses, opportunities, and competitive landscape.

- *Review of qualification*: Upon establishing mutual interest in collaboration, we conduct thorough review of the brands qualifications. We only proceed with partnership with brands that successfully pass our comprehensive evaluation and review process.

In addition to fostering new partnerships, we recognize the importance of strengthening relationships with our existing brand partners, particularly well-established brands, to our continued business development. As such, at the outset of each brand partnership, we assign dedicated brand management teams with relevant industry and sector expertise to provide brand partners with customized operational support and services. These teams maintain close communication with our brand partners, continuously refining sales strategies based on data analysis and marketing feedbacks to enhance brand performance. We also regularly adjust the structure of our brand management teams to align with different stages of a brand's lifecycle and maximize our support for the brands' business growth.

During the Track Record Period and up to the Latest Practicable Date, we maintained partnership with all our brand partners, except for those with whom we strategically terminated partnership. While maintaining long-term collaborative relationship with our brand partners, leveraging our in-depth understanding of these brands and our continuous refinement of the customized services we offer, we continually deepen and broaden the scope our cooperation with brand partners, expanding the categories and product mixes covered. For example, since our partnership with Estée Lauder Group established in 2021, our cooperation has evolved from covering a single brand to multiple brands under Estée Lauder Group. As of 2024, we had been simultaneously cooperating with three brands under Estée Lauder Group, namely Clinique, Jo Malone, and Dr. Jart+. The extension of depth breadth of our cooperation with brand partners demonstrates our their approval of our services, signifying our core competitiveness and ability to maintain relationships with brand customers.

Furthermore, to optimize our revenue structure, enhance our profitability, and improve our operational efficiency, during our business development, we actively adjust our product categories and optimize our brand portfolio. This includes strategic termination of partnerships with a small number brand partners that exhibit deficiencies in market potential and brand reputation or that consume significant capital resources with minimal returns.

The following table sets forth the changes in the number of brands we cooperated with under our brand-to-consumer solutions, brand-to-business solutions, and brand asset management and IP commercialization business models during the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From December 31, 2024 to the Latest Practicable Date
	2022	2023	2024	
Number of Brands[1]				
At the beginning of the period	78	81	85	84
Addition of new brand partners	31	29	31	10
Termination of existing brand partners	28	25	32	4
Net increase/(decrease)	3	4	(1)	6
At the end of the period	81	85	84	90

Note:

(1) As we provide project-based rather than continuous services under our "other services" business segment, we believe that tracking changes in the number of brands under this business segment is not meaningful to our business. Therefore, this table only sets forth the changes in the number of brands we cooperated with under our brand-to-consumer solutions, brand-to-business solutions, and brand asset management and IP commercialization businesses.

We have numerous long-standing brand partners. During the Track Record Period, our revenue was primarily concentrated among a small number of brand partners. See "Risk Factors — Risks Related to Our Business and Industry — If we fail to retain our existing brand partners, particularly those from which we generate a substantial portion of our revenue, our results of operation and prospects could be materially and adversely affected" for further details.

Agreements with Brand Partners

Our brand partners are regarded as our suppliers under the online channel distribution model of our brand-to-consumer solutions and under our brand-to-business solutions, and we typically enter into sales agreements with them. While under the service fee model of our brand-to-consumer solutions, our brand partners are considered our customers, and we generally enter into service agreements with them.

The following table sets out the principal provisions of our existing agreements with our brand partners:

Duration	Our sales and service agreements typically have a term of one year. Some sales agreements specify an initial term from the signing date to the end of the current year. Some sales agreements include automatic renewal clauses, extending the agreement for another year if neither party provides written notice to terminate one month prior to the expiration.
Designated distribution channels	Our sales agreements clearly specify designated distribution channels as authorized by our brand partners, through which we are authorized to sell the brand products. We may be authorized to conduct omnichannel sales or sales to designated channels.
Exclusivity	Under the B2C model of our brand-to-consumer solutions, some brand partners authorize us to open and exclusively operate their brand flagship stores and sell their products on certain mainstream e-commerce platform.
Pricing policy	We generally purchase products at prices specified in the sales agreements. In some cases, we purchase products at a discount to brand partners' market selling price according to the sales agreements.
Retail pricing control	Under our sales agreements, we consider the pricing recommendations provided by our brand partners but have the right to determine the retail price based on specific market conditions.
Purchase targets and minimum purchase requirements; sales targets	Our sales agreements typically outline monthly, quarterly, and/or annual purchase targets for us. Under some sales agreements, if we fail to meet the purchase targets or significantly underperform, brand partners have the right to terminate the agreement or adjust sales areas and the model of our cooperation.

	Under our service agreements, we are required to achieve specified sales targets for brand products on designated platforms within the term of the agreement. Brand partners have the right to terminate the agreement due to our failure to meet sales targets.
Procurement rebates	Under some sales agreements, our brand partners agree to offer us procurement rebates if we meet predetermined purchase targets.
Delivery	Brand partners generally deliver products to the locations specified in our purchase orders under sales agreements.
Title and risk transfer	Title to and risks associated with the products typically pass to us upon delivery to us under sales agreements.
Payment terms	Under our sales agreements, we typically pay the purchase price of the products within a specified period of the receipt of settlement statement, which usually would not exceed 60 days of our receipt and acceptance of the products. For certain brand partners or initial collaboration with certain brand partners, we prepay the full or certain portion of the purchase price before delivery of the products.
Return or exchange of products	Under our sales agreements, in cases discrepancies in product quantity, quality, or specification, we are required to report within a specified time period from the date of the delivery. Upon verification, the brand partner will take appropriate action, such as replenishment, exchange, repair, or price adjustment.
Termination	Typically, our agreements may be terminated by either party in case of: (1) *force majeure*; (2) insolvency, bankruptcy, or liquidation; (3) a material breach of the agreement; or (4) a failure to rectify a breach of the agreement within a specified period of time.

E-COMMERCE PLATFORMS

Under our brand-to-consumer solutions, we primarily collaborate with e-commerce platforms under three models: (i) under the B2B2C model, we purchase products from brand partners and sell them to e-commerce platforms, and we subsequently assist these e-commerce platforms in selling these products to consumers through their self-owned stores that we operate for them; (ii) under the B2C model, we purchase products from brand partners and sell them directly to consumers through the brand flagship stores that brand partners authorized us to open and operate on e-commerce platforms; and (iii) under the service fee model, we do not purchase products from brand partners but assist them in selling their products directly to consumers through the brand flagship stores we operate for them on e-commerce platforms, the ownership of which belongs to the brand partners.

In 2018, we received strategic investment from and entered into a strategic cooperation agreement with JD Group, and we have developed mutual business innovation. We have also successively collaborated with other well-known e-commerce platforms, including Tmall, Vipshop, and Pinduoduo, as well as emerging social media e-commerce platforms, including Douyin and Kuaishou.

Before deciding to cooperate with an e-commerce platform, we evaluate the e-commerce platform based on the categories it covers, as well as its sales experience and background, including its market reputation, credibility, sales channel quality, and customer demographics.

As of the Latest Practicable Date, under the B2B2C model, we sold products from brand partners to seven e-commerce platforms through 28 self-owned stores of these e-commerce platforms that we operated for them. As of the same date, under the B2C model, we operated 118 brand flagship stores on 11 e-commerce platforms, selling products purchased from brand partners to consumers.

Relationship with E-Commerce Platforms under the B2B2C Model

Under the B2B2C model of our brand-to-consumer solutions, we purchase products from brand partners and sell them to e-commerce platforms; we subsequently assist these e-commerce platforms in selling the products to consumers through their self-owned stores that we operate for them. Under this model, the e-commerce platforms act as our distributors, and we maintain a buyer-seller relationship with them. Our distribution model is in line with industry practice.

The following table sets forth the changes in the number of e-commerce platforms we cooperated with under the B2B2C model during the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From December 31, 2024 to the Latest Practicable Date
	2022	2023	2024	
Number of e-commerce platforms we cooperated with				
At the beginning of the period	7	7	7	7
Addition of new e-commerce platforms	0	0	0	0
Termination of existing e-commerce platforms	0	0	0	0
Net increase/(decrease)	0	0	0	0
At the end of the period	7	7	7	7

During the track record period and up to the Latest practicable date, we have not had any material disputes with the e-commerce platforms and had maintained good cooperative relationships with them. In 2022, 2023 and 2024, our revenue from sales of products to e-commerce platforms was RMB820.9 million, RMB719.6 million, and RMB628.8 million, respectively, accounting for 73.5%, 53.1%, and 44.9% of our total revenue for the same periods.

Depending on the form of settlement with the e-commerce platforms, our B2B2C model can be further classified into two settlement forms: distribution form and consignment form. Under the distribution form, e-commerce platforms send us a monthly settlement statement upon their receipt of the products, which typically details the quantity and other specifics of the products that the e-commerce platform purchased from us in the previous month. We record sales revenue after verification by both e-commerce platforms and us. Under the consignment form, we record revenue after consumers make payment for and confirm receipt of the products. We enter into distribution and consignment agreements with e-commerce platforms under these two settlement forms, respectively.

Agreements with E-Commerce Platforms under the B2B2C Model

The following table sets out the principal provisions of our existing distribution and/or consignment agreements with e-commerce platforms under the B2B2C model:

Duration	Our distribution and/or consignment agreements usually have a term of one year. Some of the distribution agreements would be automatically extended for 90 days if no party raises any objection within the prescribed time prior to the expiration of the agreements.
Designated distribution channels	Our agreements typically do not contain restrictions on sales channels on e-commerce platforms.
Pricing policy	We generally offer competitive purchase prices to e-commerce platforms in the market under the same conditions and for the same period. Some e-commerce platforms require that the purchase price shall not exceed the price offered to specific third parties under the same terms and conditions. The e-commerce platforms typically have the discretion, in conjunction with our recommended prices, if any, to determine the retail prices offered to consumers.
Delivery	Products are generally delivered to the e-commerce platforms at their designated locations.
Title and risk transfer	Under our distribution agreements, the title to the products typically passes to the e-commerce platforms when products are delivered to and accepted by the e-commerce platforms, and we are responsible for all the associated costs and risks prior to the product delivery and acceptance. Under our consignment agreements, the title to the products passes to e-commerce platforms when the consumers pay for and confirm receipt of the products and simultaneously passes to the consumers. We are responsible for the risk of product losses until the consumers confirm the receipt of the products.

Product return . . . . Under our distribution agreements, we accept product return for any reason for certain e-commerce platforms.

Under our consignment agreements, the e-commerce platforms have the right to return the product under agreed circumstances, such as when the product is no longer sold and bad inventory.

Payment terms . . . . E-commerce platforms typically make their payment for the products within five to seven working days upon receipt of the settlement statement from us.

Price reduction and pricing adjustment . . . . Under some agreements, in case of a reduction in the purchase price of the products, we agree to compensate the e-commerce platforms for the difference between the reduced price and the higher price paid by the e-commerce platform for the product sold; for products discounted during promotional period, we also agree to compensate the e-commerce platforms for the pricing difference based on the sales volume.

Profit guarantee . . . . We agree to guarantee a minimal gross profit margin of certain e-commerce platforms for specific product categories during a specified period and settle any shortfall in the form of discount.

Termination . . . . Typically, our agreements may be terminated by either party in case of: (1) *force majeure*; (2) insolvency, bankruptcy or liquidation; (3) a material breach of the agreement; or (4) a failure to rectify a breach of the agreement within a certain period of time.

Relationship with E-Commerce Platforms under the B2C Model

Under the B2C model of our brand-to-consumer solutions, under authorization by our brand partners, we open and operate their brand flagship stores on e-commerce platforms. We purchase products from brand partners and sell them directly to consumers through these brand flagship stores.

The following table sets forth the changes in the number of e-commerce platforms we cooperated with under the B2C model during the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From December 31, 2024 to the Latest Practicable Date
	2022	2023	2024	
Number of e-commerce platforms we cooperated with				
At the beginning of the period	8	8	9	11
Addition of new e-commerce platforms	0	1	3	0
Termination of existing e-commerce platforms	0	0	1	0
Net increase/(decrease)	0	1	2	0
At the end of the period	8	9	11	11

In some cases, the same product from the same brand is sold in brand flagship stores on multiple e-commerce platforms or multiple online stores on the same e-commerce platform (such as the e-commerce platform's self-owned store and the brand flagship store on the platform). Although the pricing of products is based on the requirements of the brands and the specific e-commerce platforms, the retail prices of the same products in different online stores are usually similar. Different e-commerce platforms usually target distinct consumer groups and have varied online traffic sources, and different online stores on the same e-commerce platforms also have distinctive feature and can create differentiated shopping experience to attract consumers with varied preferences. As such, selling through multiple sales channels allows us to expand our sales coverage and reach different types of consumers with varying consumption habits. This helps reduce our operational concentration risk, increases our profits, and enhances brand awareness for our brand partners. To prevent or minimize cannibalization between the online stores we operate that sell the same product and to boost product sales in different online stores and on different e-commerce platforms, we typically standardize the pricing of the same product across different online stores on the same or different e-commerce platforms. Additionally, we analyze the audience characteristics of distinctive e-commerce platforms or online stores and execute differentiated SKU and SPU strategies, marketing and promotion strategies, and membership rights strategies to reduce cannibalism. This would enable us to attract consumers with diverse traits, consumption habits, and purchase preferences through different e-commerce platforms, thereby promoting comprehensive growth in product sales across multiple sales channels, achieving integrated brand asset management.

Agreements with E-Commerce Platforms under the B2C Model

We enter into service agreements with e-commerce platforms to operate and manage our online stores on the e-commerce platforms under our B2C model. Our service agreements typically have a term of one year and are typically renewable upon mutual agreement. As the seller of products, we publish product information under our name on the e-commerce platforms, engage and enter into sales contracts with consumers, and provide after-sales customer service to consumers who purchase the brand products. We also have the right to utilize additional paid services offered by the e-commerce platforms. To promote our online stores and enhance the marketing and promotion of the brand products that we sell, we typically purchase marketing tools and services provided by the e-commerce platforms.

E-commerce platforms typically charge us a monthly or annual fixed service fee and a commission based on our transaction amount for using their platforms. For example, some e-commerce platforms charge us a certain percentage of our GMV as service fee and a certain percentage of our GMV as commission for operating brand flagship stores on their platform. Under our B2C model, we ship the products to the delivery addresses designated by the consumers. Once the consumer confirms receipt as indicated by the e-commerce platform, our payment account automatically receives the payment and generates a payment record. We deduct refunds, compensation, and other adjustments from the sales amounts based on the monthly statement issued by the e-commerce platforms.

OFFLINE CHANNELS

In addition to e-commerce platforms, we also sell products purchased from our brand partners to offline channels, including supermarkets, membership stores and other entity retailers such as Walmart, RT-MART and METRO, under our brand-to-business solutions. Under our brand-to-business solutions, the offline channels act as our distributors, and we maintain a buyer-seller relationship with them. Our distribution model is in line with industry practice. In 2022, 2023 and 2024, our revenue generated from sales of products to offline channels was RMB63.2 million, RMB282.1 million, and RMB494.5 million, respectively, accounting for 5.7%, 20.8%, and 35.3% of our total revenue for the same periods.

The following table sets forth the changes in the number of offline channels we cooperated with during the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From December 31, 2024 to the Latest Practicable Date
	2022	2023	2024	
Number of offline channels we cooperated with				
At the beginning of the period	3	4	11	11
Addition of new offline channels	1	7	0	0
Termination of existing offline channels	0	0	0	0
Net increase/(decrease)	1	7	0	0
At the end of the period	4	11	11	11

We enter into distribution agreements with the offline channels. The following table sets out the principal provisions of our existing distribution agreements with offline channels:

Duration	The distribution agreements typically have a term of one year.
Designated distribution channels	Our agreements typically do not contain restrictions on offline sales channels.
Pricing policy	The purchase prices we offer to offline channels do not exceed the lowest price offered to other retailers.
Delivery	Products are generally delivered to locations designated by the offline channels.
Title and risk transfer	The title to the products passes to the offline channels upon delivery. We assume responsibility for the transportation costs, associated risks, and expenses incurred in delivering the products to the agreed destination.
Product returns	In line with standard industry norm, we typically only accept product return in case of product defect, product damage, or wrong packaging.

Payment terms	We generally issue invoices to offline channels upon their receipt of the products. Offline channels typically make payments within 30 to 60 days after the completion of their reconciliation process.
Sales targets	We generally do not set minimum sales targets or requirements on offline channels.
Termination	Generally, either party may terminate the agreement by providing a 30-day written notice. In cases of *force majeure*, the performance period for the affected contractual obligations will be extended.

To the knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties. As of the Latest Practicable Date, we held minority equity interest in one distributor we cooperated with under our brand-to-business solutions. We made equity investment in this distributor to establish cooperation with certain brand partners. According to Frost & Sullivan, such arrangement is not uncommon in the industry. During the Track Record Period and as of the Latest Practicable Date, our transactions and collaboration with this distributor were conducted on normal commercial terms. Save as disclosed above, to the best knowledge of our Directors, there is no other relationship between each of our distributors and us.

WAREHOUSING AND LOGISTICS PARTNERS

As of the Latest Practicable Date, we leased one property as our warehouse. See "— Properties and Facilities." We also utilize warehousing and logistics services provided by third parties.

We collaborate with reputable third-party warehousing and logistics partners and pay them service fees based on pre-agreed fee standards. The following table sets forth the principal provisions of the warehousing and logistics service agreements we entered into with these third-party service providers:

Duration	Our agreements with warehousing and logistics partners typically have a term of one to two years. Some of the agreements contain automatic renewal clauses, extending the agreement for another year if neither party provides written notice to terminate one month prior to the expiration.
Storage liability and risk . . .	Our warehousing service providers are responsible for ensuring the safety of products stored in their facilities. They are liable for our economic losses and any compensation we pay to third parties in the event of product loss or damage due to their fault. Our warehousing service providers shall implement appropriate safeguarding measures based on the nature of the products stored, and conduct regular product inspections and report to us accordingly.

Optional services	Our warehousing and logistics service providers offer various services based on our requirements and actual needs, including inventory management, order processing, product sorting and packaging, transportation and distribution, product return and exchange operations, and customs clearance.
Delivery	Upon receiving our dispatch and delivery order instructions, our logistics service providers are required to timely deliver the products to the specified addresses in accordance with our requirements.
Payment terms	Our warehousing and logistics partners generally provide us with monthly settlement statement for the previous month and issue the invoice after reconciliation of the settlement statement. We typically make the payment within 7 to 60 working days of our receipt of the invoice.
Termination	Generally, if either party fails to comply with their contractual obligations or responsibilities, the non-breaching party reserves the right to terminate the agreement. In the event of *force majeure*, the performance period of the agreement shall be extended, provided that the affected party shall promptly notifies the other party in writing.

ORDER PAYMENT AND PAYMENT SERVICE PROVIDERS

Under the B2B2C model of our brand-to-consumer solutions, the e-commerce platforms typically make the payment for the products purchased from us within seven working days from the payment date specified in the settlement statement we issue.

Under the B2C model of our brand-to-consumer solutions, we provide consumers with various, flexible payment methods, including online payments via credit and debit cards issued by major banks in China, as well as payments through third-party online payment platforms such as Alipay and WeChat Pay. For overseas products sold through cross-border e-commerce, consumers primarily pay in RMB. The third-party payment service provider collects RMB and handles currency exchange. The funds are then transferred to our designated bank account in our chosen currency at the time of settlement.

Under our brand-to-business solutions, offline channels generally make the payment within the pre-agreed period of time after receiving the invoice we issue.

WARRANTY AND RETURN POLICY

Under the B2B2C model of our brand-to-consumer solutions, we accept unconditional returns from certain e-commerce platforms and are responsible for the shipment or destruction of products that are unsuitable for sale, such as products exceeding their shelf life or expiration date, damaged products or products with damaged packaging, products that do not comply with Chinese regulatory policies, and products ordered to be returned by customs. If the returned products are free of defects, we generally allocate them to other distribution channels; if the returned products are defective, we typically return them to the brand owner or seek alternative distribution channels for resale. We believe that our return policy under the B2B2C model aligns with industry practice. Under the B2B2C model, if the e-commerce platform files a complaint or return request for the products, our customer service representatives will review and process the complaint or return request, and follow up on the processing progress.

Under the B2C model of our brand-to-consumer solutions, for products with quality issues, material defects, wrong shipment, or non-delivery, we offer product exchange services or full refund in accordance with consumers' requests. For products without quality issues, we may also provide product return or exchange services upon consumer's request and our internal review and approval, provided that the consumers bear the shipping costs. Under the B2C model, consumers are required to ship the returned products to our designated address. For products under warranty, we address repair matters and provide repair services in accordance with our after-sales service commitments or warranty card provisions. If a product remains non-functional after repair, we offer return or exchange services, and the consumer bears the cost of shipping the product to our designated repair site, while we bear the cost of returning the repaired product to the consumer.

Under our brand-to-business solutions, we typically only accept product return in case of product defect, product damage, or wrong packaging. Other than the cases as described, offline channels generally may not return products purchased from us. We believe our return policy under brand-to-business solutions aligns with industry practice. Under our brand-to-business solutions, if offline channels file complaints or return requests for the products, our operation team leader is responsible for evaluating, reviewing, and processing customer complaints.

In 2022, 2023 and 2024, the total value of products returned to us was RMB27.0 million, RMB33.2 million and RMB43.3 million, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material complaints with respect to the quality of products we sold, nor did we encounter any material product return, exchange, or recall, or any material product liability claims arising from product quality issues. To our knowledge, during the Track Record Period and up to the Latest Practicable Date, our brand partners did not make any product recall for the products we sold that could have a material adverse effect on our business and operations.

PRICING STRATEGY

Under our brand-to-consumer solutions, we sell products sourced from our brand partners to e-commerce platforms under the B2B2C model and to consumers under the B2C model. Under our brand-to-business solutions, we sell products sourced from brand partners to offline channels. We generally consider the recommended retail price provided by our brand partners to maintain the consistency of the brand image, but we have the right to determine the retail price based on specific market conditions. When determining the retail prices, we generally consider several factors, including procurement costs, warehousing and logistics expenses, sales and marketing expenses, and our target profit margins. For products sold through cross-border e-commerce, we also factor in exchange rate fluctuations when determining the retail prices.

Under the B2B2C model of our brand-to-consumer solutions, we sell the brand products to e-commerce platforms, which are subsequently sold to consumers through the self-owned stores of such e-commerce platforms that we operate for them. In such cases, e-commerce platforms generally have the discretion to determine the retail prices for consumers, taking into account our recommended retail price, if any. Under our brand-to-business solutions, the products we sold to offline channels are subsequently sold to consumers by these offline channels on their own. In such cases, offline channels typically have the discretion to determine the retail prices for consumers.

TECHNOLOGY AND R&D

Our robust growth is attributed to our strong technological foundation.

Talent is crucial to our R&D success. We have assembled a specialized technology team. As of December 31, 2024, we had 74 technology personnel, accounting for 9.3% of the total number of employees. Our technology team includes numerous information technology experts with extensive experience in the development of AI, automation, data, and algorithm. In addition, we collaborate with top domestic and international universities and research institutions for in-depth industry-academia-research cooperation. We have established a joint R&D center for digital retail technology in collaboration with the Suzhou Research Institute of Xi'an Jiaotong University, enabling us to leverage external resources to develop data-driven precision operations. We are also collaborating with partners, including Soochow University, Xi'an Jiaotong-Liverpool University and China United Network Communications Group Co., Ltd. (Suzhou Industrial Park Branch), to establish a global AI data collaboration and industrial innovation consortium. This initiative focuses on the breakthroughs and industrial applications of core technologies in the AI field, including data privacy protection and compliance, consumer behavior and profile and capturing, and data-driven supply chain collaboration and inventory optimization, aiming to create an innovation hub for AI in the Yangtze River Delta region.

Since our inception, we have consistently been committed to technological innovation and placing strong emphasis on R&D investments. In 2022, 2023 and 2024, our R&D expenses were RMB15.2 million, RMB10.1 million, and RMB15.7 million, respectively. Our data-driven precision operations have been recognized by numerous renowned platforms and industry institutions, earning renowned industry awards such as Gold Prize of Tiger Roar Award. As of the Latest Practicable Date, we had accumulated over 40 software copyrights and over ten patents in the areas of big data analysis algorithms and marketing outreach, establishing our technological moat.

SOLIN — Our Proprietary AI Agent Platform

Drawing on our extensive experience in digital operations and brand e-commerce service operations, we have developed SOLIN — our exceptional proprietary AI agent platform. This platform is integral to our operation and service capabilities, boosting our operational efficiency while enabling us to continuously refine and optimize our marketing strategies and plans:

- *Proprietary models*: SOLIN integrates multiple open-source and closed-source large language models that comply with relevant regulations. Leveraging these models, we have successfully developed and deployed multiple specialized models for specific service areas. Notable examples include our sales forecasting model, which helps us optimize our procurement and inventory efficiency, and our brand growth insight model, which helps us identify potential business expansion opportunities for a specific brand. We continuously optimize and upgrade these models using the vast amounts of data we process and analyze in our day-to-day operations.

- *Data foundation and algorithm library*: SOLIN is supported by robust data foundation and algorithm library. Through the support by our AI-driven, strong data foundation to or operational capabilities, we are able to develop online pricing systems for brands, recommend optimal sales channels and strategies, and thereby assist brands in enhancing consumer satisfaction and sales conversion rates. Furthermore, by integrating our proprietary algorithm library with advanced large AI models, we can conduct in-depth analyses of product sales on various e-commerce platforms for brands, accurately forecast product performance across different channels and identify target consumer demographics, and thereby support and assist brands in making marketing decisions.

- *Tool suite*: SOLIN integrates a range of AI technologies designed for developing precise marketing strategies and creating marketing content. For example, by analyzing factors including brand sales data, marketing trends, seasonal fluctuations, and promotional activities, we utilize SOLIN to forecast product trends and formulate precise marketing strategies for brands. In addition, we make internal use of SOLIN to create and refine high-quality product marketing materials such as articles and posters, which effectively enhances the appeal of product advertisement and reduce the time spent in producing marketing materials and ad creatives.

Continuous technological innovation enables us to consistently enhance operational efficiency, allowing us to serve an increasing number of brands. SOLIN enhances our efficiency in processing repetitive tasks, such as order verification, inventory management, product launch, and logistics reconciliation, thereby reducing man-hours and minimizing manual operational errors. Moreover, in synergy with our AI capabilities, SOLIN can handle complex unstructured tasks, including natural language processing, image recognition, data analysis, and decision-making, significantly boosting the efficiency and intelligence of our business processes:

- *Smart replenishment*: SOLIN monitors inventory status in real-time, automatically consolidating inventory data from various channels. Our AI agent forecasts future product demand based on historical sales data, market trends, seasonal fluctuations, and promotional activities and automatically generates replenishment orders, coordinating with our in-house workflow platform to notify the supply chain planning team.

- *Smart marketing*: Harnessing our robust data foundation and algorithm library, SOLIN automatically identifies target channels and customer demographics, intelligently matching target channels with product audiences and crafting personalized marketing strategies for brands. SOLIN then executes operations such as targeted advertising, email marketing, and push notifications, while simultaneously tracking marketing data in real time. Analyses of campaign effectiveness are fed into SOLIN's reinforcement learning process, refining our strategic algorithms and enhancing the outcome of future strategies.

- *Smart customer service*: Drawing on extensive experience of real customer service representatives and the training of dialogue samples, SOLIN analyzes customer semantic data in real time. It dynamically generates personalized service plans and precise product recommendations by integrating customer profiles, while simultaneously tracking customer interaction trajectories and satisfaction feedback. Additionally, SOLIN continuously learns from customer behavior patterns and service evaluations, both positive and negative, thereby empowering our customer service representatives, improves our customer service efficiency, and optimizes customer service solutions to meet the diverse needs of brands across various product categories.

INTELLECTUAL PROPERTY

Our intellectual property portfolio comprises patents, trademarks, trade secrets, software copyrights, and other intellectual property registrations and applications. We endeavor to protect our intellectual property through a combination of measures under the intellectual property laws of China and Hong Kong relating to patents, trademarks, trade secrets, and copyrights, as well as through confidentiality agreements and other protective measures.

As of the Latest Practicable Date, we held 12 registered patents and four pending patent applications, 74 registered trademarks, and 50 registered software copyrights in China, along with one registered trademark in Hong Kong. As of the same date, we also owned 4 registered domain names, including the domain name for our principal website "www.ecmax.cn." In addition, our brand partners authorize us to use their names, logos, and other designated product trademarks as required for providing services under our service fee model and for the sale and promotion of their products.

We recognize the critical importance of protecting and enforcing our intellectual property rights. According to our employment agreements and internal policies, our employees obligated to maintain confidentiality and protect our intellectual property. Unless otherwise agreed, any intellectual property rights developed by our employees during their employment with us, which is related to their work responsibilities or developed using our resources or technology, belong to us. We conduct regular reviews of intellectual property arising from our technological developments, monitor the progress of patent applications, and proactively apply for new technology patents to mitigate the risk of infringing upon the intellectual property rights of others or having our intellectual property rights infringed upon by others. We believe we have implemented all reasonable measures to safeguard our intellectual property from infringement. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material claims or litigation brought by third parties against us alleging infringement of their intellectual property rights, nor were we aware of any material claims or litigation initiated by us against third parties for infringement of our intellectual property rights.

DATA PRIVACY AND CYBERSECURITY

In providing our brand-to-consumer solutions, we collect data necessary for store operations and product delivery, including operational data from e-commerce platforms, such as sales data, customer service data, and order information. These operational data are sourced from the respective e-commerce platforms where the online stores are located. Our data R&D team periodically exports operational data from e-commerce platforms, manually extracts store order details, and imports them into our data center for further analysis. All data analyses are conducted within the scope of authorization granted by brand partners or consumers and management rules of e-commerce platform and are in line with relevant agreements.

With the informed consent and authorization by consumers, we manually input consumer data obtained from e-commerce platforms, such as usernames, shipping addresses, and phone numbers, into our customer service system. We use the data for the purpose of providing customer service and after-sales support, including product return and exchange. According to the agreements and rules of third-party e-commerce platforms, we can access their data resources using tools provided by these platforms once we officially launch online stores on these e-commerce platforms. These third-party e-commerce platforms obtain authorization from consumers upon their account registration. Additionally, under the service fee model of our brand-to-consumer solutions, brand partners authorize us to use their consumer data and entrust us to provide website design and construction services, daily website maintenance services, customer services, product ordering and delivery services, and other services, in accordance with the service agreements entered into with our brand partners.

We believe that adequate recording, storage, and protection of data is critical to our business operations. We have established strict internal data security and personal privacy protection protocols.

The data collect are stored on the cloud of third-party cloud service providers. We generally retain operational and consumer data only for the period required for data processing, in compliance with applicable laws. For example, under the service fee model of our brand-to-consumer solutions, unless otherwise required by our brand partners, we delete and destroy stored data after three months. In addition, we implement technical measures to safeguard data security, including establishing firewalls, encrypting stored data, and maintaining network operation logs.

To ensure data security, we have established a Data Security Management Leadership Team (the "Leadership Team") to manage the overall data security of our Group. The Leadership Team is led by our senior management, with leaders from our data and R&D department, finance center, legal departments, and human resources center serve as decision-making members. The Leadership Team is responsible for coordinating and advancing our data management, reviewing the important data management plans and documents, resolving key issues, difficulties and disputes related to data management, coordinating the allocation of human, material, and financial resources necessary for data security management, and instructing and supervising all departments, business segments and relevant subsidiaries to fulfill their data management responsibilities.

In addition, we have developed and implemented comprehensive data security management policies, including our Data Security Management Policies, Data Classification and Protection Policies, Data Security Incident Emergency Response and Handling Procedures, Internal Violation Handling Procedures, and Data Processing Lifecycle Compliance Guidelines. These policies comprehensively regulate various aspects of our data security management, including data access control, permission management, secured data usage, external data recipient management, data deletion/destruction, responsibilities data security department, security audits, personal information (including personal information of our employees) protection, network security, computer virus prevention, and security education and training.

We have also implemented industry-standard security measures to protect personal privacy and sensitive information. Specifically, we have established procedural guidelines and standards for data usage to prevent unauthorized access to and disclosure, use, alteration, damage, and loss of data. When exporting consumers' personal information, we encrypt such data and ensure that only authorized personnel can access it. We regularly review the activity logs of all system users to ensure that our employees' access to and export of data is within their ordinary work scope.

We place significant emphasis on cybersecurity. We have a dedicated operation and maintenance team responsible for the daily monitoring and management of our corporate network operations, internal management systems, and business operation systems. We have established strict cybersecurity and emergency response protocols to promptly address potential data security issues. Our data center has obtained the "Level 2 Information Security Certification." Additionally, we obtained the ISO27001 Information Security Management System Certification on February 28, 2024, and we regularly engage IT auditors to assess and audit our data security practices.

In 2024, we engaged an external IT auditor to audit and evaluate our information systems and IT environment. According to the IT audit report issued by the external IT auditor on May 19, 2024, we have in place well-established information system control and effective compensatory control measures, and we maintain high consistency between our operating and financial data; the trends in our operating and financial data are consistent and reasonable; no risk of fraud or risk of significant mistake in our financial reports was found.

Furthermore, we conduct regular training for employees on cybersecurity, data security, and privacy protection. We limit the access to our systems and data to employees based on their job levels, functions, and responsibilities. Once an employee leaves our Company, we revoke their access authorizations and disable their email accounts and other system accounts. Our employment contract includes the confidentiality agreement, and employees who in breach of the confidentiality agreement and cause information leaks are subject to penalties.

For further details on the potential impact and risks associated with data privacy and cybersecurity, see "Risk Factors — Risks Related to Our Business and Industry — Our business collects and processes a large amount of data and is subject to various evolving laws and regulations regarding cybersecurity and data privacy. Any failure to address cybersecurity and data privacy concerns, including any improper use or disclosure of or unauthorized access to such data, may harm our business and reputation and result in threats of lawsuits, administrative penalty and related liabilities" and "Risk Factors — Risks Related to Our Business and Industry — Our business involves algorithmic technology. The legal and regulatory requirements related to emerging technologies are rapidly evolving, which may adversely affect our business operations."

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant data or personal privacy breaches or disputes. Our PRC Legal Advisor has advised us that our data processing as well as the internal policies and measures we have implemented regarding cybersecurity, data security, and privacy protection comply with relevant PRC laws and regulations in all material aspects. As of the Latest Practicable Date:

(i) We had not been subject to any material administrative penalties or mandatory rectifications for violations of applicable PRC laws on cybersecurity, data security, or privacy protection;

(ii) We did not engage in the transmission of personal information or important data overseas; nor had we experienced any major incidents related to cybersecurity, data security, or personal information security;

(iii) We had not faced any significant legal actions or penalties for violations of Cybersecurity Law (《中華人民共和國網絡安全法》), Data Security Law (《中華人民共和國數據安全法》), Personal Information Protection Law (《個人信息保護法》), Cybersecurity Review Measures (《網絡安全審查辦法》), or Measures for Security Assessment of Cross-border Data Transfers (《數據出境安全評估辦法》);

(iv) We had not received any notice from critical information infrastructure protection authorities or been identified as a critical information infrastructure operator;

(v) We had not been investigated by the Cyberspace Administration of China for cybersecurity reviews or listing-related matters; and

(vi) Based on the factors outlined in Article 10 of the Cybersecurity Review Measures (《網絡安全審查辦法》), the likelihood of our business operations being deemed to affect national security is low. Our PRC Legal Advisor conducted a real-name telephone consultation with the CCRC on January 8, 2025. During this consultation, the CCRC confirmed that the determination of whether certain data "affects or may affect national security" is subject to the confirmation of relevant regulatory authorities. During the Track Record Period and up to the Latest Practicable Date, we had not received any notices indicating that we process data "affecting or potentially affecting national security," nor had we been notified to undergo a cybersecurity review. We believe that our data processing activities are unlikely to impact national security and, therefore, the likelihood of us being classified as a data processor that affects or may affect national security is low. Based on the foregoing, our PRC Legal Advisor has confirmed that we are in compliance in all material respects with the Cybersecurity Review Measures and the Regulation on Network Data Security Management (《網絡數據安全管理條例》).

OUR CUSTOMERS AND SUPPLIERS

Our Customers

During the Track Record Period, our customers mainly included (i) e-commerce platforms, to whom we primarily sold products we purchased from brand partners under the B2B2C model of our brand-to-consumer solutions, (ii) our brand partners, to whom we primarily provided end-to-end digital retail services under the service fee model of our brand-to-consumer solutions, and (iii) offline channels, to whom we primarily sold products we purchased from brand partners under our brand-to-business solutions. Our revenue from our five largest customers in 2022, 2023 and 2024 was RMB863.4 million, RMB796.0 million and RMB787.1 million, respectively, accounting for 77.3%, 58.7% and 56.2% of our total revenue in the respective periods. Our revenue from our largest customer in 2022, 2023 and 2024 was RMB804.4 million, RMB652.0 million and RMB542.6 million, respectively, accounting for 72.0%, 48.1% and 38.8% of our total revenue in the respective periods.

The table below sets forth details of our five largest customers in each period during the Track Record Period:

For the Year Ended December 31, 2022

Rank	Customer	Business Profile	Major Products and/or Services Provided	Credit Terms	Year of commencing business relationship	Payment Method	Transaction Amount	Revenue Contribution
							(RMB in millions)	*(%)*
1 . .	Customer A	Primarily engaged in e-commerce businesses	Products sourced from brand partners	30 to 60 days	2015	Wire transfer	804.4	72.0
2 . .	Customer B	Primarily engaged in retail business	Brand e-commerce services	60 days	2016	Wire transfer	18.0	1.6
3 . .	Customer C	Primarily engaged in manufacturing and sales of beauty and personal care products	Brand e-commerce services	180 days	2021	Wire transfer	16.4	1.5
4 . .	Customer D	Primarily engaged in retail business	Products sourced from brand partners	30 days	2022	Wire transfer	12.3	1.1
5 . .	Customer E	Primarily engaged in consumer goods distribution	Products sourced from brand partners	180 days	2021	Wire transfer	12.2	1.1
	Total						863.4	77.3

For the Year Ended December 31, 2023

Rank	Customer	Business Profile	Major Products and/or Services Provided	Credit Terms	Year of commencing business relationship	Payment Method	Transaction Amount	Revenue Contribution
							(RMB in millions)	*(%)*
1 .	Customer A	Primarily engaged in e-commerce businesses	Products sourced from brand partners	30 to 60 days	2015	Wire transfer	652.0	48.1
2 . .	Customer B	Primarily engaged in retail business	Brand e-commerce services	60 days	2016	Wire transfer	42.8	3.2
3 . .	Customer F	Primarily engaged in manufacturing and sales of pharmaceuticals	Products sourced from brand partners	180 days	2023	Wire transfer	37.2	2.8
4 . .	Customer G	Primarily engaged in e-commerce, internet, and digital technology businesses	Products sourced from brand partners	30 to 60 days	2022	Wire transfer	34.8	2.5
5 . .	Customer H	Primarily engaged in consumer goods distribution	Products sourced from brand partners	120 days	2023	Wire transfer	29.2	2.1
	Total						796.0	58.7

For the Year Ended December 31, 2024

Rank	Customer	Business Profile	Major Products and/or Services Provided	Credit Terms	Year of commencing business relationship	Payment Method	Transaction Amount	Revenue Contribution
							(RMB in millions)	*(%)*
1 . .	Customer A	Primarily engaged in e-commerce businesses	Products sourced from brand partners	30 to 60 days	2015	Wire transfer	542.6	38.8
2 . .	Customer I	Primarily engaged in consumer goods distribution	Products sourced from brand partners	180 days	2023	Wire transfer	71.7	5.1
3 . .	Customer B	Primarily engaged in retail business	Brand e-commerce services	60 days	2016	Wire transfer	69.5	5.0
4 . .	Customer J	Primarily engaged in e-commerce businesses	Products sourced from brand partners	30 to 60 days	2018	Wire transfer	57.2	4.1
5 . .	Customer K	Primarily engaged in consumer goods distribution	Products sourced from brand partners	180 days	2023	Wire transfer	46.1	3.2
	Total						787.1	56.2

To the best knowledge of our Directors, each of our five largest customers in each period during the Track Record Period was an Independent Third Party. As of the Latest Practicable Date, Customer A owned 9.5% equity interests of our Company. Save as disclosed above, none of our Directors and, to the best knowledge of our Directors, none of our Shareholders who owns more than 5% of the Shares in issue, nor any of their respective associates, had any interest in any of our five largest customers in each period during the Track Record Period.

Our Suppliers

During the Track Record Period, our suppliers mainly included (i) our brand partners, from whom we primarily purchased brand products and sold the products to (a) e-commerce platforms under the B2B2C model of our brand-to-consumer solutions, (b) consumers under the B2C model of our brand-to-consumer solutions, or (c) offline channels under our brand-to-business solutions, (ii) third-party warehousing and logistics service providers, and (iii) e-commerce platforms that provided us with marketing and promotion tools and services.

Our purchases from our five largest suppliers in 2022, 2023 and 2024 were RMB541.9 million, RMB608.2 million and RMB770.3 million, respectively, accounting for 43.1%, 39.4% and 49.6% of our total purchases in the respective periods. Our purchases from our largest supplier in 2022, 2023 and 2024 were RMB143.4 million, RMB171.1 million and RMB257.0 million, respectively, accounting for 11.4%, 11.1% and 16.6% of our total purchases in the respective periods.

The table below sets forth details of our five largest suppliers in each period during the Track Record Period:

For the Year Ended December 31, 2022

Rank	Supplier	Business Profile	Major Products and/or Services Supplied	Credit Terms	Year of commencing business relationship	Payment Method	Purchase Amount	Purchase Contribution
							(RMB in millions)	*(%)*
1 . .	Supplier A	Primarily engaged in e-commerce businesses	Marketing and promotion products and services; logistics services	Prepayment	2015	Wire transfer	143.4	11.4
2 . .	Supplier B	Primarily engaged in manufacturing and sales of pharmaceuticals	Healthcare products	30 days	2020	Wire transfer	128.5	10.2
3 . .	Supplier C	Primarily engaged in e-commerce businesses	Healthcare products	Prepayment	2021	Wire transfer	93.0	7.4

Rank	Supplier	Business Profile	Major Products and/or Services Supplied	Credit Terms	Year of commencing business relationship	Payment Method	Purchase Amount	Purchase Contribution
							(RMB in millions)	*(%)*
4 . .	Supplier D	Primarily engaged in manufacturing and sales of dairy products	Dairy products	Prepayment	2021	Wire transfer	92.7	7.4
5 . .	Supplier E	Primarily engaged in manufacturing and sales of healthcare products	Healthcare products	60 days	2020	Wire transfer	84.3	6.7
	Total						541.9	43.1

For the Year Ended December 31, 2023

Rank	Supplier	Business Profile	Major Products and/or Services Supplied	Credit Terms	Year of commencing business relationship	Payment Method	Purchase Amount	Purchase Contribution
							(RMB in millions)	*(%)*
1 . .	Supplier A	Primarily engaged in e-commerce businesses	Marketing and promotion products and services; logistics services	Prepayment	2015	Wire transfer	171.1	11.1
2 . .	Supplier B	Primarily engaged in manufacturing and sales of pharmaceuticals	Healthcare products	30 days	2020	Wire transfer	145.7	9.4
3 . .	Supplier E	Primarily engaged in manufacturing and sales of healthcare products	Healthcare products	60 days	2020	Wire transfer	121.4	7.9

Rank	Supplier	Business Profile	Major Products and/or Services Supplied	Credit Terms	Year of commencing business relationship	Payment Method	Purchase Amount	Purchase Contribution
							(RMB in millions)	*(%)*
4 . .	Supplier F	Primarily engaged in manufacturing and sales of dairy products	Dairy products	Prepayment	2021	Wire transfer	91.6	5.9
5 . .	Supplier D	Primarily engaged in manufacturing and sales of dairy products	Dairy products	Prepayment	2021	Wire transfer	78.4	5.1
	Total						608.2	39.4

For the Year Ended December 31, 2024

Rank	Supplier	Business Profile	Major Products and/or Services Supplied	Credit Terms	Year of commencing business relationship	Payment Method	Purchase Amount	Purchase Contribution
							(RMB in millions)	*(%)*
1 . .	Supplier F	Primarily engaged in manufacturing and sales of dairy products	Dairy products	Prepayment	2021	Wire transfer	257.0	16.6
2 . .	Supplier B	Primarily engaged in manufacturing and sales of pharmaceuticals	Healthcare products	30 days	2020	Wire transfer	171.1	11.0
3 . .	Supplier A	Primarily engaged in e-commerce businesses	Marketing and promotion products and services; logistics services	Prepayment	2015	Wire transfer	123.4	7.9

Rank	Supplier	Business Profile	Major Products and/or Services Supplied	Credit Terms	Year of commencing business relationship	Payment Method	Purchase Amount	Purchase Contribution
							(RMB in millions)	*(%)*
4 . .	Supplier E	Primarily engaged in manufacturing and sales of healthcare products	Healthcare products	60 days	2020	Wire transfer	116.7	7.5
5 . .	Supplier G	Primarily engaged in manufacturing and sales of consumer goods	Healthcare products; consumer goods	Prepayment	2020	Wire transfer	102.1	6.6
	Total						770.3	49.6

To the best knowledge of our Directors, each of our five largest suppliers in each period during the Track Record Period was an Independent Third Party. As of the Latest Practicable Date, Supplier A owned 9.5% equity interests of our Company. Save as disclosed above, none of our Directors and, to the best knowledge of our Directors, none of our Shareholders who owns more than 5% of the Shares in issue, nor any of their respective associates, had any interest in any of our five largest suppliers in each period during the Track Record Period.

Customers Who Are Also Our Suppliers

To the best knowledge of our Directors, in 2022, 2023 and 2024, two, two and two of our five largest customers were also our suppliers, respectively. These customers were also our suppliers mainly because we sold brand products to them or provided them with end-to-end digital retail services under our brand-to-consumer solutions and brand-to-business solutions, and meanwhile we purchased brand products or marketing and promotion tools and service from them. According to Frost & Sullivan, this arrangement is in line with industry practice. In 2022, 2023 and 2024, our revenue generated from sales to these customers accounted for 73.1%, 50.7% and 43.9% of our total revenue, respectively. During the same periods, our purchases from these customers accounted for 12.8%, 12.7% and 8.3% of our total purchases, respectively.

To the best knowledge of our Directors, in 2022, 2023 and 2024, one, one and one of our five largest suppliers was also our customers, respectively. This supplier were also our customers mainly because we purchased brand products or marketing and promotion tools and service from them, and meanwhile we sold brand products to them or provided them with end-to-end digital retail services under our brand-to-consumer solutions and brand-to-business solutions. According to Frost & Sullivan, this arrangement is in line with industry practice. In 2022, 2023 and 2024, our purchases from these suppliers accounted for 11.4%, 11.1% and 7.9% of our total purchases, respectively. During the same periods, our revenue generated from sales to these customers accounted for 72.0%, 48.1% and 38.8% of our total revenue, respectively.

INVENTORY MANAGEMENT

We place paramount importance on inventory management to ensure the safe and efficient circulation of the products. We have established a comprehensive inventory management system that prioritizes security, integrity, and timely sorting in both our leased warehouses and those of third-party warehousing service providers.

For products stored in our leased warehouses, we assign dedicated personnel to inspect incoming products and verify them against the accompanying documents before entry into warehouses. Once we confirm that the products match the documents, we acknowledge the receipt of the products and record product information in our warehouse system. Once the inventory is stored, we promptly register and verify product information, categorizing the products strictly according to their type, specifications, characteristics, and intended use, and storing them in the designated areas while ensuring the inventory remains clean and orderly. We conduct regular inventory counts and meticulously verify inventory information to ensure the accuracy and reliability of reporting data, which enables effective monitoring of inventory levels. At product dispatch, we carefully verify orders in accordance with customer requirements to ensure that the shipped products match the orders.

For products stored in third-party warehousing service providers' facilities, we typically require the third-party warehouses to input information such as product receipt, storage, and shipment into our system, enabling us to monitor and inspect the inventory. Additionally, we require that the third-party warehouses ensure proper storage of the inventory and regularly examine the condition of the stock, including its appearance and expiration date, and report to us accordingly.

Furthermore, our planning department is responsible for the overall inventory management and stock preparation. Based on the brands' historical data and projected sales, our planning department formulates procurement plans and tracks the arrival of purchased goods to ensure timely warehousing. In addition, our planning department proactively prepares the procurement one month in advance based on sales forecasts, particularly during major promotion and sales seasons, such as the 618 Promotion, the Singles Day Promotion, and the Chinese New Year sales season. This ensures sufficient inventory levels, optimizes turnover planning, alleviates supplier pressure, and enhances our overall operating efficiency.

SEASONALITY

Our results of operations are subject to seasonal fluctuations as a result of the impact of a number of factors, including consumer spending patterns, product categories, and promotional activities. Based on past experience, online consumer spending generally decreases during the Chinese New Year holidays, with many businesses in China closing temporarily during the period. As such, our sales activities are typically less active during the first quarter. On the contrary, during promotion and sales seasons, such as the 618 Promotion, the Singles Day Promotion, we typically experience a sales increase under the B2B2C and B2C models of our brand-to-consumer solutions. These events also drive increased demand from brand partners for our services under and revenue generate from the service fee model of our brand-to-consumer solutions. As a result, we usually reach our peak revenue in the second and fourth quarters. Furthermore, our performance is affected by the inherent seasonality of the products we sell, such as agricultural goods. We believe that these seasonal fluctuations will continue to impact our results of operations in the foreseeable future.

QUALITY CONTROL

The quality of products offered for sale through our online and offline channels is crucial for maintaining our reputation and competitiveness. We have implemented detailed standards and procedures for the receipt and acceptance of products. Although our suppliers, primarily our brand partners, ensure the product quality before shipment, we conduct visual inspections of the products upon their arrival at warehouses. These inspections include packaging checking, expiration dates checking, and reviewing of product testing reports. Defective or unqualified products will be returned to the suppliers. Due to our stringent quality control policies, during the Track Record Period and up to the Latest Practicable Date, we had not received any significant product return requests or material complaints from our customers due to material quality issues. Furthermore, during the Track Record Period and up to the Latest Practicable Date, we had not been fined or penalized by regulatory authorities in the PRC due to defective quality of our brand products.

EMPLOYEES

As of December 31, 2024, we had a total of 798 employees, including 16 part-time employees. The majority of our employees are located in China, with the remainder located in Singapore, Vietnam, and Malaysia.

The following table sets forth the number of our employees by function as of December 31, 2024:

Function	Number of Employees	Percentage of Total Employees
Operations	633	79.3%
Management	30	3.8%
Financial	49	6.1%
General and Administration	12	1.5%
Technology	74	9.3%
Total	**798**	**100.0%**

We believe that our ability to attract and retain talent and maintain a stable core management team is supported by our competitive compensation packages, employee training and career development programs, and our encouraging, harmonious, and dynamic work environment. We provide comprehensive onboarding training for new employees and ongoing business training for existing employees to enhance their professional knowledge, skills, work ethics, business acumen, industry understanding, and overall efficiency.

In compliance with relevant Chinese regulations, we participate in various employee social security programs, including social insurance, housing provident fund, pension, and medical insurance.

We have cultivated a capable, responsible, and proactive workforce through a combination of short-term performance evaluations and long-term incentives. We believe we maintain good working relationships with our employees. In 2019, we established an employee labor union committee. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant labor shortages, material labor disputes, or strikes that could have a material adverse effect on our business, financial condition, or results of operations.

COMPETITION

With the continuous growth of China's vast retail market and consumers' daily needs, coupled with user experience enhancement, supply chain optimization, and logistics and distribution improvements by e-commerce platforms, China's e-commerce market has expanded significantly, attracting numerous domestic brand e-commerce service providers. Cross-border e-commerce in China has experienced significant growth in both imports and exports. On the import side, Chinese consumers have gained easier access to high-quality overseas products, satisfying their demand for international goods; on the export side, Chinese brands, with their high value for money, are showing strong competitiveness in the global market and are favored by overseas consumers. This two-way expansion has led to a rising demand for cross-border import and export services. Consequently, the industry in which we operate is highly competitive, and we anticipate that competition will further intensify in the future. Our competitors primarily include large-scale brand e-commerce service providers in China.

We believe that the principal competitive factors in our industry include the accumulation of brand partners and e-commerce platform resources, domestic and cross-border supply chain management capabilities, customer service capabilities, financial/technical and marketing resources, the ability to respond to constantly changing technologies, regulations or customer requirements, and reputation. In addition, we believe that the ability to provide brands with one-stop services is also a key factor in enhancing brand value and serving a broader range of brands. The emergence of new technologies and technological upgrades may further intensify industry competition. We believe that we are well-positioned to compete effectively based on the foregoing factors. However, some of our existing or future competitors may possess or be able to possess stronger brand recognition, more established relationships with brand partners, larger consumer base, or greater financial, technical, and marketing resources than us, enabling them to offer higher quality services at more competitive prices. For details, please refer to "Risk Factors — Risks Related to Our Business and Industry — The industry in which our business operates is highly competitive. If we fail to compete effectively with current and future competitors, our business will suffer." For more information on the competitive landscape of our industry, see "Industry Overview."

PROPERTIES AND FACILITIES

Our headquarters are located in Suzhou, China. As of the Latest Practicable Date, we owned one property with a total gross floor area of approximately 241 square meters, used as office premises. As of the Latest Practicable Date, we leased 20 properties within China across seven cities, covering with a total gross floor area of approximately 12,068 square meters, mainly used as office premises and warehouse. We believe our existing properties and facilities generally meet the needs of our current business operations; however, we may seek additional property and facility space to accommodate our ongoing business growth.

We face certain issues related to some of our leased properties and are accordingly subject to the relevant risks. Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, we had not yet completed the registration of the lease contracts of 20 properties used for operation that we entered into in the PRC within the prescribed time pursuant to the applicable PRC laws and regulations. As advised by our PRC Legal Advisor, failure to complete the lease registration will not affect the validity of the lease agreements according to PRC law, but we may have a maximum penalty of RMB10,000 imposed on us for each non-registered lease if we fail to complete the registration of any of our lease agreements after we are requested to do so by the competent PRC government authorities. In addition, as of the Latest Practicable Date, we had 6 leased properties where the respective lessors have not provided us with valid property ownership certificates or any other documentation proving their right to the leased properties or they have the rights to lease the properties. As of the Latest Practicable Date, we were not aware of any actions or claims raised by any third parties challenging our use of these properties we currently lease or the land where our leased property is located, nor have we received any notices from the PRC government authorities. However, if our lessors are not the owners of the properties or they have not obtained consents from the owners or their lessors or permits from the relevant government authorities, our leases could be invalidated and we may have to compensate the actual owners or relocate to alternative premises. See "Risk Factors — Risks Related to Our Business and Industry — Our use of certain leased properties could be challenged by third parties or governmental authorities, which may expose us to potential fines and negatively affect our ability to use the properties we lease."

As of December 31, 2024, we did not have any single property with a book value that constitutes 15% or more of our total assets. Therefore, pursuant to Section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from compliance with 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 for all our interests in land or buildings.

INSURANCE

We maintain property insurance for inventory stored in our leased warehouses. For inventory stored in third-party warehouses, the warehousing service providers generally procure property insurance coverage. We provide social security insurance for our employees, including pension, work-related injury insurance, and medical insurance. We also maintain supplementary commercial insurance for the majority of our employees, which includes health, transportation, and accidental injury insurance. We do not maintain business interruption insurance or key man life insurance. We believe our current insurance coverage is in compliance with regulatory requirements, in line with general industry practice, and adequate for our existing business operations. During the Track Record Period and up to the Latest Practicable Date, we did not made any material insurance claims in relation to our business, nor were we a subject of any material insurance claims. For further details, see "Risk Factors — Risks Relating to Our Business and Industry — We may not have sufficient insurance coverage."

RISK MANAGEMENT AND INTERNAL CONTROL

Financial Reporting Risk Management

We have in place a series of financial reporting risk management policies, including policies on financial system management, asset protection management, budget management, and operational analysis management. We also have in place procedures for implementing these policies. Our finance department conducts regular monitoring and review of our management accounts in accordance with these policies and procedures. In addition, we provide regular training to our finance department staff to ensure they are familiar with our accounting policies, financial reporting risk management policies, and related procedures.

Ongoing Measures to Monitor the Implementation of Internal Control and Risk Management Policies

Our audit committee continuously monitors the implementation of our internal control and risk management policies across our entire group. We have developed and implemented the following risk management measures:

- adopting various policies to ensure compliance with requirements under the Listing Rules, including risk management, connected transactions, and information disclosure;

- provide training to our Directors and senior management on Listing Rules requirements and the responsibilities as directors of a [**REDACTED**] company, as well as to keep them updated on any changes to these requirements;

- establishing an internal reporting mechanism or hotlines allowing employees to report inappropriate behavior to our human resources department and senior management, as well as implementing reward measures to encourage such internal reporting;

- developing a code of conduct for employees and providing regular compliance training, including anti-corruption and anti-bribery training, to employees and senior management to enhance their understanding of applicable laws and regulations; and

- engaging compliance advisors, external legal counsel, and other professional advisors as necessary to provide expert advice on our compliance status.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG")

ESG Matters

We are committed to fulfilling our social responsibilities and we consider environmental protection, social responsibility, and corporate governance essential to our continuous business development and success. We have adopted various measures to minimize the environmental impact of our operations.

We have integrated environmental protection, social responsibility, and corporate governance into our development strategy, business operations, and daily activities. To strengthen our ESG philosophy and practice, we have established a comprehensive ESG governance framework, along with policies and procedures to manage and monitor ESG matters.

We have adopted an ESG policy that outlines our key objectives and responsibilities for environmental protection, social responsibility, and corporate governance. Our Board of Directors currently serves as the highest responsible body for our ESG matters, supervising our ESG practices and making strategic decisions. It is also responsible for identifying, assessing, and sorting our ESG matters by their priority. Our Board of Directors is required to review our core principles regarding ESG matters on an annual basis. This review encompasses an assessment of the potential impacts of our business on the environment, our employees, the community, and society as a whole, as well as evaluating the potential impact of climate change on our operations and industry. Our policy underscores the importance of prioritizing ESG considerations among our employees and promotes responsible and sustainable practices. We are committed to using resources efficiently, conserving the environment, and managing waste effectively. Additionally, we will monitor and measure the primary sources of waste, emissions, and energy consumption, and ensure compliance with all applicable legal and regulatory requirements and reporting obligations. Our Board of Directors will conduct annual review of our ESG matters, including our the ESG policies, goals, and targets, and be responsible for approving the publication of our ESG report to evaluate the progress and outcomes of our ESG practices and set the target for the next year. Our Board of Directors will also review the ESG Policy to ensure its effectiveness and discuss and approve any necessary revisions.

Under the ESG Policy, we will establish an ESG Oversight Committee reporting to our Board. This committee will be responsible for identifying, evaluating, prioritizing, and managing material ESG-related matters. The ESG Oversight Committee will initially comprise representatives from our core management team, as may be adjusted as appropriate from time to time. For more information on the qualifications and experience of our senior management, see "Directors and Senior Management — Senior Management." The ESG Oversight Committee will meet at least once per year to identify, evaluate, and manage progress on key ESG objectives agreed upon by our Board. If deemed necessary, the committee may engage third-party consultants to support our efforts in achieving our ESG objectives. In such cases, the ESG Oversight Committee will be responsible for managing these consultants. We will incorporate ESG-related matters into various employee training programs. The ESG Oversight Committee will also be primarily responsible for preparing our ESG report and will report to our Board annually. Additionally, we will establish an ESG working group under the ESG Oversight Committee, which is responsible for conducting specific ESG matters.

We regard compliance operation as a fundamental principle, strictly following the laws and regulations of the jurisdictions in which we operate. We believe that the professional expertise and diversity of our Board of Directors are key factors in ensuring our robust, steady and organized development. We are dedicated to establishing clear and effective corporate governance mechanisms while continuously enhancing the diversity of our Board of Directors, ensuring high-level decision-making capabilities through the professional skills, knowledge, and experience of our Directors.

We have established transparent and efficient means of communication with our stakeholders. We maintain close contact with shareholders, government authorities, regulatory agencies, customers, employees, suppliers, and other stakeholders through various online and offline methods. We actively seek feedback and suggestions from stakeholders with respect to our ESG practices and continuously improve our ESG practices to meet stakeholder expectations.

Environmental Protection

We have identified several climate change-related risks and opportunities that may impact our business operations:

- *Physical Risks*: Extreme weather events, such as typhoons, heavy rains, floods, and other adverse weather conditions, may cause logistical delays and product damage during product transportation.

- *Transition Risks*: The resources required for production operations, such as packaging materials and energy, as well as greenhouse gas emissions, are subject to increasingly stringent regulations in China, including requirements for transitioning to green clean energy, green packaging, and greenhouse gas emissions disclosure, which may lead to resource shortages or increased costs.

- *Potential Opportunities*: As the concept of sustainable development and low-carbon operations becomes increasingly prevalent, we are committed to creating a low-carbon business environment, thereby attracting brand customers and consumers.

We consistently uphold principles of energy conservation and environmental protection in our operations. We strictly adhere to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and other applicable environmental regulations, and have implemented internal policies to promote environmental stewardship. Our business operations do not involve product manufacturing, resulting in relatively low energy and water consumption. The electricity consumption of our operations was approximately 290,020 kWh, 299,020 kWh and 321,683 kWh in 2022, 2023 and 2024, respectively. We actively promote energy conservation in our business operations and have set a target to exceed 20% usage of renewable energy by 2030. We also anticipate establishing annual emission reduction goals in the future. For example, we promote efficient electricity use and turn off air conditioning and lighting systems after office hours to minimize unnecessary electricity consumption. Our building management team performs daily checks to ensure all heating, ventilation, air conditioning systems and lighting systems are switched off outside working hours. We regularly inspect water pipes for leaks to prevent waste. We also promote double-sided printing and office waste sorting to reduce overall waste.

We adhere to all applicable environmental policies and guidelines, taking responsibility for mitigating climate-related risks and reducing greenhouse gas emissions. As our business operations do not involve product manufacturing, we do not generate significant carbon emissions or pollutants. Our greenhouse gas emissions primary arise from the electricity consumption associated with our office operations. Our scope 2 greenhouse gas emissions for 2022, 2023 and 2024 were approximately 176,941kg CO2-e, 166,494kg CO2-e, and 172,615kg CO2-e, respectively. Our scope 3 greenhouse gas emissions mainly originate from product distribution and transportation. Our scope 3 emissions due to logistics for 2022, 2023 and 2024 were approximately 267,984,396kg CO2-e, 199,636,290kg CO2-e, and 179,103,565kg CO2-e, respectively. To reduce the greenhouse gas emissions in our logistics operations with warehouse and logistics partners, we actively promote environmentally friendly practices. For instance, we encourage the use of biodegradable and reusable packaging materials and cardboard boxes to reduce environmental pollution and material waste in logistics operations. We also advocate for the replacement of diesel vehicles with electric vehicles and work with our warehouse and logistics partners to optimize delivery routes, thereby reducing our carbon footprint.

Social Responsibilities and Corporate Governance

We comply with the laws and regulations regarding employee hiring in the jurisdictions where we operate, adhering to principles of integrity and fairness in talent acquisition. We prohibit any discrimination or harassment against candidates and employees based on their nationality, ethnicity, gender, sexual orientation, religion, age, or other factors. Additionally, we conduct thorough review of candidate qualifications during the recruitment process to prevent child labor and forced labor. In 2022, 2023 and 2024, all our employees were from the Greater China Area (including Hong Kong, Macau, and Taiwan).

The following table sets forth our the employee hiring data for the dates as indicated:

	As of December 31,		
	2022	2023	2024
Number of full-time employees by gender			
Male	269	274	290
Female	487	482	492
Number of employees by nature of employment			
Full-time	756	756	782
Part-time	13	13	16
Number of full-time employees by age group			
Below 30 years old	362	363	425
30-50 years old	387	384	349
Over 50 years old	7	9	8
Total number of employees	**769**	**769**	**798**

We foster the personal and professional development of our employees and offer diverse career development opportunities. Our comprehensive training programs include regular sessions covering professional skills, corporate culture, business ethics, employee rights and obligations, and leadership development. These initiatives are designed to support continuous improvement in both professional competence and personal growth. We have established a dual career development plan for employee management and professional growth. We conduct monthly, bi-monthly, and annually evaluations of employees' performance based on the nature of different positions and annual talent review. We promote employees based on the performance assessment results, comprehensive capability evaluations, and annual human resources planning to identify and retain talent.

We adhere to the principle of fairness, prioritizing value and efficiency to ensure the fairness of our compensation system. In addition to compliance with local laws and regulations, we have established a compensation management policy that formulates a compensation system based on job roles, capabilities, performance, and market norms, applying varied compensation strategies based on job characteristics to ensure the competitiveness of our compensation.

Beyond professional development, we prioritize our employees' physical and mental well-being. We provide employees with social insurance, housing provident funds, and commercial insurance. We conduct regular employee satisfaction surveys and organize team-building activities, such as outdoor activities, hiking, and basketball games.

We are committed to providing a safe and healthy workplace for our employees. We adhere to relevant occupational health and safety laws and regulations in China and have implemented comprehensive safety guidelines. We perform regular inspections of our office premises to ensure that employees work in a safe and healthy environment. We require new employees to undergo pre-employment health checks and provide ongoing occupational safety education and training to enhance workplace safety awareness. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant incidents related to occupational health or safety in our operations, nor were we subject to any material fines or penalties for non-compliance with health, safety, or environmental regulations. In 2022, 2023 and 2024, our employees experienced two, two and one work-related injuries, respectively, resulting in seven, eight, and zero lost workdays, respectively. There were no employee fatalities reported during the Track Record Period.

We have established a procurement management policy, which outlines supplier admission requirements, supplier evaluation, and supplier classification management. We regularly conduct risk identification and assessment of suppliers to enhance the stability and reliability of our supply chain.

We strictly adhere to the Civil Code of the PRC and relevant cross-border e-commerce laws and regulations. We strictly prohibit false or exaggerated advertising, preventing infringement on our and our customers' intellectual property rights during our sales and services. We ensure that our storage of customer information complies with the EU General Data Protection Regulation (GDPR), and we prohibit the disclosure of privacy data of cross-border customers.

We also comply with the Anti-Unfair Competition Law and other relevant business ethics laws and regulations. We have developed a series of policies, including the our integrity supervision and management policy, which sets behavioral standards for employees regarding anti-bribery, anti-fraud, anti-money laundering, and conflict of interest. Our integrity supervision team manages and reports on daily business ethics. Employees can report any violations of business ethics through public email address, hotlines, and offline methods. We record and review all the reports and conduct independent investigations as necessary, and we keep the reporters' information confidential unless otherwise required by law.

Fulfilling our social responsibility and contributing to the community are fundamental to our corporate values. We actively engage in charitable and community activities. For example, in 2021, we made multiple donations of supplies, including masks and skincare products, to the Suzhou Industrial Park Charity Federation to support local pandemic prevention efforts. These community-oriented initiatives have not only enhanced our reputation and social influence but have also fostered a sense of pride and responsibility among our employees, strengthening team cohesion.

LICENSES AND PERMITS

As advised by our PRC Legal Advisor, our Directors confirm that as of the Latest Practicable Date, we have obtained all requisite licenses, permits, approvals and certificates from relevant competent regulatory authorities for our business operations in China that are material to our business. As of the Latest Practicable Date, these licenses, permits and approvals were and remained valid, and we were not aware of any circumstances that may lead to the cancellation of any licenses, permits and approvals.

The following table sets out a list of material licenses, permits, and approvals currently held by us:

License/Permit	Holder	Initial Grant Date	Expiry Date
Food Trade Permit (Sale of Prepackaged Food (Including Refrigerated and Frozen Food), Sale of Health Food, and Sale of Formula Food for Special Medical Purposes) (食品經營許可證(預包裝食品(含冷藏冷凍食品)銷售、保健食品銷售、特殊醫學用途配方食品銷售	Suzhou Jimao Information Technology Co., Ltd. (蘇州極茂信息技術有限公司)	August 2021	August 2026

License/Permit	Holder	Initial Grant Date	Expiry Date
Food Trade Permit (Sale of Prepackaged Food (Including Refrigerated and Frozen Food), Sale of Health Food, and Sale of Formula Food for Special Medical Purposes) (食品經營許可證(預包裝食品(含冷藏冷凍食品)銷售、保健食品銷售、特殊醫學用途配方食品銷售)	Suzhou Yishenghuaxin Information Technology Co., Ltd. (蘇州易勝華鑫信息技術有限公司)	July 2021	July 2026
Recordation Certificate for Class II Medical Devices (第二類醫療器械經營備案憑證) . .	Suzhou Yishenghuaxin Information Technology Co., Ltd. (蘇州易勝華鑫信息技術有限公司)	October 2024	N/A
Medical Device Business License (醫療器械經營許可證) . .	Suzhou Yishenghuaxin Information Technology Co., Ltd. (蘇州易勝華鑫信息技術有限公司)	May 2023	May 2028

License/Permit	Holder	Initial Grant Date	Expiry Date
Food Trade Permit (Sale of Prepackaged Food (Including Refrigerated and Frozen Food), Sale of Bulk Food (Including Refrigerated and Frozen Food), Sale of Health Food, Sale of Formula Food for Special Medical Purposes, and Sale of Infant Formula Milk Powder) (食品經營許可證(預包裝食品(含冷藏冷凍食品)銷售、散裝食品(含冷藏冷凍食品)銷售、保健食品銷售、特殊醫學用途配方食品銷售、嬰幼兒配方乳粉銷售)	Suzhou Xinyisheng Information Technology Co., Ltd. (蘇州新易盛信息技術有限公司)	September 2021	July 2026
Food Trade Permit (Sale of Prepackaged Food (Including Refrigerated and Frozen Food), Sale of Unpacked Food (Including Refrigerated and Frozen Food), Sale of Health Food, and Sale of Formula Food for Special Medical Purposes) 食品經營許可證(預包裝食品(含冷藏冷凍食品)銷售、散裝食品(含冷藏冷凍食品)銷售、保健食品銷售、特殊醫學用途配方食品銷售).	Suzhou Xili Data Network Technology Co., Ltd. (蘇州喜立數據網絡科技有限公司)	September 2021	November 2025

License/Permit	Holder	Initial Grant Date	Expiry Date
Food Trade Permit (Sale of Prepackaged Food (Excluding Refrigerated and Frozen Food), and Sale Wine) (食品經營許可證(預包裝食品(不含冷藏冷凍食品)銷售、葡萄酒銷售) . .	Hainan Yihou Information Technology Co., Ltd. (海南易後信息技術有限公司)	February 2021	February 2026

The validity period of these licenses ranges from 4 to 5 years, except for the Recordation Certificate for Class II Medical Devices, which does not have an expiry date. The majority of these licenses require periodic renewal. We do not anticipate any impediment in the renewal of our material licenses and permits. Our business model does not involve the sale of prescription drugs through any channels, and we only provide end-to-end digital retail services to brand partners in the healthcare sector (primarily prescription drugs) under the service fee model of our brand-to-consumer solutions. Based on the above facts, our PRC Legal Advisor has advised us that we are not required to obtain licenses relating to the production and distribution of prescription drugs within China pursuant to relevant laws and regulations, such as the Drug Administration Law of the People's Republic of China (《中華人民共和國藥品管理法》).

AWARDS AND RECOGNITIONS

Award/Recognition	Awarding Institution	Date
State-level Technologically Advanced Little Giant Enterprise (國家專精特新小巨人企業) . . .	Ministry of Industry and Information Technology (工信部)	September 2024
Ministry of Commerce Science and Technology Innovation Application Case (商務部科技創新應用案例) . . .	Ministry of Commerce (商務部)	September 2022
High and New Technology Enterprise (國家高新技術企業)	Jiangsu Provincial Department of Science and Technology (江蘇省科學技術廳)	November 2023

Award/Recognition	Awarding Institution	Date
Leading Enterprise for High-Quality Development of Modern Service Industry in Jiangsu Province (江蘇省現代服務業高品質發展領軍企業)	Jiangsu Provincial Development and Reform Commission (江蘇省發改委)	December 2023
Tiger Roar Award (Gold Prize) (虎嘯獎(金獎))	China Advertising Association of Commerce (中國商務廣告協會)	June 2023
ECI Awards (Entrepreneurship, Creativity & Innovation Awards)	International Entrepreneurs, Creatives & Innovators Association	2020

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be involved in legal proceedings arising in the ordinary course of our business, such as intellectual property-related litigation. As of the Latest Practicable Date, we were not aware of any pending or threatened legal, arbitration, or administrative proceedings against us or our Directors that could, individually or in aggregate, have a material adverse effect on our business, financial condition, or results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any non-compliance incidents that our Directors believe would, individually or in aggregate, have a material adverse effect on our business, financial condition, or results of operations.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements as of and for each of the years ended December 31, 2022, 2023 and 2024, and the accompanying notes included in the Accountants' Report set out in Appendix I to this document. The Accountants' Report has been prepared in accordance with IFRS. Potential [**REDACTED**] *should read the Accountants' Report in its entirety and not rely merely on the information contained in this section. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. For additional information regarding these risks and uncertainties, see "Risk Factors."*

OVERVIEW

We are China's leading end-to-end digital retail service provider and Silk Road E-commerce service provider. We are also a brand asset manager driven by AI and digital intelligence, committed to driving brand growth through digital intelligence technology and efficient operations and enhancing brand value. Leveraging our self-developed AI agent platform and extensive industry expertise, we provide global brands with one-stop end-to-end digital retail services, enabling their effective growth in the digital age. As of the Latest Practicable Date, we had cumulatively collaborated with over 200 representative brands around the globe across various product categories, including healthcare, beauty and personal care, fast-moving consumer goods (including food, beverage, and maternity and baby products), and home furnishing and appliances, most of which are top international brands. In addition, we provide end-to-end digital retail services to multiple supermarkets, membership stores and other entity retailers around the globe, assisting traditional retailers in integrating online and offline channels.

We ranked second among end-to-end digital retail service providers in China and fifth among brand e-commerce service providers in China in terms of GMV in 2024, according to Frost & Sullivan. As an industry-leading Silk Road E-commerce service provider, we assist global retail brands in penetrating and expanding in the Chinese market through cross-border import. In 2024, our GMV from cross-border import e-commerce reached RMB7.4 billion, ranking first among brand e-commerce service providers in China, according to Frost & Sullivan. We also position cross-border export as our key development strategy.

Depending on whether we help our brand partners sell products to consumers, we provide end-to-end digital retail service mainly through our brand-to-consumer solutions and brand-to-business solutions. We also provide brand asset management and IP commercialization and, to a lesser extent, other services.

- **Brand-to-consumer solutions**. Our brand-to-consumer solutions serve as a bridge that effectively connects brands with consumers. Through our brand-to-consumer solutions, we help brand partners sell products to consumers, meanwhile offering other end-to-end digital retail services encompassing brand strategy, online store operation, product distribution, integrated marketing and advertising, and supply chain management to assist their product sales. Our brand-to-consumer solutions can be further divided into online channel distribution model and service fee model. The services we provide to brand partners under these two models are similar in nature, with the main difference being whether we also purchase products from brand partners or merely provide them with services.

- **Brand-to-business solutions**. Our brand-to-business solutions serve as a bridge that effectively connects brands with high-quality offline channels with large consumer base. Under our brand-to-business solutions, we purchase products from brand partners and sell them to offline channels, including supermarkets, membership stores and other entity retailers such as Walmart, RT-MART and METRO, which subsequently sell these products to consumers on their own.

- **Brand asset management and IP commercialization**. Leveraging our industry insights accumulated over years and our service capabilities spanning across brand's value chain, we have gradually established deeper cooperation and with brand partners through various business models, including joint new product development with established brand partners, exclusive authorization from brand partners, exclusive brand agency within the designated area, and equity investment in or joint venture with brand partners. Under our brand asset management business, we are in charge of brands' market insights and omnichannel integrated marketing and operation and conduct joint product innovation and development with brands. Through brand asset management, we work with brand partners to cultivate, develop and operate brands and further enhance brand value. In addition, we engage in IP commercialization business, under which we purchase brand IP licenses from brand partners and develop, sell, and promote IP-based products, thereby enhancing brand IPs' awareness and influence. Participating in the management and operation of brands throughout their entire lifecycle, we evolve from a brand e-commerce service provider to a brand asset manager with more decision-making power.

- **Other services**. In addition to the end-to-end digital retail services as described above, we provide brand partners with project-based digital operation and marketing services, including ad creative design, multi-channel ad placements, as well as market consulting and strategy services, for which we charge service fees. We also provide project-based system upgrades and software development services, for which we charge service fees.

During the Track Record Period, our revenue increased by 21.3% from RMB1,117.3 million in 2022 to RMB1,355.5 million in 2023 and further increased by 3.3% to RMB1,400.3 million in 2024. Our gross profit increased by 7.5% from RMB194.0 million in 2022 to RMB208.5 million in 2023 and slightly decreased by 3.0% to RMB202.3 million in 2024. Our profit for the year decreased by 33.8% from RMB37.6 million in 2022 to RMB24.9 million in 2023 and increased significantly by 100.3% to RMB49.8 million in 2024.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

General Factors

Our business and operating results are affected by general factors affecting the e-commerce industry in China, including:

- China's overall economic growth and level of per capita disposable income;

- development and popularity of e-commerce in China, including the expansion of various e-commerce platforms and trust and confidence level of online retail consumers;

- changes in consumers' demographics, tastes and preferences;

- advancements in technology applied in the industry, particularly artificial intelligence, and data analytics; and

- governmental regulations, policies and initiatives affecting the e-commerce industry, especially those on cross-border e-commerce, in China and other relevant jurisdictions.

Specific Factors

Our results of operations have been, and are expected to continue to be, more directly affected by company-specific factors, including the following major factors:

Our Ability to Retain and Attract Brand Partners

Our ability to maintain and expand our competitive high-quality brand partner base is crucial for our business performance. Specifically, our results of operations are primarily affected by our cooperation with brand partners in the following ways:

- *Pricing.* With respect to our brand-to-consumer solutions under the online channel distribution models, and our brand-to-business solutions, we typically purchase products from brand partners at prices specified in the sales agreements. In some cases, we purchase products at a discount to brand partners' market selling prices according to the sales agreements with our brand partners. Therefore, our profitability under these models is primarily affected by the terms and conditions of our sales agreements with brand partners, in particular, the prices at which we purchase from our brand partners and, where applicable, the range of recommended retail prices to our customers. With respect to the actual retail prices of the products in providing brand-to-consumer solutions through the online channel distribution model, and in providing our brand-to-business solutions, we generally consider the pricing recommendations provided by our brand partners but have the discretion to determine the retail prices.

- *Rebates.* Our brand partners offer us rebates as procurement, marketing and promotion incentives for us. Rebates granted by our brand partners, by offsetting part of our cost of sales, mainly affect our gross profit. The settlement of rebates receivables can also affect our liquidity position.

- *Service fee and incentives.* With respect to the service fee model under our brand-to-consumer solutions, our brand partners typically pay us (i) a performance-based service fee, which is determined by our brand partners based on the achievement of certain key performance indicator, or KPI, requirements, such as return on investment, click-through rate, rate of new customer transaction, repeated purchases and accuracy of rolling forecast, and their weighted scoring of our services, and/or (ii) sales commission at a pre-agreed ratio of the GMV. The commission ratios of different categories of brands are different. Normally, beauty and personal care brands have a higher commission ratio due to higher requirements of refined operations. Brand partners may also grant us tiered additional incentives if annual sales exceed specified amounts.

As of December 31, 2022, 2023 and 2024, we collaborated with an aggregate of 81, 85 and 84 brands, respectively. During the Track Record Period, we generated a significant portion of our revenue through (i) sales of these brand partners' products to e-commerce platforms or consumers under online channel distribution model of our brand-to-consumer solutions, (ii) sales of brand partners' products to offline channels under our brand-to-business solutions, (iii) provision of end-to-end digital retail services to these brand partners under the service fee model of our brand-to-consumer solutions, and (iv) provision of brand asset management and IP commercialization services and other services, which we collectively refer to as revenue "related to" these brand partners in order to assess our overall business relationship with them.

We plan to further grow our existing businesses and expand value propositions through brand asset management and IP commercialization or other new business initiatives to deepen our collaboration with brand partners. In addition, the diversity of our brand partners affect the variety of products that we sell to consumers through our brand-to-consumer solutions and to offline channels through our brand-to-business solutions. We will continue to expand our brand partner base, in particular, to incubate or engage new brands whose products are appealing to consumers, to strengthen our business growth and competitiveness.

Collaboration with E-commerce Platforms and Other Sales Channels

During the Track Record Period, we generated a majority of our revenue from our brand-to-consumer solutions under online channel distribution model of our brand-to-consumer solutions, where we sell products to e-commerce platforms or to consumers through online stores we operated by on e-commerce platforms. In 2022, 2023 and 2024, the revenue from our product sales to and through e-commerce platforms accounted for 88.5%, 71.8% and 60.2% of our total revenue, respectively. The increase in our product sales revenue under online channel distribution model is substantially dependent upon increased purchases from these e-commerce platforms. We also conduct various marketing and promotion activities on, and purchase advertising services from, e-commerce platforms to increase the exposure of the products in the online stores operated by us.

Furthermore, under the service fee model, our revenue was primarily generated from services rendered to brand partners on these e-commerce platforms. JD.com, Tmall and other mainstream e-commerce platforms have an extensive customer base and high user traffic. Maintaining a stable and sound collaboration with them is critical for our access to tools, resources and data analytics, which in turn enhance our ability and competitiveness in rendering store operations, marketing and other digital retail services to our brand partners.

Moreover, we are dedicated to keeping pace with the latest trends and actively seeking collaboration with emerging channels, including social media, professional MCNs, live streaming and live selling platforms, as part of our business strategy. As we grow our businesses overseas, we also plan to scale up our collaboration with overseas e-commerce platforms.

In addition to online channels, we are expanding our sales network to offline channels, including our collaboration with reputable, established large entity retailers, such as RT-MART and METRO. Our collaborations with these offline channels is critical for the success of our brand-to-business solutions.

Our Ability to Identify Evolving Market Trends and Consumers' Needs

Our ability to identify market trends and offer a brand and product portfolio that caters to consumers' needs is crucial for our continued success. We strategically focus on healthcare products and beauty and personal care products, which present significant growth potential in the e-commerce industry. Our brand and product portfolio also covers other categories, including fast-moving consumer goods (including food, beverage, and maternity and baby products) and home furnishings and appliances.

As the market trend in each product category shifts rapidly, we are committed to identifying and responding to changes in merchandising and consumer preferences. In the import e-commerce segment, we have rapidly gained market share by successfully housing a number of popular overseas brands and products. In 2024, we ranked first among brand e-commerce service providers in China in terms of the GMV, according to Frost & Sullivan. We also seek to develop and expand our businesses in the export e-commerce segment, as we have seen an increasing consumer demand for Chinese branded quality products, and the continued growth of China's cross-border e-commerce export GMV. To this end, we research consumer preferences to keep abreast of local market trends, and initially focus on domestic brands that aspire to expand into overseas market. Today, we operate our own stores on leading overseas e-commerce platforms such as Temu, Amazon, Coupang, and SHEIN, and continue to expand our business presence in Southeast Asia.

In addition, as we form deeper collaborations with brand partners in brand asset management and IP commercialization, our competitive edge lies in the ability to align brands' strategies with evolving consumer preferences and market dynamics. By staying attuned to these trends, we expect to effectively tailor our offerings to meet the specific demands of brands' target audience, ensuring greater consumer satisfaction and loyalty.

Our Ability to Innovate and Effectively Invest in Our Technology

Our ability to innovate and continue to strategize our brand-to-consumer solutions, brand-to-business solutions and brand asset management and IP commercialization through improved technologies, especially artificial intelligence, data analytics and marketing know-how, is a key driver of our long-term growth and competitiveness. Investments in our technology and technology infrastructure enable us to better serve our brand partners and help them enhance their business performance. This will in turn contribute to our ability to retain and attract brand partners, and maintain our growth momentum.

Our ability to invest in our technology infrastructure cost-effectively also affects our results of operations. We expect our spending on technology will increase over time as we add engineers, data scientists, services, and tools, among other investments. Our technology investment, particularly our investment in artificial intelligence and machine learning, support a variety of solutions and services we offer, and reduce inefficiencies during our business operations. Our technology infrastructure empowers our product research, user traffic tracking and conversion evaluation, consumer behavior analysis, product catalog tracking, sales tracking, order management, and logistics and warehouse management. Over the long run, our technology investment is expected to further improve operating efficiency and business output.

Our Ability to Manage Costs, Improve Operational Efficiency and Manage Our Working Capital

Our results of operations depend on our ability to efficiently manage our costs and expenses. In particular, our ability to control our cost of sales is critical to our results of operations. During the Track Record Period, our cost of sales primarily consisted of procurement costs. The rebates obtained from our brand partners were deducted from our cost of sales upon the sale of the products. We expect our cost of sales as a percentage of revenue to decrease as we continue to implement cost control measures, utilize AI technology to enhance our operational efficiency and reduce expenses, and optimize the mix of our revenue contribution. During the Track Record Period, our selling expenses primarily consisted of staff costs, warehousing expenses and sales operating expenses, and our administrative expenses primarily consisted of staff costs and R&D expenses. We expect that our selling expenses to support our business expansion initiatives will grow as we continue to expand our business. Our expansion will also result in substantial demands on our managerial and operational resources, and therefore increasing our administrative expenses. By capitalizing on our continuous investment in AI and automation technologies, we expect to achieve revenue growth at a rate higher than that of our cost of sales and expenses, continuously improving our operational efficiency.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). IFRS Accounting Standards comprises International Financial Reporting Standards, International Accounting Standards and Interpretations.

MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL JUDGMENTS AND KEY ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that we believe to be reasonable under the circumstances. We did not change our assumptions or estimates during the Track Record Period and have not noticed any material errors regarding our assumptions or estimates. Under current circumstances, we do not expect that our assumptions or estimates are likely to change significantly in the future. When reviewing our consolidated financial statements, you should consider (i) our material accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

We set forth below some of the accounting policies that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of our consolidated financial statements. Our material accounting policy information and critical accounting judgments and key estimates, which are important for an understanding of our financial condition and results of operations, are set forth in detail in Notes 4 and 5 to the Accountants' Report set out in Appendix I to this document.

Material Accounting Policy Information

Revenue and Other Income

We recognize revenue when control over a product or service is transferred to the customer, at the amount of promised consideration to which we expect to be entitled to, excluding those amounts collected on behalf of third parties. Revenue excludes value-added tax or other sales taxes and is after deduction of any trade discounts, return allowances, and related surcharges.

We provide brand-to-customer solutions, brand-to-business solutions, brand asset management and IP commercialization, and other services. Our revenues from each business segment are derived principally from product sales and/or provision of services.

Product Sales

We generate revenue from sales of products purchased from brand partners and/or their authorized distributors, including healthcare, beauty and personal care, fast-moving consumer goods, home furnishing and appliances (i) directly to consumers through authorized brand flagship stores and other brand stores operated by us on e-commerce platforms under brand-to-consumer solutions, (ii) to e-commerce platforms under brand-to-consumer solutions, or (iii) distributors, including offline channels under brand-to-business solutions. Revenue generated from sales of products is recognized on a gross basis, because (i) we, rather than the brand partner, are primarily responsible for fulfilling the promise to provide the specified good, (ii) we bear the inventory risk, and (iii) we have discretion in determining the retail price of the product.

For product sales to consumers on e-commerce platforms, the control of the good is transferred when the consumer manually confirms the receipt of the product within the period stipulated by the e-commerce platform, or when the e-commerce platform automatically acknowledges consumers' receipt of the order after the stipulated period. The consumer prepays the full price into the escrow account established by the e-commerce platform, which will be transferred to our brand flagship store's fund account after the order is confirmed as received.

For product sales to e-commerce platforms, the control of the good is transferred when the relevant e-commerce platform, as the our direct customer, issues documents (e.g., settlement statements) evidencing transfer of control over the product to the consumer, or when the product is delivered to the designated location or transferred to the specified carrier. In determining the retail price of the product, we consider the effects of variable factors (e.g. rebate and discount) and estimate the amount of consideration to which we will be entitled using the expected value method, which better predicts the amount of consideration to which the we will be entitled.

Revenue from brand-to-business solutions is derived from product sales to distributors, including offline channels. Revenue is recognized when the control of the product is transferred when the product is delivered to the designated location or transferred to the specified carrier, in accordance with relevant shipping terms, to the distributor (i.e., offline channel). We may require advance payment from distributors, including offline channels, before delivery. The retail price received by us is recognized as a contract liability until the product is delivered to the offline channel.

Under certain circumstances, consumers on e-commerce platforms including e-commerce platforms and offline channels have a right to return products after receipt of the products purchased from us. During the Track Record Period, the financial impact arising from the right of customers to return products was not material.

Revenues are measured as the amount of consideration we expect to receive in exchange of transferring products to customers. Return allowances, which reduce revenue, are estimated utilizing the most likely amount method based on historical data we have maintained and our analysis of returns by product category.

Provision of Services

We act as a service provider to facilitate our brand partners' online sales of brand products and other customers with the performance obligations to provide a variety of brand e-commerce services, which may include any combination of IT solutions, online store operation, digital marketing, customer service and fulfillment services. Revenue from provision of services is recognized over time as the customer simultaneously receives and consumes the benefits provided by our performance.

Revenue generated from IT solutions, such as one-time online store design and set-up services, is recognized when the services are rendered.

Revenue generated from logistics services, including warehouse services, express and freight delivery services and related value-added services, and other types of services, is recognized over the service term.

Interest income is recognized as it accrues using the effective interest method. For financial assets measured at amortized cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortized cost (i.e. gross carrying amount net of loss allowance) of the assets.

Dividend income is recognized when the shareholders' rights to receive payment are established.

Property, Plant and Equipment

Property, plant and equipment, held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful annual lives are as follows:

Building	20 years
Leasehold improvements	2-10 years
Computer equipment	3 years
Office equipment	3-5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting periods, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized in profit or loss.

Intangible Assets Acquired — Software

Software is stated at cost less accumulated amortization and impairment losses. Amortization is calculated on a straight-line basis over their estimated useful lives of 10 years.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average basis. The costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade and Other Receivables

A receivable is recognized when we have an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognized before we have an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. We hold the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method less allowance for credit losses.

Recognition and Derecognition of Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when our Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

We 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. If we neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, we recognize our retained interest in the asset and an associated liability for amounts we may have to pay. If we retain substantially all the risks and rewards of ownership of a transferred financial asset, we continue to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

We derecognizes financial liabilities when, and only when, our obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Financial Assets

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 marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Debt Investments

Debt investments held by our Group are classified into one of the following measurement categories:

– amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

– FVTOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognized in other comprehensive income, except for the recognition in profit or loss of ECL, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognized, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– FVTPL if the investment does not meet the criteria for being measured at amortized cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

Equity Investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment our Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognized in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognized in profit or loss as other income.

Critical Judgments and Key Estimates

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies, our Directors have made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Principal vs. Agent Consideration

We engage in sales of products under the B2B2C model of our brand-to-consumer solutions. We conclude that the we act as the principal for such transactions as we control the specified product before it is transferred to the customer after taking into consideration indicators such as that we are primarily responsible for fulfilling the promise to provide the products. We have inventory risk and legal title of the goods. When we satisfies the performance obligation, we recognize trading revenue in the gross amount of consideration to which we expect to be entitled as specified in the contracts.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Deferred Tax Assets

The realizability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

Impairment of Property, Plant and Equipment and Right-of-use Assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, we have to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), we estimate the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Impairment Loss of Trade Receivables

We use practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the our historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

Allowance for Slow-moving Inventories

Allowance for slow-moving inventories is made based on the aging and estimated net realizable value of inventories. The assessment of the allowance amount involves judgment and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary, as extracted from Appendix I to this document, of our consolidated results of operations in absolute amounts. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Revenue	**1,117,250**	**1,355,503**	**1,400,287**
Cost of sales	(923,287)	(1,146,971)	(1,197,981)
Gross profit	**193,963**	**208,532**	**202,306**
Other income	8,816	4,611	2,135
Other gains and losses	1,385	881	299
(Impairment losses)/reversal of impairment loss for trade and other receivables	(3,120)	(9,193)	2,370
Selling expenses	(71,497)	(83,556)	(68,101)
Administrative expenses	(60,774)	(62,725)	(72,075)
PROFIT FROM OPERATIONS	**68,773**	**58,550**	**66,934**
Finance costs	(20,467)	(24,724)	(20,082)
Share of loss of associates	(534)	(154)	(275)
PROFIT BEFORE TAX	**47,772**	**33,672**	**46,577**
Income tax (expense)/credit	(10,189)	(8,802)	3,245
PROFIT FOR THE YEAR	**37,583**	**24,870**	**49,822**
Attributable to:			
Owners of the Company	37,583	24,568	48,157
Non-controlling interests	–	302	1,665
	37,583	**24,870**	**49,822**

NON-IFRS MEASURE

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We exclude [**REDACTED**] and share-based payments in calculating adjusted net profit (non-IFRS measure). We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impacts of certain items.

We believe that this non-IFRS measure provides useful information to [**REDACTED**] and others in understanding and evaluating our results of operations in the same manner as it helps our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

The following table sets forth a reconciliation of our adjusted net profit (non-IFRS measure) to profit for the year in respect of the years indicated:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	**37,583**	**24,870**	**49,822**
Adjusted for:			
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Share-based payments	1,219	429	429
Adjusted net profit (non-IFRS measure)	**38,802**	**25,299**	**54,894**

DESCRIPTION OF PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

In 2022, 2023 and 2024, our revenue was RMB1,117.3 million, RMB1,355.5 million and RMB1,400.3 million, respectively.

During the Track Record Period, we generated revenue primarily from our brand-to-consumers solutions and brand-to-business solutions. We also generated a small portion of revenue from our brand asset management and IP commercialization business and other services. The following table sets forth a breakdown of our revenue by business segment, both in absolute amount and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,					
	2022		2023		2024	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Brand-to-consumer solutions	989,586	88.5	973,726	71.8	843,199	60.2
Online channel distribution model	906,602	81.1	876,868	64.7	733,832	52.4
Service fee model	82,984	7.4	96,858	7.1	109,367	7.8
Brand-to-business solutions	63,217	5.7	282,130	20.8	494,461	35.3
Brand asset management and IP commercialization	40,989	3.7	74,450	5.5	44,506	3.2
Other services	23,458	2.1	25,197	1.9	18,121	1.3
	1,117,250	**100.0**	**1,355,503**	**100.0**	**1,400,287**	**100.0**

Under our brand-to-consumer solutions, we generate revenue on a gross basis from sales of products (under online channel distribution model) or provision of services to brand partners (under service fee model). Under online channel distribution model, we purchase products from our brand partners and sell them to (i) e-commerce platforms, under which case the products are subsequently sold to consumers through such e-commerce platforms' self-operated online stores that we operate for them, or (ii) consumers through the online brand flagship stores we operate on e-commerce platforms. Under service fee model, we provide brand partners with one-stop end-to-end digital retail services for service fees, either at a pre-agreed amount and/or performance-based service charge. See "— Material Accounting Policy Information and Critical Judgments and Estimates — Material Accounting Policy Information — Revenue and Other Income — Product Sales."

Under our brand-to-business solutions, we generate revenue on a gross basis from sales of products we purchase from our brand partners to offline channels, including supermarkets, membership stores and other entity retailers such as Walmart, RT-MART and METRO, which in turn sell the products to consumers. See "— Material Accounting Policy Information and Critical Judgments and Estimates — Material Accounting Policy Information — Revenue and Other Income — Services."

In addition to our brand-to-consumer solutions and brand-to-business solutions, we also generate a small portion of revenue on a gross basis from our brand asset management and IP commercialization services and our provision of other services, which are mainly project-based digital operation and marketing services, to brand partners for service fees, either at a pre-agreed amount and/or performance-based service charge. See "— Material Accounting Policy Information and Critical Judgments and Estimates — Material Accounting Policy Information — Revenue and Other Income — Services."

Cost of Sales

In 2022, 2023 and 2024, our cost of sales was RMB923.3 million, RMB1,147.0 million and RMB1,198.0 million, respectively.

The following table sets forth a breakdown of our cost of sales by nature, both in absolute amount and as a percentage of our total cost of sales, for the periods indicated.

	Year ended December 31,					
	2022		2023		2024	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Procurement costs.	820,717	88.9	1,050,002	91.5	1,112,916	92.9
Staff costs	60,047	6.5	61,298	5.3	60,597	5.1
Logistics costs . . .	33,116	3.6	24,696	2.2	22,156	1.8
Others	9,407	1.0	10,975	1.0	2,312	0.2
Total cost of sales	**923,287**	**100.0**	**1,146,971**	**100.0**	**1,197,981**	**100.0**

Our cost of sales consists of (i) procurement costs, primarily representing the purchase price of products from brand partners, (ii) staff costs, primarily including salaries and benefits of our staff under the service fee model of our brand-to-consumer solutions, (iii) logistics costs, primarily representing products shipping and delivery fees charged by third-party service providers, and (iv) others, primarily including service fees to our outsourced labor under the service fee model of our brand-to-consumer solutions.

The rebates obtained from our brand partners were deducted from our procurement costs upon the sale of the products.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit as a percentage of our revenue. In 2022, 2023 and 2024, our gross profit was RMB194.0 million, RMB208.5 million and RMB202.3 million, respectively, and our gross profit margin was 17.4%, 15.4%, and 14.4%, respectively.

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

	Year ended December 31,					
	2022		2023		2024	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Brand-to-consumer solutions	175,769	17.8	169,594	17.4	154,904	18.4
Online channel distribution model	142,409	15.7	131,473	15.0	94,675	12.9
Service fee model	33,360	40.2	38,121	39.4	60,229	55.1
Brand-to-business solutions	1,905	3.0	3,933	1.4	26,941	5.4
Brand asset management and IP commercialization	10,955	26.7	19,705	26.5	12,328	27.7
Other services	5,334	22.7	15,300	60.7	8,133	44.9
Total	**193,963**	**17.4**	**208,532**	**15.4**	**202,306**	**14.4**

Other Income

In 2022, 2023 and 2024, other income was RMB8.8 million, RMB4.6 million and RMB2.1 million, respectively.

The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Dividend income from FVTOCI	3	11	–
Interest income on bank deposits	1,109	653	506
Gain on financial assets at FVTPL	10	39	48
Government grants	6,502	3,240	1,366
Others	1,192	668	215
Total	**8,816**	**4,611**	**2,135**

Other income consists of (i) dividend income from FVTOCI, representing dividends related to our investment in funds, (ii) interest income on bank deposits, (iii) gain on financial assets at FVTPL, representing interest income from our investment in financial products purchased from banks, (iv) government grants mainly related to the subsidies received from the local government authority for support of our business operation, and (v) others, primarily including other tax deduction.

Other Gains and Losses

In 2022, 2023 and 2024, other gains were RMB1.4 million, RMB0.9 million and RMB0.3 million, respectively.

The following table sets forth a breakdown of our other gains and losses for the periods indicated:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Loss on disposal of property plant and equipment	(94)	–	–
Written-off of intangible assets	(1,367)	–	–
Net exchange gains/(losses)	2,378	4,488	(2,566)
Fair value gains of derivative instruments	–	298	–
Realized losses on derivative instruments	–	(2,055)	(159)
Reversal of allowance/(allowance) of inventories	468	(1,850)	3,024
Total	**1,385**	**881**	**299**

Other gains and losses consist of (i) loss on disposal of property plant and equipment, (ii) written-off of intangible assets, (iii) net exchange gains/(losses), representing our gain and loss resulted from foreign exchange, (iv) fair value gains of derivative instruments, (v) realized losses on derivative instruments, and (vi) reversal of allowance or allowance of inventories due to the increase in the estimated net realizable value of certain products as a result of change in market conditions and sales of certain products which had been written down to net realizable value in prior years.

(Impairment Losses)/Reversal of Impairment Loss for Trade and Other Receivables

We recognize lifetime expected credit loss for trade receivables and other receivables. In 2022 and 2023, we recorded impairment losses for trade and other receivables of RMB3.1 million and RMB9.2 million, respectively. In 2024, we recorded reversal of impairment loss for trade and other receivables of RMB2.4 million.

Selling Expenses

In 2022, 2023 and 2024, our selling expenses were RMB71.5 million, RMB83.6 million and RMB68.1 million, respectively, accounting for 6.4%, 6.2%, and 4.9% of our total revenue for the same periods, respectively.

The following table sets forth a breakdown of our selling expenses, both in absolute amounts and as a percentage of our total selling expenses, for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Staff costs	26,572	37.2	38,526	46.1	30,221	44.4
Warehousing expenses	16,393	22.9	18,425	22.1	12,264	18.0
Sales operating expenses	13,298	18.6	8,421	10.1	9,704	14.2
Service fees	7,776	10.9	6,765	8.1	6,441	9.5
Office and travel expenses	4,292	6.0	6,712	8.0	4,873	7.2
Others	3,166	4.4	4,707	5.6	4,598	6.7
Total	**71,497**	**100.0**	**83,556**	**100.0**	**68,101**	**100.0**

Our selling expenses consist of (i) staff costs, primarily consisting of salaries and benefits of our staff for the online channel distribution model under our brand-to-consumer solutions and for our brand-to-business solutions, (ii) warehousing expenses relating to the storage of brand products, (iii) sales operating expenses, primarily including e-commerce platform commission and service fees charged based on transaction amounts, marketing and promotion fees for the online marketing and promotion services and products we purchase from e-commerce platforms to increase the exposure of the online stores we operate to consumers, and service fees charged by third-party payment channels, (iv) service fees, primarily consisting of labor outsourcing fees relating to customer service for our brand-to-consumer solutions, (v) office and travel expenses, and (vi) others, including brand product sample and testing fees, lease, property management and utility expenses for our offices, depreciation of right-of-use assets, and depreciation and amortization of our property, plant and equipment.

Under some agreements, our brand partners agree to reimburse us for the whole (under service fee model of our brand-to-consumer solutions) or a certain (under online channel distribution model of our brand-to-consumer solutions and under our brand-to-business solutions) amount of expenditures incurred in brand marketing and promotion activities, which is deducted from selling expenses.

Administrative Expenses

In 2022, 2023 and 2024, our administrative expenses were RMB60.8 million, RMB62.7 million and RMB72.1 million, accounting for 5.4%, 4.6% and 5.1% of our total revenue for the same periods, respectively.

The following table sets forth a breakdown of our administrative expenses, both in absolute amount and as a percentage of our total administrative expenses, for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Staff costs	23,494	38.7	26,852	42.8	23,849	33.1
R&D expenses	15,173	25.0	10,102	16.1	15,702	21.8
Loss on inventory	3,662	6.0	2,618	4.2	466	0.6
Depreciation of right-of-use assets	4,627	7.6	4,571	7.3	3,981	5.5
Professional and other service expenses	4,426	7.3	4,706	7.5	10,432	14.5
Office and travel expenses	3,770	6.2	5,441	8.7	7,085	9.8
Rental and related expenses	3,236	5.3	4,386	7.0	4,084	5.7
Others	2,386	3.9	4,049	6.4	6,476	9
Total	**60,774**	**100.0**	**62,725**	**100.0**	**72,075**	**100.0**

Our administrative expenses consist of (i) staff costs, consisting of salaries, share-based compensation, and other benefits for our managerial and administrative staff, (ii) R&D expenses, (iii) loss on inventory, primarily representing the deficiency and retirement of inventory, (iv) depreciation of right-of-use assets, (v) professional and other service expenses, consisting of professional service expenses (including professional service expenses relating to the [**REDACTED**]) and expenses for other services, such as training and recruitment services, (vi) office and travel expenses in relation to our managerial and administrative staff, (vii) rental and related expenses in relation to the leases for our offices, and (viii) others, primarily including depreciation and amortization of property, plant and equipment and intangible assets, insurance, taxes, and repairs expenses.

Finance Costs

Finance costs consist of (i) interest on bank borrowings, (ii) interest on other borrowings, which were loans received from a third-party company, and (iii) interest expense on lease liabilities. In 2022, 2023 and 2024, our finance costs were RMB20.5 million, RMB24.7 million and RMB20.1 million, respectively.

The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank borrowings	18,557	21,742	18,183
Interest on other borrowings	1,489	2,567	1,488
Interest expense on lease liabilities	421	415	411
Total	**20,467**	**24,724**	**20,082**

Share of Loss of Associates

We recorded share of loss of associates because we have accounted for several investee companies that had losses using the equity method during the Track Record Period. In 2022, 2023 and 2024, we recorded share of loss of associates of RMB0.5 million, RMB0.2 million and RMB0.3 million, respectively.

Income Tax (Expense)/Credit

In 2022 and 2023, we incurred income tax expense of RMB10.2 million and RMB8.8 million, respectively. Our effective tax rate was 21.3% and 26.1% for the same periods, respectively. In 2024, we had income tax credit of RMB3.2 million, and our effective tax rate was negative 7.0%. During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material disputes or unresolved tax issues with the relevant tax authorities.

We are subject to various rates of income tax under different jurisdictions. The following summarizes major factors affecting our applicable tax rates in the PRC and Hong Kong.

PRC

Under the EIT Law effective from January 1, 2008, as amended on December 29, 2018, all of our PRC subsidiaries are subject to the statutory rate of 25%, except for certain subsidiaries which enjoy preferential tax treatments.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which we operate, based on existing legislation, interpretation and practices in respect thereof.

On November 6, 2023, we were approved and recognized as a high-tech enterprise by the Science and Technology Department of Jiangsu Province, the Finance Department of Jiangsu Province, and the State Administration of Taxation of Jiangsu Province (certificate number: GR202332001445). According to Article 28 of the Corporate Income Tax Law and Article 93 of the Implementing Regulations, our Company enjoy a preferential tax rate of 15% for corporate income tax and a three-year exemption period.

According to the "Announcement on Implementing Preferential Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households" (Finance and Taxation [2021] No. 12) issued by the Ministry of Finance and the State Taxation Administration, for small and micro enterprises with an annual taxable income not exceeding RMB1 million, on the basis of the preferential policies stipulated in the second article of the "Notice on Implementing Preferential Tax Reduction Policies for Small and Micro Enterprises" (Finance and Taxation [2019] No. 13), corporate income tax is further halved. The implementation period was from January 1, 2021 to December 31, 2022.

According to the "Announcement on Preferential Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households" (No. 6 of 2023) issued by the Ministry of Finance and the State Taxation Administration, from January 1, 2023 to December 31, 2024, for small and micro enterprises with an annual taxable income not exceeding RMB1 million, 25% of the income is counted as taxable income, and the corporate income tax is paid at a rate of 20%. According to the "Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households with Tax and Fee Policies" (No. 12 of 2023) issued by the Ministry of Finance and the State Taxation Administration, the policy of calculating taxable income at 25% and paying corporate income tax at a rate of 20% for small and micro enterprises is extended to December 31, 2027.

We obtained the software enterprise certificate issued by the Jiangsu Software Industry Association on October 23, 2024. According to the State Council's Notice on Issuing the Several Policies to Promote the High-Quality Development of the Integrated Circuit Industry and Software Industry in the New Era (No. 8, 2020), the Ministry of Industry and Information

Technology's Announcement No. 10, 2021, "Conditions for Software Enterprises Encouraged by the State," and the State Administration of Taxation's Announcement No. 23, 2018, "Announcement of the State Administration of Taxation on the Release of the Revised Measures for Handling Preferential Corporate Income Tax Policies," we met the conditions for software enterprises for the exemption from income taxation for the first two years and reduction of half of the income tax for the next three years, as stipulated in the aforementioned regulations. As 2024 was the second year since we received the software enterprise certificate, we were exempt from corporate income tax when remitting corporate income tax in 2024.

Hong Kong

Under the two-tiered Profits Tax regime, the first HK$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at a rate of 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5%.

RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 3.3% from RMB1,355.5 million in 2023 to RMB1,400.3 million in 2024, primarily attributable to an increase in the revenue generated from our brand-to-business solutions.

Revenue generated from our brand-to-consumer solutions decreased by 13.4% from RMB973.7 million in 2023 to RMB843.2 million in 2024, attributable to an RMB143.0 million decrease in the revenue generated from the online channel distribution model as we strategically terminated our cooperation with certain fast-moving consumer goods brands considering various factors, including relatively low return on investment and fluctuating market demand for their products, partially offset by an RMB12.5 million increase in the revenue generated from the service fee model due to an increase in our business volume in the premium beauty sector, in line with our strengthened cooperation with premium beauty brand partners and our continuous expansion in beauty and personal care sector.

Revenue generated from our brand-to-business solutions increased by 75.3% from RMB282.1 million in 2023 to RMB494.5 million in 2024 due to our deepened cooperation and increased business volume with certain brand partners under this segment.

Revenue generated from our brand asset management and IP commercialization decreased by 40.2% from RMB74.5 million in 2023 to RMB44.5 million in 2024, primarily because we strategically terminated cooperation with certain brand partners through certain channels which had relatively lower profit margins under this segment.

Revenue generated from other services decreased by 28.1% from RMB25.2 million in 2023 to RMB18.1 million in 2024 due to a decrease in the number of projects we had under this business segment. We provide brand partners with one-off project-based digital operation and marketing services under other services.

Cost of Sales

Our cost of sales increased by 4.4% from RMB1,147.0 million in 2023 to RMB1,198.0 million in 2024, which was in line with the increase in our revenue.

Our procurement costs increased by 6.0% from RMB1,050 million in 2023 to RMB1,112.9 million in 2024, in line with the increase in our sales of products purchased from brand partners. Our staff costs remained relatively stable at RMB61.3 million in 2023 and RMB60.6 million in 2024. Our logistics costs decreased by 10.3% from RMB24.7 million in 2023 to RMB22.2 million in 2024, primarily due to (i) the increased revenue contribution by our brand-to-business solutions, which involved relatively less logistics services, and (ii) cost reductions driven by our application of AI technology in logistics management.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased by 3.0% from RMB208.5 million in 2023 to RMB202.3 million in 2024. Our gross profit margin decreased from 15.4% in 2023 to 14.4% in 2024, primarily due to the growth in the contribution of revenue generated from our brand-to-business solutions, which had a lower gross profit margin compared to other business segments.

Our gross profit for brand-to-consumer solutions decreased by 8.7% from RMB169.6 million in 2023 to RMB154.9 million in 2024. Our gross profit margin for brand-to-consumer solutions increased from 17.4% in 2023 to 18.4% in 2024, primarily due to the increased revenue contribution by the service fee model, which enjoyed a higher gross profit margin than the online channel distribution model.

Our gross profit for brand-to-business solutions increased significantly from RMB3.9 million in 2023 to RMB26.9 million in 2024. Our gross profit margin for brand-to-business solutions increased from 1.4% in 2023 to 5.4% in 2024, primarily because with the development of our brand-to-business solutions, we had more bargaining power and were able to partner with more high-quality brand partners, our cooperation with whom had a higher gross profit margin.

Our gross profit for brand asset management and IP commercialization decreased from RMB19.7 million in 2023 to RMB12.3 million in 2024. Our gross profit margin for brand asset management and IP commercialization increased from 26.5% in 2023 to 27.7% in 2024, primarily because we focused more on brand partners with higher gross profit margin under this segment and strategically terminated our cooperation with certain brand partners that had lower gross profit margins.

Our gross profit for other services decreased by 46.8% from RMB15.3 million in 2023 to RMB8.1 million in 2024. Our gross profit margin for other services decreased from 60.7% in 2023 to 44.9% in 2024. We had a high gross margin for other services in 2023 because we conducted digitalization upgrade of the online shopping system for a leading Chinese technology company, which had higher fee rate. In 2024, our brand partners reduced their investments in this segment as compared to 2023.

Other Income

Other income decreased by 53.7% from RMB4.6 million in 2023 to RMB2.1 million in 2024, primarily attributable to a decrease in government grants in relation to talent subsidies and special incentives for enterprise development.

Other Gains and Losses

Other gains decreased by 66.1% from RMB0.9 million in 2023 to RMB0.3 million in 2024, primarily attributable to net exchange loss incurred in 2024, as compared to the net exchange gains recorded in 2023.

(Impairment Losses)/Reversal of Impairment Loss for Trade and Other Receivables

We recorded reversal of impairment loss for trade and other receivables of RMB2.4 million in 2024, as compared to the impairment losses for trade and other receivables of RMB9.2 million recorded in 2023, primarily due to the decrease in the gross carrying amount of trade receivables and other receivables and the associated provision for bad debts. See "— Analysis of Selected Consolidated Statements of Financial Position — Trade Receivables" and "— Analysis of Selected Consolidated Statements of Financial Position — Deposit, Prepayments and Other Receivables."

Selling Expenses

Selling expenses decreased by 18.5% from RMB83.6 million in 2023 to RMB68.1 million in 2024, primarily attributable to (i) a decrease in staff costs, primarily because our utilization of AI technology enhanced our operational efficiency and reduced our staff costs and (ii) a decrease in warehousing expenses, primarily due to the reduced fee rate charged by third-party warehousing service providers as a result of our increased business volume.

Administrative Expenses

Administrative expenses increased by 14.9% from RMB62.7 million in 2023 to RMB72.1 million in 2024, primarily attributable to (i) an increase in professional and other service expenses, primarily due to the increased professional service expenses in relation to the [**REDACTED**] and (ii) an increase in R&D expenses due to our continued R&D investments to enhance our AI capabilities, partially offset by a decrease in staff costs, primarily because our utilization of AI technology improved our operational efficiency and reduced staff costs.

Finance Costs

Finance costs decreased by 18.8% from RMB24.7 million in 2023 to RMB20.1 million in 2024, primarily attributable to a decrease in interest on bank borrowings as a result of the decreased average interest rate.

Share of Loss of Associates

Our share of loss of associates increased by 78.6% from RMB0.2 million in 2023 to RMB0.3 million in 2024 as a result of the losses incurred by two of our associates, in both of which we held minority shares.

Profit Before Tax

As a result of the foregoing, our profit before tax increased by 38.3% from RMB33.7 million in 2023 to RMB46.6 million in 2024.

Income Tax (Expense)/Credit

In 2024, we had income tax credit of RMB3.2 million, as compared to the income tax expense of RMB8.8 million in 2023, because we received software enterprise certificate in 2024 and were therefore exempt from corporate income tax in 2024.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 100.3% from RMB24.9 million in 2023 to RMB49.8 million in 2024. Our net profit margin increased from 1.8% in 2023 to 3.6% in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 21.3% from RMB1,117.3 million in 2022 to RMB1,355.5 million in 2023, primarily attributable to an increase in the revenue generated from our brand-to-business solutions.

Revenue generated from our brand-to-consumer solutions decreased by 1.6% from RMB989.6 million in 2022 to RMB973.7 million in 2023, attributable to an RMB29.7 million decrease in the revenue generated from the online channel distribution model as a result of the increased market competition, partially offset by an RMB13.8 million increase in the revenue generated from the service fee model due to our increased business volume in the premium beauty sector, which was in line with our strengthened cooperation with premium beauty brand partners and our continuous expansion in beauty and personal care area.

Revenue generated from our brand-to-business solutions increased by 346.3% from RMB63.2 million in 2022 to RMB282.1 million in 2023 due to the increased number of brand partners we cooperated with under this segment.

Revenue generated from our brand asset management and IP commercialization increased by 81.6% from RMB41.0 million in 2022 to RMB74.5 million in 2023, primarily due to the expansion of channels through which we cooperated with a brand partner under this segment, which led to our increased business volume with this brand partner.

Revenue generated from other services increased by 7.4% from RMB23.5 million in 2022 to RMB25.2 million in 2023 due to an increase in the number of projects we had under this business segment. We provide brand partners with one-off project-based digital operation and marketing services under other services.

Cost of Sales

Cost of sales increased by 24.2% from RMB923.3 million in 2022 to RMB1,147.0 million in 2023, which was in line with the increase in our revenue.

Our procurement costs increased by 27.9% from RMB820.7 million in 2022 to RMB1,050.0 million in 2023, in line with the increase in our sales of products purchased from brand partners. Our staff costs increased by 2.1% from RMB60.0 million in 2022 to RMB61.3 million in 2023, in line with the increase in our revenue from the service fee model of our brand-to-consumer solutions. Our logistics costs decreased by 25.4% from RMB33.1 million in 2022 to RMB24.7 million in 2023, primarily due to (i) the decreased fee rate charged by third-party logistics service providers as a result of our increased business volume, and (ii) the increased revenue contribution by our brand-to-business solutions, which involved relatively less logistics services.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 7.5% from RMB194.0 million in 2022 to RMB208.5 million in 2023. Our gross profit margin decreased from 17.4% in 2022 to 15.4% in 2023 primarily due to the growth in the contribution of revenue generated from our brand-to-business solutions, which had a lower gross profit margin compared to other business segments.

Our gross profit for brand-to-consumer solutions decreased by 3.5% from RMB175.8 million in 2022 to RMB169.6 million in 2023. Our gross profit margin for brand-to-consumer solutions remained relatively stable at 17.8% in 2022 and 17.4% in 2023.

Our gross profit for brand-to-business solutions increased by 106.5% from RMB1.9 million in 2022 to RMB3.9 million in 2023. Our gross profit margin for brand-to-business solutions decreased from 3.0% in 2022 to 1.4% in 2023, primarily because we cooperated with certain brand partners with lower gross profit margins. In 2023, to expand our online and offline channel network, we started our strategic expansion of brand-to-business solutions, under which we made substantial initial investments and strategically lowered our gross profit margin to promote business growth.

Our gross profit for brand asset management and IP commercialization increased by 79.9% from RMB11.0 million in 2022 and RMB19.7 million in 2023. Our gross profit margin for brand asset management and IP commercialization remained relatively stable at 26.7% in 2022 and 26.5% in 2023.

Our gross profit for other services increased by 186.8% from RMB5.3 million in 2022 to RMB15.3 million in 2023. Our gross profit margin for other services increased from 22.7% in 2022 to 60.7% in 2023, primarily because we conducted digitalization upgrade of the online shopping system for a leading Chinese technology company, which had higher fee rate.

Other Income

Other income decreased by 47.7% from RMB8.8 million in 2022 to RMB4.6 million in 2023, primarily attributable to a decrease in government grants in relation to incentives and subsidies for support of our operations.

Other Gains and Losses

Other gains decreased by 36.4% from RMB1.4 million in 2022 to RMB0.9 million in 2023, primarily attributable to (i) allowance of inventories recorded in 2023, as compared to the reversal of allowance of inventories recorded in 2022, and (ii) realized losses on derivative instruments recorded in 2023, which was not recorded in 2022, partially offset by an increase in net exchange gains.

Impairment Losses for Trade and Other Receivables

Impairment losses for trade and other receivables increased by 194.6% from RMB3.1 million in 2022 to RMB9.2 million in 2023, primarily because due to the increase in the gross carrying amount of trade receivables and other receivables and the associated provision for bad debts. See "— Analysis of Selected Consolidated Statements of Financial Position — Trade Receivables" and "— Analysis of Selected Consolidated Statements of Financial Position — Deposit, Prepayments and Other Receivables."

Selling Expenses

Selling expenses increased by 16.9% from RMB71.5 million in 2022 to RMB83.6 million in 2023, primarily attributable to an increase in staff costs, primarily due to the increased number of our staff for brand-to-business solutions as we started to strategically focus on and expand our brand-to-business solutions in 2023 and made substantial initial investments. The increase was partially offset by a decrease in sales operating expenses as a result of decreased marketing and promotion fees, primarily because we optimized our marketing and promotion efficiency.

Administrative Expenses

Administrative expenses increased by 3.2% from RMB60.8 million in 2022 to RMB62.7 million in 2023, primarily attributable to our increased staff costs and office and travel expenses, in line with our increased revenue. These factors were partially offset by a decrease in R&D expenses, primarily because we made a one-off targeted development of our ERP system to better support our operations in 2022, while we did not make such development in 2023.

Finance Costs

Finance costs increased by 20.8% from RMB20.5 million in 2022 to RMB24.7 million in 2023, primarily attributable to an increase in interest on bank borrowings as a result of our increased bank borrowings.

Share of Loss of Associates

Our share of loss of associates decreased by 71.2% from RMB0.5 million in 2022 to RMB0.2 million in 2023 because the value of our investments in an associate, in which we held minority shares, had been impaired to zero in 2022.

Profit before Tax

As a result of the foregoing, our profit before tax decreased by 29.5% from RMB47.8 million in 2022 to RMB33.7 million in 2023.

Income Tax Expense

Our income tax expense decreased by 13.6% from RMB10.2 million in 2022 to RMB8.8 million in 2023, primarily due to the decrease in our taxable income.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 33.8% from RMB37.6 million in 2022 to RMB24.9 million in 2023. Our net profit margin decreased from 3.4% in 2022 to 1.8% in 2023.

NET CURRENT ASSETS

We recorded net current assets of RMB238.1 million, RMB384.6 million, RMB405.2 million and RMB423.2 million as of December 31, 2022, 2023 and 2024 and April 30, 2025, respectively. The following table sets forth a breakdown of our current assets and liabilities 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* (*Unaudited*)
Inventories	271,499	307,105	278,593	492,145
Financial assets at FVTPL	1,001	1	1,023	200
Trade receivables	146,873	255,260	241,131	215,230
Deposit, prepayments and other receivables	253,853	350,523	344,686	356,645
Current tax assets	58	77	3,662	204
Bank deposits	–	30,845	–	–
Bank and cash balances	101,500	115,858	196,680	179,661
Total current assets	**774,784**	**1,059,669**	**1,065,775**	**1,244,085**
Bank borrowings	336,596	428,082	526,082	603,910
Other borrowings	113,117	76,468	1,680	11,200
Derivative instruments	–	234	–	–
Lease liabilities	4,830	5,551	4,475	5,551
Trade payables	48,370	107,144	73,392	150,515
Accruals and other payables	27,801	47,015	46,205	44,089
Current tax liabilities	5,924	10,552	8,743	5,594
Total current liabilities	**536,638**	**675,046**	**660,577**	**820,859**
Net current assets	**238,146**	**384,623**	**405,198**	**423,226**

Our net current assets increased from RMB405.2 million as of December 31, 2024 to RMB423.2 million as of April 30, 2025, primarily due to an RMB213.6 million increase in inventories, partially offset by (i) an RMB77.8 million increase in bank borrowings and (ii) an RMB77.1 million increase in trade payables.

Our net current assets increased from RMB384.6 million as of December 31, 2023 to RMB405.2 million as of December 31, 2024, primarily due to (i) an RMB80.8 million increase in bank and cash balances, (ii) an RMB74.8 million decrease in other borrowings, and (iii) an RMB33.8 million decrease in trade payables. These factors were partially offset by (i) an RMB98.0 million increase in bank borrowings and (ii) an RMB28.5 million decrease in inventories.

Our net current assets increased from RMB238.1 million as of December 31, 2022 to RMB384.6 million as of December 31, 2023, primarily due to (i) an RMB108.4 million increase in trade receivables, (ii) an RMB96.7 million increase in deposit, prepayments and other receivables, (iii) an RMB36.6 million decrease in other borrowings, and (iv) an RMB35.6 million increase in inventories. These factors were partially offset by (i) an RMB91.5 million increase in bank borrowings, and (ii) an RMB58.8 million increase in trade payables.

Based on our net current asset position throughout the Track Record Period and taking into account the [**REDACTED**] we expect to receive from the [**REDACTED**], our Directors believe that we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this document.

Our future cash requirements will depend on many factors, including our operating income, capital expenditures on property, plant and equipment and intangible assets, market acceptance of our services or other changing business conditions and future developments, including any investments or acquisitions we may decide to pursue. We may require additional cash due to changing business conditions or other future developments. If our existing cash is insufficient to meet our requirements, we may seek to issue equity and/or debt securities or borrow from lending institutions. See "Risk Factors — Risks Related to Our Business and Industry — We may need to raise additional capital to fund our business, but may not be able to obtain it on acceptable terms, or at all."

ANALYSIS OF SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Property, Plant and Equipment

Our property, plant and equipment consists of building, leasehold improvement, computer equipment and office equipment. The following table sets forth a breakdown of our property, plant and equipment, as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Building	4,090	3,892	3,694
Leasehold improvement	1,087	1,069	1,444
Computer equipment	597	462	483
Office equipment	655	539	388
Total	**6,429**	**5,962**	**6,009**

Our property, plant and equipment remained relatively stable at RMB6.0 million as of December 31, 2023 and RMB6.0 million as of December 31, 2024.

Our property, plant and equipment decreased by 7.3% from RMB6.4 million as of December 31, 2022 to RMB6.0 million as of December 31, 2023, primarily due to depreciation of our property, plant and equipment.

Right-of-Use Assets

Our right-of-use assets represent the properties we leased as our offices and warehouses. Our right-of-use assets are recognized at the commence date of the lease. We recorded right-of-use assets of RMB9.1 million, RMB12.7 million and RMB17.4 million as at December 31, 2022, 2023 and 2024, respectively.

Inventories

The following table sets forth the breakdown of our inventories as of the date indicated:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Finished goods	277,077	314,533	282,997
Allowance of inventories	(5,578)	(7,428)	(4,404)
Total	**271,499**	**307,105**	**278,593**

Our inventories decreased by 9.3% from RMB307.1 million as of December 31, 2023 to RMB278.6 million as of December 31, 2024, primarily due to an RMB31.5 million decrease in finished goods as a result of (i) our strategically termination of cooperation with certain fast-moving consumer goods brands considering various factors, including relatively low return on investment and fluctuating market demand for their products, and (ii) our enhanced inventory control capabilities and inventory turnover efficiency.

Our inventories increased by 13.1% from RMB271.5 million as of December 31, 2022 to RMB307.1 million as of December 31, 2023, primarily due to an RMB37.5 million increase in finished goods as a result of our increased purchase from brand partners, in line with the increase in our revenue.

The following table sets forth our inventory turnover days for the periods indicated:

	For the Years Ended December 31,		
	2022	2023	2024
Inventory turnover days[(1)]	92.9	94.1	91.0

(1) Calculated using the average of the beginning and ending inventory balances of the period, divided by cost of sales for the period and multiplied by 365 days.

Our inventory turnover days remained relatively stable at 92.9 days in 2022 and 94.1 days in 2023. Our inventory turnover days decreased from 94.1 days in 2023 to 91.0 days in 2024 due to our enhanced inventory control capabilities and inventory turnover efficiency.

As of April 30, 2025, RMB217.1 million, or 76.7%, of our inventories as of December 31, 2024 had been sold.

Trade Receivables

Our trade receivables represent outstanding amounts due from our customers for the purchase of products we sold or services we performed in the ordinary course of business.

The following table sets forth details of our trade receivables as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	155,374	272,215	256,089
Allowance of doubtful debts	(8,501)	(16,955)	(14,958)
Total	**146,873**	**255,260**	**241,131**

We typically grant a credit period of 30 to 180 days to our customers under brand-to-business solutions, 30 to 60 days to our customers under the online channel distribution model of our brand-to-consumer solutions, 180 days to our customers under the service fee model of our brand-to-consumer solutions, and 30 to 180 days to our customers under the brand asset management and IP commercialization. We seek to maintain strict control over our outstanding receivables. Overdue balances are reviewed regularly by our Directors.

Our trade receivables decreased by 5.5% from RMB255.3 million as of December 31, 2023 to RMB241.1 million as of December 31, 2024, primarily due to our enhanced credit controls.

Our trade receivables increased by 73.8% from RMB146.9 million as of December 31, 2022 to RMB255.3 million as of December 31, 2023, in line with our increased business and revenue.

The following table sets forth the aging analysis of our trade receivables as of the dates indicated, based on the invoice date (or the date of recognition, if earlier):

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	144,266	244,656	234,417
1-2 years	2,266	9,336	6,019
Over 2 years	341	1,268	695
Total	**146,873**	**255,260**	**241,131**

The following table sets forth our trade receivables turnover days for the periods indicated:

	For the Years Ended December 31,		
	2022	2023	2024
Trade receivables turnover days(1)	40.3	57.6	68.9

(1) Calculated using the average balance of trade receivables at the beginning and the end of the period, divided by revenue for such period and multiplied by 365 days.

Our trade receivables turnover days increased from 40.3 days in 2022 to 57.6 days in 2023, and further increased to 68.9 days in 2024, primarily due to the continuous increase in our business under brand-to-business solutions and the service fee model of our brand-to-consumer solutions, the customers under both of which generally require relatively longer credit period.

As of April 30, 2025, RMB183.8 million, or 71.8% of our trade receivables outstanding as of December 31, 2024, had been settled.

Deposit, Prepayments and Other Receivables

Our deposit, prepayments and other receivables include (i) deposits to e-commerce platforms for the online stores we operate on e-commerce platforms, (ii) prepayments, which primarily represent payments to brand partners for purchase of products, (iii) other tax receivables, which primarily represent value-added tax receivables, and (iv) other receivables, which primarily represent rebates on procurement, marketing and promotion and reimbursement for marketing and promotion expenses offered by brand partners, less expected credit loss.

The following table sets forth a breakdown of our deposit, prepayments and other receivables as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Deposits	9,692	14,934	23,547
Prepayments	99,176	123,034	179,610
Other tax receivables	4,000	6,258	9,982
Other receivables	142,553	208,604	133,518
Less: allowance for doubtful debts	(1,568)	(2,307)	(1,971)
Total	**253,853**	**350,523**	**344,686**

Our deposit, prepayments and other receivables decreased by 1.7% from RMB350.5 million as of December 31, 2023 to RMB344.7 million as of December 31, 2024, primarily attributable to an RMB75.1 million decrease in other receivables due to our decreased rebates as we terminated cooperation with brands with relatively slow repayment, partially offset by an RMB56.6 million increase in prepayments for products purchased from brand partners primarily in relation to new projects we had under our brand asset management and IP commercialization business.

Our deposit, prepayments and other receivables increased by 38.1% from RMB253.9 million as of December 31, 2022 to RMB350.5 million as of December 31, 2023, primarily due to an RMB66.1 million increase in other receivables resulting from our increased rebates and reimbursement for marketing and promotion expenses, in line with our increased revenue.

As of April 30, 2025, RMB178.1 million, or 51.4% of our deposit, prepayments and other receivables outstanding as of December 31, 2024, had been settled.

Bank and Cash Balances

During the Track Record Period, we had bank and cash balances of RMB101.5 million, RMB115.9 million and RMB196.7 million as of December 31, 2022, 2023 and 2024, respectively. For an analysis of our cash flow during the Track Record Period, see "— Liquidity and Capital Resources."

Trade Payables

Our trade payables primarily represent outstanding trade payables (i) to brand partners for purchase of products and (ii) to third-party service providers for warehousing and logistics services.

Our trade payables decreased by 31.5% from RMB107.1 million as of December 31, 2023 to RMB73.4 million as of December 31, 2024, primarily due to our improved inventory management. Our trade payables increased by 121.5% from RMB48.4 million as of December 31, 2022 to RMB107.1 million as of December 31, 2023, primarily due to our increased purchase from brand partners and third-party service providers, generally in line with our increased revenue, and increased contribution of brand partners that granted us longer credit period.

The following table sets forth the aging analysis of trade payables as of the dates indicated, based on the date of receipt of goods:

	As of December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	47,334	103,811	73,293
1-2 years	1,036	3,181	97
Over 2 years	–	152	2
Total	**48,370**	**107,144**	**73,392**

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that we did not default in payment of any trade payables.

The following table sets forth our trade payables turnover days for the years indicated:

	For the Years Ended December 31,		
	2022	**2023**	**2024**
Trade payables turnover days(1)	15.7	24.7	27.5

(1) Calculated using the average balance of trade payables at the beginning and the end of the period, divided by cost of sales for such period and multiplied by 365 days.

Our trade payables turnover days increased on 15.7 days in 2022 to 24.7 days in 2023, and further increased to 27.5 days in 2024, primarily because we strengthened our cooperation with certain brand partners and were granted more favorable credit terms.

As of April 30, 2025, RMB67.4 million, or 91.8% of trade payables as of December 31, 2024 had been settled.

Accruals and Other Payables

Our accruals and other payables mainly consist of (i) accruals, which primarily represent other tax payables and salary and benefits payables to our staff, (ii) other payables, which primarily represent payables related to certain marketing and promotion activities, and (iii) contract liability, which primarily represents amounts received in advance for delivery of products, recognized when a customer pays consideration, or when a customer is contractually required to pay consideration and the amount is already due, before we recognize the related revenue.

The following table sets forth a breakdown of our accruals and other payables as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Accruals	16,023	30,122	32,219
Other payables	4,187	4,771	2,050
Contract liability	7,591	12,122	11,936
Total	**27,801**	**47,015**	**46,205**

Our accruals and other payables decreased by 1.7% from RMB47.0 million as of December 31, 2023 to RMB46.2 million as of December 31, 2024, primarily due to an RMB2.7 million decrease in other payables related to certain marketing and promotion activities, partially offset by an RMB1.9 million increase in other tax payables, which was in line with our increased business activities.

Our accruals and other payables increased by 69.1% from RMB27.8 million as of December 31, 2022 to RMB47.0 million as of December 31, 2023, primarily due to an RMB14.1 million increase in accruals, primarily resulting from the increased other tax payables, which was in line with our increased business activities, and an RMB4.5 million increase in contract liability, which was in line with our increased business activities.

As of April 30, 2025, RMB40.0 million, or 86.6% of our accruals and other payables outstanding as of December 31, 2024 had been settled.

LIQUIDITY AND CAPITAL RESOURCES

Historically, we funded our operations primarily with cash and cash equivalents on hand, cash generated from operations, and bank borrowings. Our cash and cash equivalents primarily consist of cash at bank and on hand. We had cash and cash equivalents of RMB101.5 million, RMB115.9 million and RMB196.7 million as of December 31, 2022, 2023 and 2024, respectively. We believe that our current cash and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs, including our cash needs for at least the next 12 months.

Consolidated Statements of Cash Flows

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

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Net cash (used in)/generated from operating activities	(180,562)	(119,948)	63,832
Net cash used in investing activities	(1,365)	(32,787)	(3,903)
Net cash generated from financing activities	125,185	159,540	17,043
Net (decrease)/increase in cash and cash equivalents	**(56,742)**	**6,805**	**76,972**
Cash and cash equivalents at beginning of year	138,409	101,500	115,858
Effect of foreign exchange rate changes	19,833	7,553	3,850
Cash and cash equivalents at end of year	**101,500**	**115,858**	**196,680**

Net Cash Used in Operating Activities

In 2024, net cash generated from operating activities was RMB63.8 million, primarily attributable to (i) profit before tax of RMB46.6 million and (ii) RMB32.3 million decrease in inventories. The foregoing was partially offset by an RMB34.1 million increase in trade payables.

In 2023, net cash used in operating activities was RMB119.9 million, primarily attributable to (i) an RMB116.8 million increase in trade receivables and (ii) an RMB97.4 million increase in deposit, prepayments and other receivables. The foregoing was partially offsets by (i) an RMB58.8 million decrease in trade payables and (ii) profit before tax of RMB33.7 million.

In 2022, net cash used in operating activities was RMB180.6 million, primarily attributable to (i) an RMB104.1 million increase in deposit, prepayments and other receivables, (ii) an RMB84.4 million increase in inventories, and (iii) an RMB63.9 million increase in trade receivables. The foregoing was partially offsets by profit before tax of RMB47.8 million.

Net Cash Used in Investing Activities

In 2024, net cash used in investing activities was RMB3.9 million, primarily attributable to RMB29 million deposit paid for intangible assets and RMB25.7 million purchase of financial assets at FVTPL, partially offset by an RMB30.8 million decrease in non-pledged bank deposits with more than three months to maturity and RMB24.7 million of proceeds from disposals of financial assets at FVTPL.

In 2023, net cash used in investing activities was RMB32.8 million, primarily attributable to increase in non-pledged bank deposits with more than three months to maturity of RMB30.8 million and purchases of financial assets at FVTPL of RMB8.0 million, partially offset by proceeds from disposals of financial assets at FVTPL of RMB9.0 million.

In 2022, net cash used in investing activities was RMB1.4 million, primarily attributable to purchases of financial assets at FVTPL of RMB5.0 million and purchase of financial assets at FVOCI of RMB2.0 million, partially offset by proceeds from disposals of financial assets of RMB5.0 million.

Net Cash Generated from Financing Activities

In 2024, net cash generated from financing activities was RMB17.0 million, primarily attributable to bank borrowings of RMB699.1 million and other borrowings of RMB195.7 million, partially offset by repayment of bank borrowings of RMB600.6 million and repayment of other borrowings of RMB270.6 million.

In 2023, net cash generated from financing activities was RMB159.5 million, primarily attributable to bank borrowings raised of RMB535.9 million, other borrowings of RMB268.2 million, and proceeds from issue of shares of RMB113.0 million, partially offset by repayment of bank borrowings of RMB445.9 million and repayment of other borrowings of RMB305.4 million.

In 2022, net generated from financing activities was RMB125.2 million, primarily attributable to bank borrowings raised of RMB459.5 million and other borrowings of RMB433.5 million, partially offset by repayment of bank borrowings of RMB427.0 million and repayment of other borrowings RMB366.1 million.

CAPITAL EXPENDITURES

Our capital expenditures amounted to RMB0.5 million, RMB2.1 million and RMB30.9 million in 2022, 2023 and 2024, respectively. Our capital expenditures were used primarily for purchases of items of property, plant and equipment and intangible assets. Our deposit paid for intangible assets in 2024 was related to our purchase of a brand IP license under our brand asset management and IP commercialization business.

The following table sets forth our capital expenditures for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Property, plant and equipment	486	716	1,320
Intangible assets	–	1,406	620
Deposit paid for intangible assets	–	–	29,000
Total	**486**	**2,122**	**30,940**

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Capital Commitments

As of December 31, 2022 and 2023, we did not have any capital commitments. As of December 31, 2024, we had contractual commitments for purchase of intangible assets in connection with our brand asset management and IP commercialization business of RMB10.4 million. There has been no material change to our capital commitments since December 31, 2024 up to the Latest Practicable Date.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness 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*
				(Unaudited)
Current				
Bank borrowings	336,596	428,082	526,082	603,910
Other borrowings	113,117	76,468	1,680	11,200
Lease liabilities	4,830	5,551	4,475	5,551
Subtotal	454,543	510,101	532,237	620,661
Non-current				
Lease liabilities	4,491	7,454	12,978	9,649
Total	**459,034**	**517,555**	**545,215**	**630,310**

Bank Borrowings

As of December 31, 2022, 2023 and 2024 and April 30, 2025, we recognized bank borrowings of RMB336.6 million, RMB428.1 million, RMB526.1 million and RMB603.9 million, respectively. All borrowings are repayable within one year and the average interest rate remained relatively stable from 3.39% to 4.04%.

As of the Latest Practicable Date, we had unutilized banking facilities of RMB290.0 million. During the Track Record Period and up to the Latest Practicable Date, we did not violate any material covenant in our borrowings or experience any default in payment of our borrowings, not did we experience any difficulty in obtaining bank or other borrowings.

Other Borrowings

As of December 31, 2022, 2023 and 2024 and April 30, 2025, we had other borrowings from a third-party company of RMB113.1 million, RMB76.5 million, RMB1.7 million and RMB11.2 million, respectively. The other borrowings were arranged at fixed rates from 4.6% to 11% and exposed us to fair value interest rate risk. The other borrowings were secured by trade receivables. For further information regarding other borrowings, see Note 32 to the Accountant's Report in Appendix I to this document.

Lease Liabilities

We leased certain buildings for our offices and warehoused during the Track Record Period. Lease liabilities are recognized at the commencement date of the lease at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. As of December 31, 2022, 2023 and 2024 and April 30, 2025, we recognized total lease liabilities of RMB9.3 million, RMB13.0 million, RMB17.5 million and RMB15.2 million, respectively. For further information regarding our lease liabilities, see Note 34 to the Accountant's Report in Appendix I to this document.

Except for our indebtedness as disclosed above, we did not have outstanding indebtedness or other material contingent liabilities as of April 30, 2025, being the latest practicable date for our indebtedness statement. Our Directors confirm that there was no material change in our indebtedness from April 30, 2025 to the date of this document.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have significant contingent liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not have any outstanding off-balance sheet arrangements.

KEY FINANCIAL RATIOS

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

	Years Ended December 31,		
	2022	2023	2024
Gross profit margin(1)	17.4%	15.4%	14.4%
Net profit margin(2)	3.4%	1.8%	3.6%
Return on average assets(3)	5.2%	2.6%	4.4%
Return on average equity(4)	15.7%	7.1%	11.1%

	As of December 31,		
	2022	2023	2024
Current ratio(5)	1.4	1.6	1.6
Quick ratio(6)	0.9	1.1	1.2

Notes:

(1) Gross profit margin equals gross profit divided by total revenue during the year, multiplied by 100%.

(2) Net profit margin equals net profit divided by total revenue during the year, multiplied by 100%.

(3) Return on average assets ratio equals net profit divided by average assets during the year, multiplied by 100%.

(4) Return on average equity ratio equals net profit divided by average equity during the year, multiplied by 100%.

(5) Current ratio equals total current assets divided by total current liabilities.

(6) Quick ratio equals total current assets less inventories divided by total current liabilities.

See "— Major Factors Affecting Our Results of Operations" for a discussion of the factors affecting our gross profit margin and net profit margin during the relevant periods.

Our return on average assets decreased from 5.2% in 2022 to 2.6% in 2023, primarily due to a decrease in our profit for the year and an increase in our financing. Our return on average assets increased from 2.6% in 2023 to 4.4% in 2024, primarily due to an increase in our profit for the year.

Our return on average equity decreased from 15.7% in 2022 to 7.1% in 2023, primarily due to a decrease in our profit for the year. Our return on average assets increased from 7.1% in 2023 to 11.1% in 2024, primarily due to an increase in our profit for the year.

Our current ratio increased from 1.4 as of December 31, 2022 to 1.6 as of December 31, 2023 because the increase in our current assets outpaced the increase in our current liabilities. Our current ratio remained stable at 1.6 as of December 31, 2023 and 2024, respectively.

Our quick ratio increased from 0.9 as of December 31, 2022 to 1.1 as of December 31, 2023 and further increased to 1.2 as of December 31, 2024 because the increase in our current assets less inventories outpaced the increase in our current liabilities.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In the ordinary course of our business, we are exposed to various market risks, including foreign currency risk, credit risk, liquidity risk, and interest rate risk. We follow our control policies to monitor the risk on an on-going basis and seek to minimize potential adverse effects on our financial performance. Our policies for managing each of these risks are as follows.

Foreign Currency Risk

We have certain exposure to foreign currency risk as most of our business transactions, assets and liabilities are principally denominated in RMB, Hong Kong Dollar ("HKD"), United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD") and Swiss Franc ("CHF"). We have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. We monitors our foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade and other receivables) and from our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Our exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which we consider to have low credit risk. Except for the financial guarantee given by us as set out in Note 39 to the Accountants' Report in Appendix I to this document, we do not provide any other guarantees which would expose us to credit risk.

Liquidity Risk

Individual operating entities within our group are responsible for their own cash management, including the participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by our Directors when the borrowing exceed certain predetermined level of authority. Our policy is to regularly monitor current and expected liquidity requirements to ensure that we have sufficient reserves of cash to meet our liquidity requirements in the short and longer term.

Interest Risk

Our cash flow interest rate risk primarily relates to variable-rate bank balances. Our bank deposits, bank borrowings and other borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks. Our exposure to interest-rate risk arises from our bank balances. These deposits bear interest at variable rates varied with the then prevailing market condition.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had entered into certain related party transactions. These transactions primarily included rental fee paid to a related company with common director and sales of goods to an associate. We also provided compensation to our key management personnel in the ordinary course of our business. See Note 44 to the Accountants' Report in Appendix I to this document for details on our related party transactions.

Our Directors are of the opinion that the our related party transactions were conducted in the usual course of business. Our Directors believe that the related party transactions were carried out on an arm's length basis and did not distort our results of operations during the Track Record Period or make such results not reflective of our future performance.

DIVIDENDS

Pursuant to relevant PRC laws and regulations applicable to us, we are required to set aside a certain amount of our accumulated after tax profits each year, if any, to fund statutory reserves. Dividends may be paid only out of distributable profits, which are our retained earnings as determined in accordance with PRC GAAP or IFRS, whichever is lower, less the above mentioned statutory reserves and any discretionary surplus reserves.

As confirmed by our PRC Legal Advisor, according to the PRC law, and pursuant to our Articles of Association, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Upon approval by a Shareholders' meeting, we may also allocate certain percentage of our net profit to a discretionary common reserve.

We did not declare any dividends during the Track Record Period. After the completion of the [**REDACTED**], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. Pursuant to our Articles of Association, we should distribute dividends at least once a year. Our Board has the discretion to decide the form and the amount of dividends after taking into consideration a number of factors, including our results of operations, cash flows, financial condition, estimated working capital requirements, payments by our subsidiaries of cash dividends to us, business prospects, statutory, regulatory restrictions on our declaration and payment of dividends, and other factors that our Board may consider important, subject to the approval of our Shareholders. Any distributable profits that are not distributed in any given year will be retained to support our operations and long-term development. Currently, we do not have a fixed dividend distribution ratio.

DISTRIBUTABLE RESERVES

As of December 31, 2022, 2023 and 2024, we did not have reserves available for distribution to our equity holders, respectively.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that as of the Latest Practicable Date, there were no circumstances which would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there had been no material adverse change in our financial or trading position or prospects since December 31, 2024 (the date of the latest financial statements of our Company), and there had been no event since December 31, 2024 which would materially affect the information shown in the Accountants' Report in Appendix I to this document.

BOARD OF DIRECTORS

Our Board consists of ten Directors, comprising two executive Directors, four non-executive Directors and four independent non-executive Directors. The table below sets forth certain information of each of our Directors:

Name	Age	Position	Time of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. WANG Shan (王珊)	43	Founder, executive Director, chairman of the Board and general manager	October 2015	October 2015	Responsible for the overall strategic planning of our Group, and the daily operations and management of our Group's business
Mr. JI Rong (吉融)	57	Executive Director and deputy general manager	October 2015	January 2018	Responsible for the daily operations and management of our Group's business
Mr. YANG Qikun (楊啓焜)	38	Non-executive Director	August 2023	August 2023	Responsible for providing guidance and advice on our Company's corporate and business strategies
Mr. ZHONG Zhuobin (鍾卓彬)	46	Non-executive Director	May 2025	May 2025	Responsible for providing guidance and advice on our Company's corporate and business strategies

Name	Age	Position	Time of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. CHEN Jing (陳靜)	41	Non-executive Director	May 2025	May 2025	Responsible for providing guidance and advice on our Company's corporate and business strategies
Mr. XI Youmin (席酉民)	68	Non-executive Director	December 2021	December 2021	Responsible for providing guidance and advice on our Company's corporate and business strategies
Mr. MA Jianrong (馬健榮)	61	Independent non-executive Director	May 2025	May 2025 with effect from the [**REDACTED**]	Responsible for providing independent advice to our Board
Mr. ZHONG Ming (鐘鳴)	55	Independent non-executive Director	May 2025	May 2025 with effect from the [**REDACTED**]	Responsible for providing independent advice to our Board
Ms. LU Ling (盧玲)	43	Independent non-executive Director	May 2025	May 2025 with effect from the [**REDACTED**]	Responsible for providing independent advice to our Board
Mr. YICK Wing Fat Simon (易永發)	66	Independent non-executive Director	June 2025	June 2025 with effect from the [**REDACTED**]	Responsible for providing independent advice to our Board

Executive Directors

Mr. WANG Shan (王珊), aged 43, is our founder, an executive Director, the chairman of our Board and the general manager of our Company. Mr. Wang was first appointed as a Director in October 2015 and will be redesignated as an executive Director with effect from the [**REDACTED**]. Mr. Wang is primarily responsible for the overall strategic planning of our Group, and the daily operations and management of our Group's business. Mr. Wang also serves as the chairperson of the Nomination Committee.

Mr. Wang also holds the following positions in other members of our Group:

Other members of the Group (relationship with the Group)	Positions held with other members of the Group	Date of appointment
Wuxi Jiyi Technology Co., Ltd. (無錫極易科技有限公司) (a wholly-owned subsidiary)	Executive director	September 2023
Suzhou Jimao Information Technology Co., Ltd. (蘇州極茂信息技術有限公司) (a non-wholly-owned subsidiary)	Executive director	May 2018
Wuxi Yisheng Ziyan Data Technology Co., Ltd. (無錫易勝紫岩數據科技有限公司) (a wholly-owned subsidiary)	Executive director	September 2017
Suzhou Sistine Information Technology Co., Ltd. (蘇州西斯廷信息技術有限公司) (a wholly-owned subsidiary)	Executive director	January 2024
Suzhou Yisheng Huaxin Information Technology Co., Ltd. (蘇州易勝華鑫信息技術有限公司) (a wholly-owned subsidiary)	Executive director	October 2019
Beijing Jingshi Culture Media Co., Ltd. (北京晶世文化傳媒有限公司) (a wholly-owned subsidiary)	Executive director	November 2023
Shanghai Bancheng E-commerce Co., Ltd. (上海半橙電子商務有限公司) (a wholly-owned subsidiary)	Executive director	May 2021
Suzhou Gome Information Technology Co., Ltd. (蘇州購美信息技術有限公司) (a wholly-owned subsidiary)	Executive director and general manager	March 2020

Other members of the Group (relationship with the Group)	Positions held with other members of the Group	Date of appointment
Suzhou Rongrong Information Technology Co., Ltd. (蘇州融榮信息技術有限公司) (a wholly-owned subsidiary)	Executive director and general manager	March 2020
Hangzhou Jimao Information Technology Co., Ltd. (杭州極茂信息技術有限公司) (a wholly-owned subsidiary)	Executive director and general manager	June 2023
Huaibei Jiyi Information Technology Co., Ltd. (淮北極易信息技術有限公司) (a wholly-owned subsidiary)	Executive director and general manager	September 2023
Suzhou Jiyi Xingsheng Information Technology Co., Ltd. (蘇州極易星晟信息科技有限公司) (a wholly-owned subsidiary)	Executive director	May 2024
Huaibei Yisheng Information Technology Co., Ltd. (淮北易勝信息科技有限責任公司) (a non-wholly-owned subsidiary)	Director	October 2024
Taicang Jimao Information Technology Co., Ltd. (太倉極茂信息技術有限公司) (a wholly-owned subsidiary)	Executive director	February 2025
Qingdao Jiyi Technology Co., Ltd. (青島極易科技有限公司) (a wholly-owned subsidiary)	Director	February 2025
Suzhou Cheyixiang Technology Co., Ltd. (蘇州車易享科技有限公司) (a non-wholly-owned subsidiary)	Director	April 2025
Suzhou Xinyisheng Information Technology Co., Ltd. (蘇州新易盛信息技術有限公司) (a wholly-owned subsidiary)	Executive director and general manager	April 2020
Shanghai Kewan Weixun Information Technology Co., Ltd. (上海可萬威訊信息技術有限公司) (a non-wholly-owned subsidiary)	Executive director	January 2020

Other members of the Group (relationship with the Group)	Positions held with other members of the Group	Date of appointment
Hong Kong Ecmax Co., Limited (香港極易有限公司) (a wholly-owned subsidiary)	Director	August 2018
Geesons Hong Kong Technology Limited (香港吉成信息技術有限公司) (a wholly-owned subsidiary)	Director	October 2020
Solarisus Co., Limited (梭納投資有限公司) (a wholly-owned subsidiary)	Director	May 2015
Hainan Hongyi Information Technology Co., Ltd. (海南鴻億信息技術有限公司) (a non-wholly-owned subsidiary)	Director and general manager	October 2024
Luoyang Jihong Information Technology Co., Ltd. (洛陽極宏信息技術有限公司) (a wholly-owned subsidiary)	Director and general manager	April 2025

Mr. Wang worked at Zhonghai Development (Suzhou) Co., Ltd. (中海發展(蘇州)有限公司) from July 2008 to April 2009. From April 2009 to September 2012, he was the brand and marketing officer of Xi'an Jiaotong-Liverpool University, responsible for brand building and promotion. Since founding our Group, Mr. Wang has brought in a wealth of industry expertise and leveraged his previous experience in building our business. Mr. Wang was named Suzhou Industrial Park Science and Technology Leading Talent (蘇州工業園區科技領軍人才) in December 2015 and Leading Talent in Innovation and Entrepreneurship of Gusu District (姑蘇創新創業領軍人才) in July 2018.

Mr. Wang received his master's degree in communication studies from Xi'an Jiaotong University (西安交通大學) in the PRC in June 2008.

Mr. JI Rong (吉融), aged 57, is an executive Director and the deputy general manager of our Company. Mr. Ji was first appointed as a Director in January 2018 and will be redesignated as an executive Director with effect from the [**REDACTED**]. He has also served as our deputy general manager since October 2015. Mr. Ji is primarily responsible for the daily operations and management of our Group's business.

Mr. Ji also holds the following position in other members of our Group:

Other members of the Group (relationship with the Group)	Positions held with other members of the Group	Date of appointment
Solarisus Co., Limited (梭納投資有限公司) (a wholly-owned subsidiary)	Director	May 2015

Mr. Ji has over 30 years of extensive experience in the technology sector. Prior to joining our Group, Mr. Ji held positions at several companies, including the 28th Research Institute of the Ministry of Economics Industry (電子工業部第二十八研究所) and Shenzhen Legend Computer Co., Ltd. (深圳聯想電腦有限公司). Mr. Ji also served as the legal representative of Nanjing Fanrui Industrial and Trade Co., Ltd. (南京泛瑞工貿有限責任公司) from April 2000 to December 2020.

Mr. Ji received his bachelor of engineering degree in automated control from Southeast University (東南大學) in the PRC in July 1989.

Non-executive Directors

Mr. YANG Qikun (楊啓焜), aged 38, was appointed as a Director in August 2023 and will be redesignated as a non-executive Director with effect from the [**REDACTED**]. Mr. Yang is responsible for providing guidance and advice on our Company's corporate and business strategies.

Mr. Yang began his career at JD.com, Inc. (京東集團股份有限公司) (a company whose shares are listed on the Main Board of the Hong Kong Stock Exchange under Chapter 19C of the Listing Rules (stock codes: 9618 (HKD counter) and 89618 (RMB counter)) and whose American depositary shares are listed on Nasdaq under the symbol "JD"), where he served as purchasing and sales manager in the consumer electronics division from 2008 to 2010. Since then, Mr. Yang served several key roles at JD.com, Inc., including as head of consumer electronics division from 2010 to 2016 and head of digital products division from 2016 to 2017, where he led the team to achieve the number one market share in the digital products category. From 2017 to 2023, Mr. Yang held the position of chief executive officer at JD Thailand and was responsible for all aspects of the company's operations, expanding JD.com, Inc.'s footprint in the international market and establishing JD Thailand as a key player in the region. Since 2023, Mr. Yang has served as vice president of JD.com, Inc. and president of JD

Retail International Business, which is the cross-border business operations of JD.com, Inc.'s retail segment, where he is responsible for overseeing cross-border e-commerce imports and managing business activities in Hong Kong, Macau and Taiwan.

Mr. Yang received his bachelor's degree in software engineering from Jiangxi Agricultural University (江西農業大學) in the PRC in July 2009.

Mr. ZHONG Zhuobin (鍾卓彬), aged 46, was appointed as a Director in May 2025 and will be redesignated as a non-executive Director with effect from the [**REDACTED**]. Mr. Zhong is responsible for providing guidance and advice on our Company's corporate and business strategies.

Mr. Zhong has over 17 years of experience in securities investment and project management. Since January 2016, Mr. Zhong has served as the managing director of China Merchants Capital Investments Co., Ltd. (招商局資本投資有限責任公司), where he is responsible for investment management.

Mr. Zhong received his bachelor's degree in telecommunications engineering and master's degree in signal and information processing from Beijing University of Post and Telecommunications (北京郵電大學) in the PRC in July 2001 and April 2004, respectively.

Mr. CHEN Jing (陳靜), aged 41, was appointed as a Director in May 2025 and will be redesignated as a non-executive Director with effect from the [**REDACTED**]. Mr. Chen is responsible for providing guidance and advice on our Company's corporate and business strategies.

Mr. Chen has over 16 years of corporate finance and managerial experience. He began his career at the investment banking department of Guotai Junan Securities Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 601211, and the Hong Kong Stock Exchange, stock code: 2611) from July 2008 to December 2013, culminating in his last position as associate director. He then served as the secretary to the board of Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600332, and the Hong Kong Stock Exchange, stock code: 874) from January 2014 to April 2017. From April 2017 to May 2018, Mr. Chen served as the organizing person-in-charge of industrial funds (產業基金籌備負責人) at Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. From June 2018 to February 2022, Mr. Chen served as general manager of Guangdong Guangyao Jinshen Equity Investment Fund Management Co., Ltd. (廣東廣藥金申股權投資基金管理有限公司). Since March 2022, Mr. Chen has served as general manager of Guangzhou GP Private Equity Fund Management Co., Ltd. (廣州廣藥資本私募基金管理有限公司), where he is responsible for investment management.

Mr. Chen received his bachelor's degree in accounting and master's degree in accounting from the School of Management of Huazhong University of Science and Technology (華中科技大學) in the PRC in June 2006 and June 2008, respectively.

Mr. XI Youmin (席酉民), aged 68, was appointed as a Director in December 2021 and will be redesignated as a non-executive Director with effect from the [**REDACTED**]. Mr. Xi is responsible for providing guidance and advice on our Company's corporate and business strategies. Mr. Xi also serves as a member of the Remuneration Committee.

Mr. Xi has almost 40 years of experience in higher education, with his research and teaching areas covering, among others, leadership and strategic management, organizational behavior and decision-making, and decision support systems. Mr. Xi has held various positions at Xi'an Jiaotong University (西安交通大學) since 1985. He served at Xi'an Jiaotong University's School of Management as associate professor from 1988 to 1992, professor since 1992, associate dean from 1993 to 1996, and dean from 1996 to 2000. He also served at the university's Institute of Strategy and Decision Making as deputy director and was vice president of the university. In addition to his positions at Xi'an Jiaotong University, Mr. Xi has served as executive vice dean of the Shaanxi Master of Business Administration Institute (陝西工商管理碩士學院) since June 1996, as well as executive president of Xi'an Jiaotong-Liverpool University (西交利物浦大學) since August 2008 and pro-vice-chancellor of University of Liverpool since October 2008, respectively.

Mr. Xi from time to time sits on a variety of national-level boards and has held a wide range of titles, including committee member of the China National Master of Business Administration Supervisory Committee (全國工商管理教育指導委員會) under the Ministry of Education from 1999 and vice president of the Chinese Institute of Business Administration (中國企業管理研究會).

Mr. Xi received his bachelor of applied science degree in physics from Shaanxi Mechanical College (陝西機械學院) (currently known as Xi'an University of Technology (西安理工大學)) in the PRC in 1982, and master of engineering degree in systems engineering in 1984 and doctor of engineering degree in management engineering in 1987 from Xi'an Jiaotong University (西安交通大學) in the PRC.

Independent Non-executive Directors

Mr. MA Jianrong (馬健榮), aged 61, has been appointed as an independent non-executive Director with effect from the [**REDACTED**]. Mr. Ma is responsible for providing independent advice to our Board. He also serves as the chairperson of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

Mr. Ma has extensive experience in the government sector, the IT business and the e-commerce industry. Mr. Ma held several positions at Lenovo Group Ltd. (聯想集團有限公司) (a company listed on the Hong Kong Stock Exchange, stock code: 992), including as general manager of government affairs (政府事務部總經理) and director of corporate social responsibility (企業社會責任總監). Mr. Ma also served in several key roles at JD.com, Inc. (京東集團股份有限公司) (a company whose shares are listed on the Main Board of the Hong Kong Stock Exchange under Chapter 19C of the Listing Rules (stock codes: 9618 (HKD counter) and 89618 (RMB counter)) and whose American depositary shares are listed on Nasdaq under the symbol "JD"), including as vice president of corporate affairs where he was responsible for managing external relations to foster strategic business collaborations.

Mr. Ma received his bachelor's degree in English language from the Sichuan Foreign Languages Institute (now known as Sichuan International Studies University (四川外國語大學)) in the PRC in June 1986.

Mr. ZHONG Ming (鐘鳴), aged 55, has been appointed as an independent non-executive Director with effect from the [**REDACTED**]. Mr. Zhong is responsible for providing independent advice to our Board. He also serves as a member of the Audit Committee and Nomination Committee.

From July 1992 to January 2002, Mr. Zhong worked for Procter & Gamble (Guangzhou) Limited (廣州寶潔有限公司) as a brand manager. He then joined Wall's (China) Co, Ltd. Shanghai Branch (和路雪(中國)有限公司上海分公司) as vice president of marketing from August 2003 to June 2006. He was employed by Reckitt Benckiser Household Products (China) Co., Ltd (利潔時家化(中國)有限公司) as marketing director from June 2006 to June 2008. From June 2012, Mr. Zhong served as senior vice president of operations of TPG Huhua (Shanghai) Equity Investment Management Enterprise (Limited Partnership). He later joined Luxottica (Shanghai) Trading Co., Limited (陸遜梯卡(上海)商貿有限公司) as its legal representative from September 2014 to May 2016. From August 2016 to November 2019, Mr. Zhong worked at various subsidiaries of PHILIPS, with his last position held as BM&S Leader of the Greater China personal health division of Philips (China) Investment Co., Ltd. (飛利浦(中國)投資有限公司). Since November 2023, Mr. Zhong has served as the chief executive officer of Kaibei Technology (Suzhou) Co., Ltd. (開貝科技(蘇州)有限公司).

Mr. Zhong has also served as an independent non-executive director of EEKA Fashion Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 3709) since June 2014.

Mr. Zhong received his bachelor of science degree in biophysics from the University of Science and Technology of China (中國科學技術大學) in the PRC in July 1992 and completed his executive master of business administration program at China Europe International Business School (中歐國際工商學院) in the PRC in September 2007.

Ms. LU Ling (盧玲), aged 43, has been appointed as an independent non-executive Director with effect from the [**REDACTED**]. Ms. Lu is responsible for providing independent advice to our Board. She also serves as the chairperson of the Audit Committee and a member of the Remuneration Committee.

Ms. Lu has over 20 years of financial management experience in the consumer goods industry. She began her career at KPMG Huazhen LLP (畢馬威華振會計師事務所), where she served as assistant audit manager from August 2004 to December 2007. After that, Ms. Lu worked at L'Oréal (China) (歐萊雅(中國)) from December 2007 to July 2011, initially as finance manager of group media investment and procurement and later as finance manager for a portfolio of beauty brands. From July 2011 to November 2015, Ms. Lu worked at Yihaodian (一號店), an e-commerce platform in China, first as senior financial planning and analysis manager (高級財務計劃分析經理) and subsequently as director of financial planning and analysis (財務計劃分析總監). From November 2015 to April 2019, Ms. Lu held several positions at Nike Sports (China) Co., Ltd., culminating in her role as finance director of long range planning & performance management and improvement of the Greater China regional headquarters (大中華區總部財務計畫、績效及聯合市場管理財務總監). Since May 2019, Ms. Lu has served as the chief financial officer of Shanghai Yepai E-commerce Co., Ltd. (上海野派電子商務有限公司), a premium lifestyle e-commerce business in China, where she is responsible for overseeing financial planning and control, accounting operations and internal control systems.

Ms. Lu received her bachelor's degree in international economics and trade and bachelor's degree in administrative management from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 2004 and July 2005, respectively. She later obtained a master of business administration degree from China Europe International Business School (中歐國際工商學院) in the PRC in November 2017. She was awarded her certified public accountant qualification from the Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) in December 2009.

Mr. YICK Wing Fat Simon (易永發), aged 66, has been appointed as an independent non-executive Director with effect from the [**REDACTED**]. Mr. Yick is responsible for providing independent advice to our Board.

Mr. Yick has extensive experience in corporate finance, direct investment and audit. Mr. Yick is an independent non-executive director, a member of the remuneration committee and the nomination committee, and chairman of the audit committee both of Shenzhen Neptunus Interlong Bio-technique Company Limited (a company listed on the Hong Kong Stock Exchange, stock code: 8329) and China Shuifa Singyes Energy Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 750) ("**Shuifa Singyes**"). He is also an independent non-executive director, a member of the nomination committee and the chairman of each of the audit and remuneration committees of Meta Media Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 72). In addition, he served as an independent non-executive director, the chairman of the remuneration and nomination committee and a member of the audit and compliance committee of Nexteer Automotive Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1316) from August 2017 to June 2022, and served as an independent non-executive director, a member of both of the remuneration committee and the nomination committee, and chairman of the audit committee of Shanghai International Shanghai Growth Investment Limited (a company listed on the Hong Kong Stock Exchange, stock code: 770) from July 1999 to February 2025.

Mr. Yick received his bachelor of business administration degree in accounting from the Chinese University of Hong Kong in 1982. He has been a fellow of the Association of Chartered Certified Accountants in England and the Hong Kong Institute of Certified Public Accountants since November 1990 and July 2003, respectively.

Mr. Yick was a director of the following private limited companies dissolved by way of deregistration, all of which had been incorporated in Hong Kong:

Name of company	Principal business activity prior to dissolution	Reason for dissolution	Date of dissolution
China Q-Buy Food Company Limited	Dormant	Cessation of business	March 2, 2012
Grace Silver Investments Limited	Dormant	Cessation of business	October 3, 2008
Daytune Corporate Services Limited	Corporate secretarial services	Cessation of business	August 20, 2004
Continental Race Limited .	Leasing of office premises	Cessation of business	October 27, 2000

Mr. Yick confirmed that (i) there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on his part in connection with these dissolved companies; (ii) there is no outstanding claim or liability against him in connection with these dissolved companies; and (iii) these companies were solvent at the time of their respective dissolution.

Mr. Yick has served as an independent non-executive director of Shuifa Singyes (formerly known as China Singyes Solar Technologies Holdings Limited ("**Singyes Solar**")) since its listing on the Hong Kong Stock Exchange in June 2008. Singyes Solar, a company incorporated in Bermuda, was principally engaged in the design, manufacture, supply and installation of conventional curtain walls and building integrated solar photovoltaic systems, as well as the manufacture and sale of solar power products.

As disclosed in the announcements of Singyes Solar dated October 18, 2018 and January 10, 2019, Singyes Solar had defaulted on certain of its debt securities. On July 19, 2019, Singyes Solar announced a proposed offshore debt restructuring with certain bondholders setting out the proposed restructuring terms to be implemented through schemes of arrangements in Bermuda and Hong Kong (the "**Schemes**"). The Schemes were required to be approved by the requisite majority of scheme creditors, which was subsequently duly obtained at a meeting of scheme creditors on November 25, 2019. On December 4, 2019 and December 5, 2019, the relevant courts of Bermuda and Hong Kong respectively sanctioned the Schemes, both of which became effective on December 16, 2019. Mr. Yick was a director at the time when Singyes Solar underwent the Schemes.

GENERAL

Save as disclosed above, each of our Directors has confirmed that:

(i) he or she does not and has not held any other directorships in any other company listed in Hong Kong or overseas during the three years immediately preceding the Latest Practicable Date;

(ii) there is no other information in respect of such Director that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules; and

(iii) there is no other material matter relating to our Directors that needs to be brought to the attention of our Shareholders.

Save as disclosed in the section headed "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 1. Disclosure of Interests" in Appendix IV to this document, none of our Directors holds any interest in the Shares which would be required to be disclosed pursuant to Part XV of the SFO.

SENIOR MANAGEMENT

In addition to our executive Directors, the senior management team of our Group is responsible for the day-to-day management of our business. The table below sets forth certain information of each of our members of senior management:

Name	Age	Position	Time of joining our Group	Date of Appointment as senior management	Roles and responsibilities
Mr. YANG Xiaoying (楊小盈)	49	Chief financial officer	December 2017	December 2017	Responsible for the overall management of the financial activities of our Group
Mr. WANG Chenglong (王成龍)	37	Secretary to the Board	September 2020	December 2021	Responsible for Board related matters, capital markets related matters, and corporate governance of our Group

Mr. YANG Xiaoying (楊小盈), aged 49, has been the chief financial officer of our Company since he joined our Group in December 2017. Mr. Yang is primarily responsible for the overall management of the financial activities of our Group.

Mr. Yang also holds the following positions in other members of our Group:

Other members of the Group (relationship with the Group)	Positions held with other members of the Group	Date of appointment
Shanghai Kewan Weixun Information Technology Co., Ltd. (上海可萬威訊信息技術有限公司) (a non-wholly-owned subsidiary)	Financial director	January 2020
Huaibei Yisheng Information Technology Co., Ltd. (淮北易勝信息科技有限責任公司) (a non-wholly-owned subsidiary)	Financial director	October 2024

Mr. Yang has over 24 years of experience in finance. Prior to joining our Group, he served as the financial director of Wuzhou International Holdings Limited (五洲國際集團有限公司) from December 2010 to July 2013. From August 2013 to February 2014, Mr. Yang was the financial director of Shanghai Lily & Beauty Cosmetics Co., Ltd. (上海麗人麗妝化妝品股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 605136). Mr. Yang subsequently served as the deputy general manager of Shanghai Jahwa E-commerce Co., Ltd. (上海家化電子商務有限公司) from March 2015 to March 2016 and the financial director of Jinhua Yibo Network Technology Co., Ltd. (金華市億博網絡科技有限公司) from September 2016 to November 2017.

Mr. Yang received his master's degree in western economics from Shanghai University of Finance and Economics (上海財經大學) in the PRC in June 2011. Mr. Yang was certified as a senior accountant by the Jiangsu Province Accounting Profession Senior Professional Technical Qualification Review Committee (江蘇省會計專業高級專業技術資格評審委員會) in August 2020.

Mr. WANG Chenglong (王成龍), aged 37, has been the secretary to the Board of our Company since December 2021. Mr. Wang is primarily responsible for Board related matters, capital markets related matters, and corporate governance of our Group. Mr. Wang joined our Group in September 2020.

Prior to joining our Group, Mr. Wang served as an investment director of Suzhou Industrial Park Yuanhe Origin Venture Capital Management Co., Ltd. (蘇州工業園區元禾原點創業投資管理有限公司) from June 2014 to July 2024, responsible for portfolio management.

Mr. Wang received his master's degree in electronic and communications engineering from Nanjing University (南京大學) in the PRC in June 2014.

Each of our members of senior management has confirmed that he does not and has not held any directorships in any other company listed in Hong Kong or overseas during the three years immediately preceding the Latest Practicable Date.

None of our Directors and members of senior management is related to other Directors or members of senior management of the Company.

JOINT COMPANY SECRETARIES

Mr. ZHU Ming (朱明), aged 31, was appointed as a joint company secretary of our Company in June 2025 with effect from the [**REDACTED**].

Mr. Zhu began his career at PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)), where he served as senior auditor from October 2016 to July 2020. Prior to joining our Group, from August 2020 to July 2022, Mr. Zhu served as the group finance manager at Jiangsu Canlon Building Materials Co., Ltd. (江蘇凱倫建材股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300715). Since August 2022, Mr. Zhu has served as the finance director and securities affairs representative of our Company.

Mr. Zhu received his bachelor's degree in finance from Nanjing Audit University (南京審計大學) in the PRC in June 2016.

Ms. CHAN Pui Ching (陳佩貞), was appointed as a joint company secretary of our Company in June 2025 with effect from the [**REDACTED**]. Ms. Chan has over 17 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. She currently serves as senior manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group. She is also currently joint company secretary of Shuoao International Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 2336).

Ms. Chan received her bachelor of social sciences degree from The University of Hong Kong in 2003. Ms. Chan is a Chartered Secretary, a Chartered Governance Professional and an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in May 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointments.

Rule 8.10 of the Listing Rules

None of our Directors has any interests 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.

BOARD COMMITTEES

We have established the following committees under our Board: Audit Committee, Remuneration Committee and Nomination Committee. The committees operate in accordance with their respective terms of reference established by our Board.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of Ms. Lu Ling, Mr. Zhong Ming and Mr. Ma Jianrong. The chairperson of the Audit Committee is Ms. Lu Ling.

The primary duties of the Audit Committee are to consider issues in relation to the external auditors and their appointment, oversee the financial reporting system, risk management and internal control systems of our Group, review the financial information of our Group and review policies and practices in relation to corporate governance.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration Committee consists of Mr. Ma Jianrong, Mr. Xi Youmin and Ms. Lu Ling. The chairperson of the Remuneration Committee is Mr. Ma Jianrong.

The primary duties of the Remuneration Committee are to review the remuneration policy and make recommendations to our Board on the remuneration packages of our Directors and other senior management.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of Mr. Wang Shan, Mr. Zhong Ming and Mr. Ma Jianrong. The chairperson of the Nomination Committee is Mr. Wang Shan.

The primary duties of the Nomination Committee are to assess and make recommendations on appropriate candidates for directorship, propose procedures and criteria for the appointment of Directors and senior management, review the structure, size and composition of our Board, and assess the independence of independent non-executive Directors.

REMUNERATION

Our Directors and senior management receive compensation in the form of salaries, discretionary bonuses and contributions to retirement benefit schemes from our Company subject to applicable laws, rules and regulations. For details of the service contracts that we have entered into with our Directors, see the section headed "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 2. Particulars of Service Contracts" in Appendix IV to this document.

Further information on the remuneration of our Directors and/or the five highest paid individuals during the Track Record Period is set out in the Accountants' Report in Appendix I to this document, and in the section headed "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 3. Directors' Remuneration" in Appendix IV to this document.

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our compliance advisor (the "**Compliance Advisor**") upon [**REDACTED**] in compliance with Rule 3A.19 of the Listing Rules. We have entered into a compliance advisor's agreement with the Compliance Advisor, the material terms of which are as follows:

(i) the term of the appointment will commence on the [**REDACTED**] and end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**], or until the agreement is terminated, whichever is the earlier;

(ii) pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will, inter alia, advise our Company with due care and skill on a timely basis when consulted by our Company in the following circumstances:

- before the publication by our Company of any regulatory announcement, circular or financial report;

- where a transaction, which might be a notifiable or connected transaction under Chapters 14 or 14A of the Listing Rules, is contemplated by our Company including share issues, sales or transfers of treasury shares and share repurchases;

- where our Company proposes to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document or where the business activities, developments or results of our Company deviate from any forecast, estimate, or other information in this document; and

- where the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules;

(iii) the Compliance Advisor will, as soon as reasonably practicable, inform us of any amendment or supplement to the Listing Rules announced by the Stock Exchange from time to time, and of any amendment or supplement to the applicable laws and guidelines; and

(iv) the Compliance Advisor will act as an additional channel of communication between our Company and the Stock Exchange.

CORPORATE GOVERNANCE CODE

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, save as disclosed below, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules in all material aspects after the [**REDACTED**].

Mr. Wang is the chairman of our Board and general manager of our Company. With extensive experience in the industry in which the Company operates and having served our Company since its founding, Mr. Wang is in charge of the overall corporate and business strategies of our Group. Our Board considers that vesting the roles of chairman of our Board and general manager in the same person is beneficial to the management of our Group. The balance of power and authority is ensured by the operation of our Board and our senior management, which comprises experienced and visionary individuals. Upon [**REDACTED**], our Board will comprise two executive Directors (including Mr. Wang), four non-executive Directors and four independent non-executive Directors, and will therefore have a strong independence element in its composition.

Board Diversity Policy

We have adopted a diversity policy (the "**Board Diversity Policy**") which sets out the objective and approach to achieve and maintain diversity in our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity in 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, educational background, age, gender, cultural background and ethnicity, and length of service.

Our Directors have a balanced mix of knowledge and skills, and we have eight non-executive Directors, including four independent non-executive Directors, with different industry backgrounds. Our Directors are diverse in terms of age, gender and background. The ages of our Directors range from 38 to 68 years old. In particular, our Company currently has one female Director on the Board. Taking into account our existing business model and specific needs as well as the different backgrounds of our Directors, the composition of our Board satisfies our Board Diversity Policy. The Board will review the Board Diversity Policy periodically to evaluate its effectiveness.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was controlled as to approximately 33.45% in aggregate by Mr. Wang, consisting of his (i) approximately 16.10% direct interest in our Company; (ii) approximately 16.54% interest in our Company which Mr. Wang controls through Qingdao Yihua and the Employee Incentive Platforms (namely, Suzhou Shanglai, Yimai Youwei and Jiyi Dazhan), entities in which Mr. Wang acts as the executive partner and exercises the voting rights attached to the interests in our Company held by these entities; and (iii) approximately 0.81% interest in our Company which Mr. Wang controls through Nanjing Jisheng, of which Mr. Wang acts as the true and lawful proxy to vote in respect of all Shares of our Company held by Nanjing Jisheng pursuant to a voting rights proxy agreement entered into between Mr. Wang and Nanjing Jisheng (the "**Voting Rights Proxy Agreement**"). Prior to the Voting Rights Proxy Agreement, Nanjing Jisheng has acted in accordance with Mr. Wang's directions for all actions in relation to the voting rights attached to our Shares held by Nanjing Jisheng. For further details of the Employee Incentive Platforms, please see the sub-section headed "History, Development and Corporate Structure — Employee Shareholding Platforms". Mr. Wang, Qingdao Yihua, the Employee Incentive Platforms and Nanjing Jisheng therefore constitute a group of controlling shareholders of our Company before the [**REDACTED**].

Immediately following the completion of the [**REDACTED**], Mr. Wang will be interested in approximately [**REDACTED**] of our issued share capital, assuming the [**REDACTED**] is not exercised. Therefore, Mr. Wang, Qingdao Yihua, the Employee Incentive Platforms and Nanjing Jisheng will remain as our Controlling Shareholders immediately after the [**REDACTED**].

NO COMPETITION

Mr. Wang has confirmed that, as of the Latest Practicable Date, our Controlling Shareholders did not have any interest in any business, other than our Group's business, which competes or is likely to compete, either directly or indirectly, with our Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders after the [**REDACTED**].

Management Independence

Our Directors are of the view that our Board, together with our senior management team, is able to perform the managerial role in our Group independently for the following reasons:

(a) upon [**REDACTED**], our Board will consist of ten Directors, comprising Mr. Wang and Mr. Ji as executive Directors, four non-executive Directors and four independent non-executive Directors. Mr. Wang has not exerted any influence on the decision-making of any other Directors on the management of the Board. Each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she act for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) our day-to-day management and operations are carried out by our senior management team. Our senior management team has substantial experience in the industry in which our Group operates, and will therefore be able to make business decisions that are in the best interests of our Group;

(c) we have four independent non-executive Directors, and certain matters of our Company shall be referred to the independent non-executive Directors for review;

(d) in respect of any contract or arrangement or any other proposal to be entered into by our Group in which a Director or any of his/her close associates (or, if required by the Listing Rules, his/her other associates) has any material interest, such Director shall abstain from voting on the resolutions and shall not be counted towards the quorum for the voting;

(e) where a Shareholders' meeting is held to consider a proposed transaction in which our Controlling Shareholders or any of their associates have a material interest, our Controlling Shareholders shall abstain from voting on the resolutions and shall not be counted towards the quorum for the voting; and

(f) our Company has appointed Somerley Capital Limited as our compliance advisor, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and Listing Rules, including various requirements relating to Directors' duties and corporate governance.

Operational Independence

Our Group has our own operational structure consisting of separate departments, each with clear division of responsibilities to facilitate the effective operation of our business. On the basis of the following reasons, our Directors consider that our Company will continue to operate independently after [**REDACTED**]:

(a) we are not reliant on trademarks owned by our Controlling Shareholders;

(b) we are the holder of all relevant licenses, approvals and permits which are material to the operation of our business, and have sufficient capital, equipment and employees to operate our business independently;

(c) we have our own administrative and corporate governance infrastructure, including our own accounting, legal and human resources departments;

(d) other than engaging Mr. Wang as our executive Director, our Directors do not expect that there will be any connected transactions between our Group and our Controlling Shareholders or their associates upon or shortly after [**REDACTED**]; and

(e) each of our Controlling Shareholders does not have any interest which competes or is likely to compete with our Group's business.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. Moreover, our Board has established the Audit Committee to provide independent oversight to, among others, our accounting and financial reporting processes.

We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders or any of their associates after the [**REDACTED**] as we expect that our working capital will be primarily funded by cash generated from our business operations, and to a lesser extent, external indebtedness.

As of April 30, 2025 (the "**Indebtedness Date**"), certain of our credit facilities were secured by guarantees provided by Mr. Wang and his spouse, Ms. Yang Qinghua (the "**Guarantees**"), all of which are expected to be released upon [**REDACTED**]. Further details are set out below:

Lender(Note)	**Balance as of the Indebtedness Date**
Agricultural Bank of China Limited, Suzhou Xietang Branch (中國農業銀行股份有限公司蘇州斜塘支行)	RMB95 million
China Construction Bank Corporation, Jiangsu Pilot Free Trade Zone Suzhou Branch (中國建設銀行股份有限公司江蘇自貿試驗區蘇州片區支行)	RMB70 million
Bank of Shanghai Co., Ltd., Suzhou Industrial Park Branch (上海銀行股份有限公司蘇州工業園區支行)	RMB50 million
Industrial Bank Co., Ltd., Suzhou Branch (興業銀行股份有限公司蘇州分行).	RMB45 million
Bank of Nanjing Co., Ltd., Suzhou Wuzhong Branch (南京銀行股份有限公司蘇州吳中支行)	RMB30 million

Lender(Note)	Balance as of the Indebtedness Date
China Merchants Bank Co., Ltd., Suzhou Zhongxin Branch (招商銀行股份有限公司蘇州中新支行)	RMB30 million
China Everbright Bank Co., Ltd., Suzhou Jinchang Branch (中國光大銀行股份有限公司蘇州金閶支行)	RMB20 million
EverGrowing Bank Co., Ltd., Zhangjiagang Branch (恆豐銀行股份有限公司張家港支行)	RMB20 million
China CITIC Bank Corporation Limited, Suzhou Industrial Park Branch (中信銀行股份有限公司蘇州工業園區支行)	RMB19.99 million
Bank of Communications Co., Ltd., Gusu Branch (交通銀行股份有限公司蘇州姑蘇支行)	RMB15 million
Bank of Communications Co., Ltd., Jiangsu Pilot Free Trade Zone Suzhou Branch (交通銀行江蘇自貿試驗區蘇州片區支行)	RMB10 million
Shanghai Pudong Development Bank Co., Ltd., Suzhou Branch (上海浦東發展銀行股份有限公司蘇州分行)	RMB10 million
Suzhou Bank Co., Ltd., Xietang Branch (蘇州銀行股份有限公司斜塘支行)	RMB10 million
Total	RMB424.99 million

Note: We are in the process of liaising with the lenders to release the respective Guarantees provided by Mr. Wang and his spouse to them upon [**REDACTED**].

As of the Latest Practicable Date, there were no outstanding loans due to or from our Controlling Shareholders or their close associates, and save as disclosed above, there were no other outstanding pledges or guarantees provided for our benefit by our Controlling Shareholders or their close associates.

Based on the above, our Directors are of the view that the Board, together with our senior management team, are capable of maintaining financial independence from our Controlling Shareholders after the [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following corporate governance measures to resolve actual or potential conflicts of interests between our Group and our Controlling Shareholders:

(a) where a Shareholders' meeting is to be held to consider a proposed transaction in which our Controlling Shareholders or any of their associates has a material interest, our Controlling Shareholders shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting;

(b) the Company has established internal control mechanisms to identify connected transactions. Upon [**REDACTED**], if the Company enters into connected transactions with our Controlling Shareholders or their associates, the Company will comply with the applicable Listing Rules;

(c) upon [**REDACTED**], our Board will consist of, among others, four non-executive Directors and four independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors will review whether there is any conflict of interest between our Group and our Controlling Shareholders annually and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) where advice from independent professionals, such as that from a financial advisor, is reasonably requested by our Directors (including the independent non-executive Directors), the appointment of such independent professional will be made at our Company's expense; and

(e) we have appointed Somerley Capital Limited as our compliance advisor, 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 corporate governance.

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 minority Shareholders' interests after the [**REDACTED**].

SHARE CAPITAL

The following is a description of the registered share capital of our Company in issue and immediately following completion of the [**REDACTED**].

As of the Latest Practicable Date

As of the Latest Practicable Date, the registered and issued share capital of our Company was RMB33,747,378, comprising 33,747,378 Unlisted Shares with a nominal value of RMB1.00 each.

Immediately after Completion of the [REDACTED]

Immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and conversion of Unlisted Shares into H Shares, the share capital of our Company will be as follows.

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]
H Shares converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	100%

SHARES OF OUR COMPANY

Upon the completion of the [**REDACTED**] and the conversion of certain Unlisted Shares into H Shares, the Shares of our Company will consist of Unlisted Shares and H Shares, both of which are ordinary Shares in our share capital and are considered as one class of Shares. However, H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons, other than certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities.

The rights conferred on any class of Shareholders may not be varied or abrogated unless approved by a special resolution of the Shareholders at a Shareholders' general meeting and by holders of such class of Shares at a separate Shareholders' general meeting.

RANKING

Pursuant to the Articles of Association, the Unlisted Shares and H Shares are regarded as one class of Shares and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be declared in Renminbi and paid by our Company in Hong Kong dollars or Renminbi, whereas all dividends in respect of Unlisted Shares are to be paid by our Company in Renminbi. In addition to cash, dividends may be distributed in the form of shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the Unlisted Shares may be converted into H Shares, and such converted Shares may be [**REDACTED**] and [**REDACTED**] on an overseas stock exchange provided that the conversion, [**REDACTED**] and [**REDACTED**] of such converted Shares have been approved by the securities regulatory authorities of the State Council. In addition, such conversion, [**REDACTED**] and [**REDACTED**] shall complete any requisite internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Stock Exchange, such conversion, [**REDACTED**] and [**REDACTED**] will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. Based on the procedures for the conversion of Unlisted Shares into H Shares as described below, we may apply for the [**REDACTED**] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure 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 [**REDACTED**] of additional Shares after our [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [**REDACTED**] at the time of our [**REDACTED**] in Hong Kong. Class shareholder voting is not required for the conversion of such Shares or the [**REDACTED**] and [**REDACTED**] of such converted Shares on an overseas stock exchange. Any application for [**REDACTED**] of the converted shares on the Stock Exchange after our [**REDACTED**] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on our H Share register will be conditional on: (a) our H Share Registrar lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates, and (b) the admission of the H Shares to [**REDACTED**] on the Stock Exchange in compliance with the Listing Rules, the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted shares are re-registered on our H Share register, such Shares would not be [**REDACTED**] as H Shares.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

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 [**REDACTED**] will be subject to such statutory restriction on transfer within a period of one year from the [**REDACTED**].

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which a general Shareholders' meeting is required, please see the section headed "Summary of the Articles of Association — 5. General Meetings" in Appendix III to this document.

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to issue H Shares and seek the [**REDACTED**] of H Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the Shareholders' general meeting held on June 7, 2025.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), the following persons will have an interest or a short position in the Shares or the underlying Shares which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Division 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 our share capital carrying rights to vote in all circumstances at general meetings of our Company:

				As of the Latest Practicable Date	Immediately following completion of the [REDACTED] (assuming no exercise of the [REDACTED])	
Name of Shareholder	**Nature of interest**	**Description of Shares**	**Number of Shares held or interested**	**Approximate percentage of shareholding in our total Share capital(1)**	**Approximate percentage of shareholding in our H Shares(2)**	**Approximate percentage of shareholding in our total Share capital(2)**
Mr. Wang(3) . .	Beneficial owner, interest held by controlled corporations	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Ji	Beneficial owner	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Jingdong Bangneng . .	Beneficial owner	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The calculation is based on a total of 33,747,378 Unlisted Shares in issue as of the Latest Practicable Date, including [**REDACTED**] Unlisted Shares which will be converted into H Shares upon completion of the [**REDACTED**].

(2) The calculation is based on a total of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares in issue upon [**REDACTED**], comprising (a) an aggregate of [**REDACTED**] H Shares converted from Unlisted Shares; and (b) [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**], without taking into account the H Shares which may be issued upon the exercise of the [**REDACTED**].

(3) As of the Latest Practicable Date, (a) Mr. Wang directly held 5,431,529 Unlisted Shares; (b) Qingdao Yihua, of which Mr. Wang acts as the executive partner and exercises the voting rights attached to the interests in our Company held by it, directly held 1,729,336 Unlisted Shares; (c) the Employee Incentive Platforms (namely Suzhou Shanglai, Yimai Youwei and Jiyi Dazhan), of which Mr. Wang acts as the executive partner and exercises the voting rights attached to the interests in our Company held by them, directly held an aggregate of 3,852,718 Unlisted Shares; and (d) Nanjing Jisheng, of which Mr. Wang acts as the true and lawful proxy to vote in respect of all Shares of our Company held by Nanjing Jisheng pursuant to a voting rights proxy agreement entered into between Mr. Wang and Nanjing Jisheng (the "**Voting Rights Proxy Agreement**"), directly held 274,235 Unlisted Shares. Prior to the Voting Rights Proxy Agreement, Nanjing Jisheng has acted in accordance with Mr. Wang's directions for all actions in relation to the voting rights attached to our Shares held by Nanjing Jisheng. Therefore, Mr. Wang is deemed to be interested in the aggregate number of Shares held by Qingdao Yihua, the Employee Incentive Platforms and Nanjing Jisheng.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, our Directors are not aware of any persons who will, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), have interests or short positions in Shares or underlying Shares which would fall to be disclosed 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 our share capital carrying rights to vote in all circumstances at general meetings of our Company.

FUTURE PLANS

See the section headed "Business — Our Strategies" for a detailed description of our future plans.

[REDACTED]

We estimate the [**REDACTED**] of the [**REDACTED**] which we will receive, assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**] (being the mid-end of the [**REDACTED**] stated in this document), will be approximately [**REDACTED**], after deduction of [**REDACTED**] and estimated expenses payable by us in connection with the [**REDACTED**] and assuming the [**REDACTED**] is not exercised.

We intend to use the [**REDACTED**] of the [**REDACTED**] for the following purposes:

- Approximately [**REDACTED**], or [**REDACTED**], will be allocated to our technology and R&D initiatives:
  - Approximately [**REDACTED**], or [**REDACTED**], will be allocated to enhancing our AI capabilities and upgrading our AI agent platform. For example, we intend to develop an AI-powered omnichannel data integration model to capture potential consumer needs and feedback through integration of consumer data from various channels, including e-commerce platforms, social media platforms, and customer service. This model is expected to help us gain insights into consumers, enhance product iteration efficiency, improve marketing strategy, and thereby enable us to offer comprehensive industry solutions and brand consulting services. We also plan to optimize our AI-driven sales forecasting and supply chain management, which aims to achieve (i) dynamic demand forecasting by a combination of historical data analysis and future operating activity and market trend predictions and (ii) intelligent warehousing and delivery management through refinement in product packaging, materials, logistics, and other dimensions.
  - Approximately [**REDACTED**], or [**REDACTED**], will be allocated to continuously enhancing our IT infrastructure, such as procuring computing devices, including high-performance central processing units, graphics processing units, data storage solutions, cloud services, load balancer server, and bandwidth, to enhance our data analytics capabilities and maintain satisfactory consumer experience. We also plan to purchase firewall and other equipment to ensure our data security. An efficient, scalable, and secure IT infrastructure is the backbone of a technology-driven enterprise like us. As the brand e-commerce industry becomes increasingly complex, we need additional resources to meet brand partners' growing needs for diverse, digital intelligence-powered solutions.

- ◦ Approximately [**REDACTED**], or [**REDACTED**], will be allocated to recruiting additional R&D talent and establishing relevant training programs to build up our in-house R&D team. Talent is crucial to our R&D success. With the our business growth and continuous investments in R&D and innovation, it is crucial to retain sufficient talent for R&D to provide high-quality services and improve business efficiencies. To fulfill the evolving needs of our long-term business development, unify data of each department to support business decisions, improve and upgrade our AI agent platform, and enhance our AI capabilities while securing our data security, we plan to recruit experts and talents with expertise in AI development and brand e-commerce industry.

- Approximately [**REDACTED**], or [**REDACTED**], will be allocated to expand our brand and asset management and IP commercialization business:

  - ◦ Approximately [**REDACTED**], or [**REDACTED**], will be allocated to expanding our exclusive brand agency and IP commercialization practices. We plan to partner with brands in the healthcare sector, particularly in the dietary supplements segment, including strengthening our cooperation with global-leading healthcare brands, partnering with emerging Chinese pharmaceutical companies, and acquiring or establishing joint venture with high-potential European healthcare brands. We intend to expand our brand asset management business in the emerging markets, such as the Southeast Asia market, focusing on areas including market insights, joint new product development, KOL/KOC collaboration, digital human capital planning, and omnichannel sales expansion. We also plan to continue developing our IP commercialization business by expanding cooperation with brand IP licensors, particularly in Southeast Asia and the Middle East. We plan to focus on trendy categories, such as collectibles and home goods, collaborating with collectible brand IP licensors and develop, operate, market and sell IP-based products based on these brand IPs. We also plan to collaborate with young artists in China and Southeast Asia to incubate our own brand IP and develop IP-based products. To achieve our goals, we intend to comprehensively enhance our ability in omnichannel marketing of our IP-based products through our investments in original content generation, KOL/KOC collaboration, live streaming, and establishing automated vending machines for our IP-based products at high-traffic locations, such as airports and train stations.

  - ◦ Approximately [**REDACTED**], or [**REDACTED**], will be allocated to investing in social media marketing and advertising. As of the Latest Practicable Date, we had cumulatively collaborated with over 200 brands. Given the increasing number of our brand partners and the increasing influence of social media in marketing and promotion, we plan to improve our social media marketing by expanding the coverage of marketing channels. Specifically, we plan to enhance marketing initiatives through marketing tools offered by e-commerce platforms, which are frequently used as efficient marketing tools in the industry for e-commerce operations, to reach new consumers. We also plan to enhance advertising initiatives through content promotion on, leveraging customized articles, short-form videos and live streaming to boost traffic to our online stores, and for marketing events and advertisements on popular social media platforms, such as WeChat, Weibo, Douyin and Xiaohongshu, and other emerging platforms, to reach a wider base of consumers with diverse preferences and needs, further promote brand products, highlight brand features, and enhance brand influence.

- Approximately [**REDACTED**], or [**REDACTED**], will be allocated to potential merger and acquisition opportunities within the industry chain to strengthen our competitiveness. We plan to selectively invest in or acquire partners or third-party brands that have synergies with our business, such as local brand e-commerce service providers in the overseas markets, to better serve the local brands and support our expansion in the overseas markets, as well as retail brands with growth potential, particularly international brands, to expand our product offerings and gain access to new customer bases or technologies. We believe such merger and acquisition will enable us to integrate complementary strengths and thereby create economies of scale. As of the Latest Practicable Date, we had not identified any specific targets for mergers, acquisitions or investments, or entered into any investment agreements.

- The remaining amount of approximately [**REDACTED**], or [**REDACTED**], will be used to provide funding for our working capital and other general corporate purposes.

If the [**REDACTED**] is fixed at the high end (low end) of the [**REDACTED**] stated in this document and assuming the [**REDACTED**] is not exercised, our [**REDACTED**] will increase (decrease) by approximately [**REDACTED**] ([**REDACTED**]). The above allocation of the [**REDACTED**] will be adjusted on a pro rata basis in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the estimated [**REDACTED**].

[**REDACTED**]

We will only place the [**REDACTED**] of the [**REDACTED**] that are not immediately required for the above purposes in short-term interest-bearing accounts at licensed commercial banks and/or relevant authorized financial institutions as defined under the SFO or applicable laws and regulations in relevant jurisdictions. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[**REDACTED**]

[**REDACTED**]

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[**REDACTED**]

The following is the text of a report set out on pages I-1 to I-65, received from the Company's reporting accountants, RSM Hong Kong, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SUZHOU ECMAX INFORMATION TECHNOLOGY CO., LTD AND CITIC SECURITIES (HONG KONG) LIMITED

We report on the historical financial information of Suzhou ecMAX Information Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-65, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024, and the consolidated statements of profit or loss, the consolidated statements of other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024 (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-3 to I-65 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the initial [**REDACTED**] of H shares of the Company on [**REDACTED**].

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of 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 give a true and fair view in accordance with the basis of preparation and presentation 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, 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 Company's financial position and the Group's financial position as at 31 December 2022, 2023 and 2024 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 17 to the Historical Financial Information which states that no dividend has been paid by the Company in respect of the Track Record Period.

RSM Hong Kong
Certified Public Accountants
Hong Kong

[Date]

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 financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by RSM Hong Kong in accordance with Hong Kong Standards on Auditing issued by the HKICPA ("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.

A. CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	8	1,117,250	1,355,503	1,400,287
Cost of sales		(923,287)	(1,146,971)	(1,197,981)
Gross profit		193,963	208,532	202,306
Other income	10	8,816	4,611	2,135
Other gains and losses	11	1,385	881	299
(Impairment losses)/reversal of impairment losses for trade and other receivables		(3,120)	(9,193)	2,370
Selling expenses		(71,497)	(83,556)	(68,101)
Administrative expenses		(60,774)	(62,725)	(72,075)
Profit from operations		68,773	58,550	66,934
Finance costs	12	(20,467)	(24,724)	(20,082)
Share of loss of associates		(534)	(154)	(275)
Profit before tax		47,772	33,672	46,577
Income tax (expense)/credit	13	(10,189)	(8,802)	3,245
Profit for the year	14	37,583	24,870	49,822
Attributable to:				
Owners of the Company		37,583	24,568	48,157
Non-controlling interests		–	302	1,665
		37,583	24,870	49,822

B. CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	37,583	24,870	49,822
Other comprehensive income:			
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	12,579	5,368	4,611
Other comprehensive income for the year, net of tax	12,579	5,368	4,611
Total comprehensive income for the year	50,162	30,238	54,433
Attributable to:			
Owners of the Company	50,162	29,936	52,768
Non-controlling interests	–	302	1,665
	50,162	30,238	54,433

C. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*18*	6,429	5,962	6,009
Right-of-use assets	*19*	9,092	12,733	17,350
Intangible assets	*20*	291	1,521	1,699
Investments in associates	*22*	429	275	1,000
Financial assets at FVOCI	*23*	2,000	2,000	3,914
Deposit paid	*27*	–	–	29,000
Deferred tax assets	*37*	30,071	25,560	29,523
Total non-current assets		48,312	48,051	88,495
Current assets				
Inventories	*25*	271,499	307,105	278,593
Financial assets at fair value through profit or loss ("FVTPL")	*24*	1,001	1	1,023
Trade receivables	*26*	146,873	255,260	241,131
Deposits, prepayments and other receivables	*27*	253,853	350,523	344,686
Current tax assets		58	77	3,662
Bank deposits	*28*	–	30,845	–
Bank and cash balances	*28*	101,500	115,858	196,680
Total current assets		774,784	1,059,669	1,065,775
TOTAL ASSETS		823,096	1,107,720	1,154,270
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	*29*	30,701	33,014	33,014
Reserves	*30*	249,921	390,973	444,170
		280,622	423,987	477,184
Non-controlling interests		–	302	2,442
Total equities		280,622	424,289	479,626
LIABILITIES				
Non-current liabilities				
Lease liabilities	*34*	4,491	7,454	12,978
Deferred tax liabilities	*37*	1,345	931	1,089
Total non-current liabilities		5,836	8,385	14,067

		As at 31 December		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Current liabilities				
Bank borrowings	*31*	336,596	428,082	526,082
Other borrowings	*32*	113,117	76,468	1,680
Derivative instruments	*33*	–	234	–
Lease liabilities	*34*	4,830	5,551	4,475
Trade payables	*35*	48,370	107,144	73,392
Accruals and other payables	*36*	27,801	47,015	46,205
Current tax liabilities		5,924	10,552	8,743
Total current liabilities		536,638	675,046	660,577
TOTAL EQUITY AND LIABILITIES		823,096	1,107,720	1,154,270

D. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Share capital	Capital reserve	Financial assets at FVTOCI reserve	Statutory surplus reserve	Foreign currency translation reserve	(Accumulated losses)/ retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	30,000	524,935	(5,000)	1,617	(2,814)	(349,497)	199,241	–	199,241
Profit for the year	–	–	–	–	–	37,583	37,583	–	37,583
Other comprehensive income	–	–	–	–	12,579	–	12,579	–	12,579
Total comprehensive income for the year	–	–	–	–	12,579	37,583	50,162	–	50,162
Transactions with owners in their capacity as owners:									
Issue of shares *(note 29)*	701	29,299	–	–	–	–	30,000	–	30,000
Share-based payments *(note 38)*	–	1,219	–	–	–	–	1,219	–	1,219
Transfer to statutory surplus reserve	–	–	–	4,263	–	(4,263)	–	–	–
	701	30,518	–	4,263	–	(4,263)	31,219	–	31,219
As at 31 December 2022 and 1 January 2023	30,701	555,453	(5,000)	5,880	9,765	(316,177)	280,622	–	280,622
Profit for the year	–	–	–	–	–	24,568	24,568	302	24,870
Other comprehensive income	–	–	–	–	5,368	–	5,368	–	5,368
Total comprehensive income for the year	–	–	–	–	5,368	24,568	29,936	302	30,238
Transactions with owners in their capacity as owners:									
Issue of shares *(note 29)*	2,313	110,687	–	–	–	–	113,000	–	113,000
Share-based payments *(note 38)*	–	429	–	–	–	–	429	–	429
Transfer to statutory surplus reserve	–	–	–	2,698	–	(2,698)	–	–	–
	2,313	111,116	–	2,698	–	(2,698)	113,429	–	113,429
As at 31 December 2023 and 1 January 2024	33,014	666,569	(5,000)	8,578	15,133	(294,307)	423,987	302	424,289

	Attributable to owners of the Company								
	Share capital	Capital reserve	Financial assets at FVTOCI reserve	Statutory surplus reserve	Foreign currency translation reserve	(Accumulated losses)/ retained earnings	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Profit for the year	–	–	–	–	–	48,157	48,157	1,665	49,822
Other comprehensive income	–	–	–	–	4,611	–	4,611	–	4,611
	–	–	–	–	4,611	48,157	52,768	1,665	54,433
Transactions with owners in their capacity as owners:									
Acquisition of subsidiaries *(note 45)*	–	–	–	–	–	–	–	475	475
Share-based payments *(note 38)*	–	429	–	–	–	–	429	–	429
Transfer to statutory surplus reserve	–	–	–	6,218	–	(6,218)	–	–	–
	–	429	–	6,218	–	(6,218)	429	475	904
As at 31 December 2024	33,014	666,998	(5,000)	14,796	19,744	(252,368)	477,184	2,442	479,626

E. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	47,772	33,672	46,577
Adjustments for:			
Amortisation of intangible assets	40	176	442
Written-off of intangible assets	1,367	–	–
Depreciation of property, plant and equipment	1,044	1,183	1,273
Depreciation of right-of-use assets	4,950	6,229	6,435
Dividend income	(3)	(11)	–
Fair value gain of derivative instruments	–	(298)	–
Realised loss of derivative instruments	–	2,055	159
Impairment losses/(reversal of impairment losses) for trade and other receivables	3,120	9,193	(2,370)
Finance costs	20,467	24,724	20,082
Interest income on bank deposits	(1,109)	(653)	(506)
Gain on financial assets at FVTPL	(10)	(39)	(48)
Loss on disposal of property, plant and equipment	94	–	–
(Reversal of allowance)/allowance of inventories	(468)	1,850	(3,024)
Share of loss associates	534	154	275
Share-based payments	1,219	429	429
Operating profit before working capital changes	79,017	78,664	69,724
(Increase)/decrease in inventories	(84,355)	(37,456)	32,314
(Increase)/decrease in trade receivables	(63,873)	(116,841)	16,739
(Increase)/decrease in deposits, prepayments and other receivables	(104,139)	(97,409)	7,521
Increase/(decrease) in trade payables	17,521	58,774	(34,068)
(Decrease)/increase in accruals and other payables	(4,261)	19,214	(2,688)
Cash (used in)/generated from operations	(160,090)	(95,054)	89,542
Income tax paid	(5)	(170)	(5,628)
Interest paid	(20,046)	(24,309)	(19,671)
Interest on lease liabilities	(421)	(415)	(411)
Net cash (used in)/generated from operating activities	(180,562)	(119,948)	63,832

	Notes	Year ended 31 December 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES				
Net cash outflow arising from acquisition of subsidiaries	*45*	–	–	(33)
Acquisition of an associate		–	–	(1,000)
Deposit paid for intangible assets		–	–	(29,000)
(Increase)/decrease in non-pledged bank deposits with more than three months to maturity		–	(30,845)	30,845
Purchase of property, plant and equipment		(486)	(716)	(1,320)
Purchase of intangible assets		–	(1,406)	(620)
Purchases of financial assets at FVTPL		(5,001)	(8,004)	(25,661)
Proceeds on disposals of financial assets at FVTPL		5,010	9,043	24,687
Net cash outflow of derivative instruments		–	(1,523)	(393)
Purchase of financial assets at FVTOCI		(2,000)	–	(1,914)
Dividend received from FVTOCI		3	11	–
Interest received		1,109	653	506
Net cash used in investing activities		(1,365)	(32,787)	(3,903)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares		30,000	113,000	–
Bank borrowings raised		459,529	535,882	699,092
Repayment of bank borrowings		(427,007)	(445,943)	(600,582)
Other borrowings raised		433,491	268,211	195,724
Repayment of other borrowings		(366,137)	(305,424)	(270,587)
Principal elements of lease payments		(4,691)	(6,186)	(6,604)
Net cash generated from financing activities		125,185	159,540	17,043
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(56,742)	6,805	76,972
Effect of foreign exchange rate changes		19,833	7,553	3,850
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		138,409	101,500	115,858
CASH AND CASH EQUIVALENTS AT END OF YEAR		101,500	115,858	196,680

F. STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December 2022	2023	2024
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment		1,358	922	1,224
Right-of-use assets		3,264	2,490	1,183
Intangible assets		291	251	36
Investments in associates		–	–	1,000
Investment in subsidiaries	*21*	8,891	12,565	29,463
Deposit paid		–	–	29,000
Deferred tax assets		3,429	–	758
Total non-current assets		17,233	16,228	62,664
Current assets				
Inventories		4,923	7,497	6,790
Financial assets at FVTPL		1,000	–	–
Trade receivables		28,330	38,241	52,239
Amount due from subsidiaries		551,834	743,734	732,741
Deposit, prepayments and other receivables		36,426	32,368	17,161
Current tax assets		–	–	3,438
Bank deposits		–	30,845	–
Bank and cash balances		11,549	10,257	60,883
Total current assets		634,062	862,942	873,252
TOTAL ASSETS		651,295	879,170	935,916
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	*29*	30,701	33,014	33,014
Reserves	*30(b)*	329,576	471,472	527,327
Total equities		360,277	504,486	560,341
LIABILITIES				
Non-current liabilities				
Lease liabilities		2,056	1,116	–
Deferred tax liabilities		490	–	148
Total non-current liabilities		2,546	1,116	148
Current liabilities				
Bank borrowings		262,950	358,082	361,092
Derivative instruments		–	234	–
Lease liabilities		1,174	1,330	1,116
Financial guarantees	*39*	1,802	1,678	4,130
Trade payables		3,822	1,479	1,211
Accruals and other payables		18,724	9,367	7,878
Current tax liabilities		–	1,398	–
Total current liabilities		288,472	373,568	375,427
TOTAL EQUITY AND LIABILITIES		651,295	879,170	935,916

G. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Suzhou ecMAX Information Technology Co., Ltd. (蘇州極易科技股份有限公司) (the "Company") was established in the People's Republic of China (the "PRC") as limited liability company on 21 October 2015 and was converted into a joint stock company with limited liability on 28 December 2021. The address of its registered office is D205-208, Ren'ai Road 99, Suzhou Industrial Park, Suzhou City, Jiangsu Province, PRC.

The Company is engaged in investment holding and provision of brand-to-consumer solutions, brand-to-business solutions, brand asset management and IP commercialisation and other services. The principal activities of its subsidiaries are set out in note 21 to the Historical Financial Information.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). IFRS Accounting Standards comprises International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS") and Interpretations.

IASB has issued certain new and revised IFRS Accounting Standards that are first effective or available for early adoption by the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the Historical Financial Information.

3. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

(a) Application of revised IFRS Accounting Standards

During the Track Record Period, the Group has consistently applied the accounting policies conform with the IFRS Accounting Standards, which are effective for the Group's accounting period beginning on or after 1 January 2024.

(b) New and revised IFRS Accounting Standards in issue but not yet effective

Up to the date of issue of the Historical Financial Information, the IASB has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2024 and which have not been adopted in the Historical Financial Information. The Group has not early applied the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to IAS 21 and IFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

The directors of the Company are in the process of making an assessment on the impacts of these new standards, amendments to standards and interpretation which are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information except IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. certain financial instruments that are measured at fair value).

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 5.

The material accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to the Track Record Period, unless otherwise stated.

(a) Consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any related accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

(b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(c) Business combination

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are, with limited exceptions, measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

(d) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the Historical Financial Information by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Historical Financial Information is presented in RMB, which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(f) Property, plant and equipment

Property, plant and equipment, held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful annual lives are as follows:

Building	20 years
Leasehold improvements	2-10 years
Computer equipment	3 years
Office equipment	3-5 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting periods, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(g) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) The Group as a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held, which does not have recent third-party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

(h) Intangible assets acquired – Software

Software is stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 10 years.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

(k) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The Group derecognises 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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises 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 derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(l) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised 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 marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt investments

Debt investments held by the Group are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

– FVTOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of ECL, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

– FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income.

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less allowance for credit losses.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL.

(o) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

– the amount determined in accordance with the ECL model under IFRS 9 and

– the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers ("IFRS 15").

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(r) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(s) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(t) Derivative instruments

Derivatives are initially recognised and subsequently measured at fair value. Changes in the fair value of derivatives are recognised in profit or loss.

(u) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts, return allowances and related surcharges.

The Group provides brand-to-customer solutions, brand-to-business solutions, brand asset management and IP commercialisation and other services. And its revenues from each business segment are derived principally from product sales and/or provision of services.

Product sales

The Group generates revenue from sales of products purchased from brand partners and/or their authorised distributors, including healthcare, beauty and personal care, fast-moving consumer goods, home furnishing and appliances (i) directly to end consumers through authorised brand flagship stores and other brand stores operated by the Group on e-commerce platforms under brand-to-customer solutions, (ii) to e-commerce platforms under brand-to-customer solutions or (iii) distributors, including offline channels under brand-to-business solution. Revenue generated from sales of products is recognised on a gross basis, because (i) the Group rather than the brand partner, is primarily responsible for fulfilling the promise to provide the specified good; (ii) the Group bears the inventory risk; and (iii) the Group has discretion in determining the product price.

For the products sales to end consumers on e-commerce platforms, the control of the goods was transferred when end consumers manually confirm receipt of goods within the period stipulated by the e-commerce platforms; or when the e-commerce platforms automatically acknowledges receipt of the order after the stipulated period. The consumer prepays the full price into the escrow account established by the e-commerce platforms, which will be transferred to the Group's authorised flagship store's or other brand store's fund account after the order is confirmed as received.

For the products sales to e-commerce platforms, the control of the goods was transferred when the relevant e-commerce platforms, as the Group's direct customer, issues documents (e.g. settlement statements) evidencing transfer of control over goods to the end consumers; or when the goods are delivered to the designated locations or transferred to the specified carriers. In determining the transaction price, the Group considers the effects of variable consideration (e.g. rebate and discount) and estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled.

Revenue from brand-to-business solution is derived from product sales to distributors, including offline channels. Revenue recognised when the control of the products was transferred when the goods are delivered to the designated locations or transferred to the specified carriers, in accordance with relevant shipping terms, to the distributors. The Group may require advance payment from distributors, including offline channels before delivery. The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the distributor partners.

Under certain circumstances, end consumers on e-commerce platform including e-commerce platforms and distributor partners have a right to return products after the receipt of the goods purchased from the Group. During the Track Record Period, the financial impact arising from the right of customers to return products was not material.

Revenues are measured as the amount of consideration the Group expects to receive in exchange for transferring products to customers. Return allowances, which reduce revenue, are estimated utilising the most likely amount method based on historical data the Group has maintained and its analysis of returns by categories of products.

Provision of services

The Group acts as a service provider to facilitate its brand partners' online sales of their branded products and other customers with the performance obligations to provide a variety of e-commerce services, such as which may include any combination of IT solutions, online store operation, digital marketing, customer service and fulfillment services. Revenue from provision of services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

Revenue generated from IT solutions such as one-time online store design and set-up services and is recognised when the services are rendered.

Revenue generated from logistics services including warehouse services, express and freight delivery services and related value-added services, and other types of services are recognised over the service term.

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the assets.

Dividend income is recognised when the shareholders' rights to receive payment are established.

(v) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(w) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

(x) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(y) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become 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 recognised in profit or loss in the period in which they become receivable.

(z) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items 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 recognised 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 recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the 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 recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises 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 differences can be utilised 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 by the same taxation authority and the Group intends either to settle its current tax assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

(aa) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(bb) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade and other receivables and bank and cash balances, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– 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 for a particular financial instrument;

– 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;

– significant increases in credit risk on other financial instruments of the same 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 on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) the financial instrument has a low risk of default,

(ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of "investment grade" in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of "performing". Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

– when there is a breach of financial covenants by the counterparty; or

– 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 analysis, 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.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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 counterparty;

– a breach of contract, such as a default or past due event;

– the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider;

– it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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 adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(cc) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(dd) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and 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 ongoing basis. Revisions to accounting estimates are recognised 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.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the Historical Financial Information (apart from those involving estimations, which are dealt with below).

(a) Equity pick up of entity of less than 20% equity interest or 50% equity interest

Although the Group holds less than 20% of the voting power of Shanghai Fumai Foods Co., Limited ("Fumai") and Shanghai Youen Health Technology Co., Limited ("Youen"), the directors considered that the Group has significant influence over Fumai and Youen because the Group is entitled to appoint one director out of the five directors of Fumai and Youen.

Although the Group holds 50% of shareholding of Wuxi Laimei Jisheng Technology Co., Ltd. ("Wuxi Laimei"), the directors considered that the Group has significant influence over Wuxi Laimei because the Group is entitled to appoint one director out of the three directors of Wuxi Laimei.

(b) Principal vs agent consideration

The Group engages in trading of products under B2B2C model of brand-to-customer solutions. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods. The Group has inventory risk and legal title of the goods. When the Group satisfies the performance obligation, the Group recognises trading revenue in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31 December 2022, 2023 and 2024, the Group recognised revenue relating to trading of products for B2B2C amounted to RMB820,866,000, RMB719,628,000 and RMB628,815,000.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Deferred tax assets

As at 31 December 2022, 2023 and 2024, deferred tax assets of RMB25,632,000, RMB20,247,000 and RMB24,952,000 in relation to unused tax losses have been recognised in the consolidated statement of financial position. No deferred tax assets have been recognised on the tax losses of RMB–, RMB– and RMB36,000 due to the unpredictability of future profit streams. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

(b) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2022, 2023 and 2024, the carrying amount of the property, plant and equipment and right-of-use assets were approximately RMB6,429,000, RMB5,962,000 and RMB6,009,000; and RMB9,092,000, RMB12,733,000 and RMB17,350,000 respectively.

(c) Impairment loss of trade receivables

The Group uses practical expedient in estimating ECL on trade receivables using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

As at 31 December 2022, 2023 and 2024, the carrying amount of trade receivables were approximately RMB146,873,000 (net of allowance for doubtful debts of approximately RMB8,501,000), approximately RMB255,260,000 (net of allowance for doubtful debts of approximately RMB16,955,000) and approximately RMB241,131,000 (net of allowance for doubtful debts of approximately RMB14,958,000) respectively.

(d) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed. (Reversal of)/allowance for slow-moving inventories amounted to RMB(468,000), RMB1,850,000 and RMB(3,024,000) was made for the year ended 31 December 2022, 2023 and 2024 respectively.

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in RMB, Hong Kong Dollar ("HKD"), United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD") and Swiss Franc ("CHF"). The Group currently has a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the functional currencies of the relevant group entities at the end of the reporting period are as follows:

Assets	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
HKD	18,782	15,630	46,197
USD	118,276	82,148	91,341
EUR	30,215	54,023	19,168
SGD	11,215	2,600	2,569

Liabilities	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
HKD	3,391	15,161	23,003
USD	55,944	12,864	2,523
EUR	31,595	34,311	7,358
SGD	2	2	–
CHF	–	–	28,792

Sensitivity analysis

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Increase/(decrease) in exchange rate	**5%/(5%)**	**5%/(5%)**	**5%/(5%)**
USD	2,649/(2,649)	3,102/(3,102)	3,994/(3,994)
EUR	(59)/59	882/(882)	531/(531)
HKD	654/(654)	21/(21)	1,043/(1,043)
SGD	477/(477)	116/(116)	116/(116)
CHF	–	–	(1,295)/1,295

The sensitivity analysis above indicates the impact on the Group's profit for the year and accumulated losses/retained profits that would have arisen assuming that there is an annualised arising mainly as a result of the foreign exchange gain or loss on prepayments, deposits and other receivables, cash and cash equivalent and prepayments, deposits and other receivables denominated in USD, EUR, HKD, SGD and CHF as at 31 December 2022, 2023 and 2024 respectively. The analysis has been performed on the same basis thorough the Track Record Period.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

Except for the financial guarantee given by the Group as set out in note 39, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 39.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 180 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group has concentration of credit risk as 37%, 23% and 13% of the total trade receivables was due from the Group's largest customer. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2022, 2023 and 2024:

	At 31 December 2022		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	5.00%	149,800	7,490
0 to 180 days	5.00%	2,059	103
181 to 365 days	18.50%	2,686	497
1-2 years	44.12%	748	330
Over 2 years	100.00%	81	81
		155,374	8,501

	At 31 December 2023		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	5.00%	255,519	12,776
0 to 180 days	5.02%	2,013	101
181 to 365 days	19.35%	11,544	2,234
1-2 years	48.51%	2,515	1,220
Over 2 years	100.00%	624	624
		272,215	16,955

	At 31 December 2024		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Current (not past due)	4.91%	232,277	11,399
0 to 180 days	5.00%	14,252	713
181 to 365 days	16.06%	7,408	1,190
1-2 years	46.26%	923	427
Over 2 years	100.00%	1,229	1,229
		256,089	14,958

Expected loss rates are based on actual loss experience over the past 3-5 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance for trade receivables during the Track Record Period is as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	5,840	8,501	16,955
Acquisition of subsidiaries	–	–	31
Impairment losses/(reversal of impairment losses) recognised for the year	2,661	8,454	(2,028)
At 31 December	8,501	16,955	14,958

Financial assets at amortised cost

Financial assets at amortised cost mainly include other receivables arising from the expenses paid on behalf of suppliers.

Movement in the loss allowance for financial assets at amortised cost during the year is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	1,109	1,568	2,307
Acquisition of subsidiaries	–	–	6
Impairment losses/(reversal of impairment losses) recognised for the year	459	739	(342)
At 31 December	1,568	2,307	1,971

(c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the participation in supplier finance arrangements with banks and the raising of loans to cover expected cash demands, subject to approval by the Directors of the Company when the borrowing exceed certain predetermined level of authority.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Undiscounted cash flows	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2022						
Trade payables	48,370	–	–	–	48,370	48,370
Accruals and other payables	20,210	–	–	–	20,210	20,210
Bank borrowings	344,860	–	–	–	344,860	336,596
Other borrowings	115,104	–	–	–	115,104	113,117
Lease liabilities	5,088	3,103	1,521	–	9,712	9,321
	533,632	3,103	1,521	–	538,256	527,614

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Undiscounted cash flows	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023						
Trade payables	107,144	–	–	–	107,144	107,144
Accruals and other payables	34,893	–	–	–	34,893	34,893
Bank borrowings	435,378	–	–	–	435,378	428,082
Other borrowings	78,113	–	–	–	78,113	76,468
Lease liabilities	5,942	3,369	3,738	874	13,923	13,005
Derivative instruments	234	–	–	–	234	234
	661,704	3,369	3,738	874	669,685	659,826

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Undiscounted cash flows	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024						
Trade payables	73,392	–	–	–	73,392	73,392
Accruals and other payables	34,269	–	–	–	34,269	34,269
Bank borrowings	535,144	–	–	–	535,144	526,082
Other borrowings	1,698	–	–	–	1,698	1,680
Lease liabilities	5,163	3,435	10,565	–	19,163	17,453
	649,666	3,435	10,565	–	663,666	652,876

(d) Interest rate risk

The Group's cash flow interest rate risk primarily relates to variable-rate bank balances.

The Group's bank deposits, bank borrowings and other borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its bank balances. These deposits bear interest at variable rates varied with the then prevailing market condition.

At 31 December 2022, 2023 and 2024, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have increased/(decreased) the Group's profit after tax for the year as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Increase/(decrease) in interest rates			
50 basis points	419	480	864
(50) basis points	(419)	(480)	(864)

The sensitivity analysis above indicates the impact on the Group's profit for the year and accumulated losses/retained profits that would have arisen assuming that there is an annualised impact on interest income and expense by a change in interest rates. The analysis has been performed on the same basis thorough the Track Record Period.

(e) Categories of financial instruments at:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Financial assets:			
Financial assets measured at FVTPL	1,001	1	1,023
Financial assets measured at FVTOCI	2,000	2,000	3,914
Financial assets measured at amortised cost	403,050	629,452	602,887
Financial liabilities:			
Derivative instruments	–	234	–
Financial liabilities measured at amortised cost	527,614	659,592	652,876

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 31 December 2022, 2023, 2024:

	At 31 December 2022			
	Fair value measurements using:			
Description	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTPL				
– Investment products	–	–	1,001	1,001
Financial assets at FVTOCI				
– Unlisted equity securities	–	–	2,000	2,000
At 31 December	–	–	3,001	3,001

Description	At 31 December 2023			
	Fair value measurements using:			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTPL				
– Investment products	–	–	1	1
Financial assets at FVTOCI				
– Unlisted equity securities	–	–	2,000	2,000
At 31 December	–	–	2,001	2,001
Financial liabilities				
Derivative instruments	–	234	–	234

Description	At 31 December 2024			
	Fair value measurements using:			
	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurements:				
Financial assets				
Financial assets at FVTPL				
– Investment products	–	–	23	23
– Unlisted equity securities	–	–	1,000	1,000
Financial assets at FVTOCI				
– Unlisted equity securities	–	–	3,914	3,914
At 31 December	–	–	4,937	4,937

There were no transfers between levels 2 and 3 during the Track Record Period.

(b) Reconciliation of assets measured at fair value based on level 3:

Description	Financial assets at FVTOCI – unlisted equity securities As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	–	2,000	2,000
Additions	2,000	–	1,914
Total gains/(losses) recognised			
– in other comprehensive income	–	–	–
At 31 December	2,000	2,000	3,914

The total gains/(losses) recognised in other comprehensive income are presented in fair value changes of equity instruments at FVTOCI in the consolidated statement of profit or loss and other comprehensive income.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in future value measurements at 31 December 2022, 2023 and 2024:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors regularly.

Level 2 fair value measurements

The fair value of derivative instruments for forex contracts which acquired in financial institution, is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on financial institution specific estimates. It includes quoted market price or dealer quotes for similar instruments. If all significant inputs required to fair value of instrument are observable, the instrument is included in level 2.

Level 3 fair value measurements

					Fair value		
				Effect on fair value for increase of inputs	2022	2023	2024
Description	Valuation technique	Unobservable inputs	Range		Assets	Assets	Assets
					RMB'000	*RMB'000*	*RMB'000*
Private equity investments classified as financial assets at FVTOCI . . .	Fair value of underlying assets	N/A	N/A	N/A	2,000	2,000	3,914
Financial assets at FVTPL .	Fair value of underlying assets	N/A	N/A	N/A	1,001	1	1,023

During the Track Record Period, there were no changes in the valuation techniques used.

8. REVENUE

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product and serves lines:

For the year ended 31 December	Brand-to-consumer solutions			Brand-to-business solutions			Brand asset management and IP commercialisation			Other services			Total		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Timing of revenue recognition															
Sales of goods transferred at a point in time	906,602	876,868	733,832	63,217	282,130	494,461	36,601	63,450	39,356	–	–	–	1,006,420	1,222,448	1,267,649
Services transferred over time	82,984	96,858	109,367	–	–	–	4,388	11,000	5,150	23,458	25,197	18,121	110,830	133,055	132,638
Total	989,586	973,726	843,199	63,217	282,130	494,461	40,989	74,450	44,506	23,458	25,197	18,121	1,117,250	1,355,503	1,400,287

The Group derives above revenues mainly in the PRC.

9. SEGMENT INFORMATION

The chief operating decision maker has been identified as the directors of the Company. The directors review the Group's internal reporting for the purposes of resource allocation and assessment of segment performance which focused on the category of services/products provided to external customers. The Group has identified four reportable segments as follows:

Brand-to-business solutions	–	products sales to distributors, including offline channels
Brand-to-customer solutions	–	product sales to e-commerce platforms and end consumers on e-commerce platforms and co-related e-commerce services
Brand asset management and IP commercialisation	–	established deeper cooperation with brand partners through various business models, including joint new product development with established brand partners, and exclusive authorisation from brand partners, also developing, selling, and promoting IP-based products
Other services	–	project-based marketing services and IT solutions

The Group's reportable segments are strategic business units that offer different products and services. They are centrally managed with the required technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the Historical Financial Information. Revenue and cost of sales are allocated to reportable segments with reference to revenue generated by those segments and the cost of sales incurred by those segments. The measure used for reporting segment result is gross profit.

The management makes decision according to operating results of each segment. No analysis of segment assets and liability is presented as the management does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue, segment cost of sales are presented.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Information about operating segment profit or loss

	Brand-to-customer solutions	Brand-to-business solutions	Brand asset management and IP commercialisation	Other services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended 31 December 2022					
Revenue from external customers	989,586	63,217	40,989	23,458	1,117,250
Cost of sales	(813,817)	(61,312)	(30,034)	(18,124)	(923,287)
Gross profit	175,769	1,905	10,955	5,334	193,963
Unallocated amounts:					
Other income					8,816
Other gains or losses					1,385
Impairment losses for trade and other receivables					(3,120)
Selling expenses					(71,497)
Administrative expenses					(60,774)
Finance costs					(20,467)
Share of loss of associates					(534)
Profit before tax					47,772

	Brand-to-customer solutions	Brand-to-business solutions	Brand asset management and IP commercialisation	Other services	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
For the year ended 31 December 2023					
Revenue from external customers	973,726	282,130	74,450	25,197	1,355,503
Cost of sales	(804,132)	(278,197)	(54,745)	(9,897)	(1,146,971)
Gross profit	169,594	3,933	19,705	15,300	208,532
Unallocated amounts:					
Other income					4,611
Other gains or losses					881
Impairment losses for trade and other receivables					(9,193)
Selling expenses					(83,556)
Administrative expenses					(62,725)
Finance costs					(24,724)
Share of loss of associates					(154)
Profit before tax					33,672
For the year ended 31 December 2024					
Revenue from external customers	843,199	494,461	44,506	18,121	1,400,287
Cost of sales	(688,295)	(467,520)	(32,178)	(9,988)	(1,197,981)
Gross profit	154,904	26,941	12,328	8,133	202,306
Unallocated amounts:					
Other income					2,135
Other gains or losses					299
Reversal of impairment losses for trade and other receivables					2,370
Selling expenses					(68,101)
Administrative expenses					(72,075)
Finance costs					(20,082)
Share of loss of associates					(275)
Profit before tax					46,577

Geographical information

All the Group's revenue from external customers and non-current assets are generated from and located mainly in the PRC.

Revenue from major customers

Revenue from major customers contributing to 10% or more of the total revenue of the Group are as follow:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Customer A			
Brand-to-customer solutions	800,256	642,232	535,206
Brand asset management and IP commercialisation	2,546	5,049	5,468
Other services	1,606	4,754	1,928
	804,408	652,035	542,602

10. OTHER INCOME

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Dividend income from FVTOCI	3	11	–
Interest income on bank deposits	1,109	653	506
Gains on financial assets at FVTPL	10	39	48
Government grants *(note)*	6,502	3,240	1,366
Others	1,192	668	215
	8,816	4,611	2,135

Note: Government grants represented subsidies to the Group by the PRC government as incentives primarily to encourage the development of the Group and the contribution to the local economic development, leading enterprise, talent recruitment subsidy, wage and operation support and government support for innovation and technology.

11. OTHER GAINS AND (LOSSES)

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Loss on disposal of property, plant and equipment	(94)	–	–
Written-off of intangible assets	(1,367)	–	–
Net exchange gains/(losses)	2,378	4,488	(2,566)
Fair value gains of derivative instruments	–	298	–
Realised losses on derivative instruments	–	(2,055)	(159)
Reversal of/(allowance) of inventories *(note a)*	468	(1,850)	3,024
	1,385	881	299

Note:

(a) During the year ended 31 December 2022 and 2024, the reversal of allowance for inventories arose due to an increase in the estimated net realisable value of certain products as a result of change in market condition and sales of certain products which had been written down to net realisable value in prior years.

12. FINANCE COSTS

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank borrowings	18,557	21,742	18,183
Interest on other borrowings	1,489	2,567	1,488
Interest expenses on lease liabilities	421	415	411
	20,467	24,724	20,082

13. INCOME TAX EXPENSE/(CREDIT)

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Current tax expenses			
– Hong Kong	–	90	13
– The PRC	2,781	4,615	547
	2,781	4,705	560
Deferred tax *(note 37)*	7,408	4,097	(3,805)
	10,189	8,802	(3,245)

Under the two-tiered Profits Tax regime, the first HK$2 million of profits of the qualifying group entity established in Hong Kong will be taxed at 8.25%, and profits above that amount will be subject to the tax rate of 16.5%. The profits of the group entities not qualifying for the two-tiered Profit Tax rate regime will continue to be taxed at a rate of 16.5%.

Under the Law of the PRC Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, has been provided at a rate of 25% for the Track Record Period.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

On 6 November 2023, the Company was approved and recognised as a high-tech enterprise by the Science and Technology Department of Jiangsu Province, the Finance Department of Jiangsu Province, and the State Administration of Taxation of Jiangsu Province Tax Bureau. The Company enjoys a preferential tax rate of 15% for corporate income tax and a three-year exemption period.

According to the "Announcement on Implementing Preferential Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households" (Finance and Taxation [2021] No. 12) issued by the Ministry of Finance and the State Taxation Administration, for small and micro enterprises with an annual taxable income not exceeding RMB1 million, on the basis of the preferential policies stipulated in the second article of the "Notice on Implementing Preferential Tax Reduction Policies for Small and Micro Enterprises" (Finance and Taxation [2019] No. 13), corporate income tax is further halved. The implementation period is from 1 January 2021 to 31 December 2022.

According to the "Announcement on Preferential Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households" (No. 6 of 2023) issued by the Ministry of Finance and the State Taxation Administration, from 1 January 2023 to 31 December 2024, for small and micro enterprises with an annual taxable income not exceeding RMB1 million, 25% of the income is counted as taxable income, and the corporate income tax is paid at a rate of 20%. According to the "Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households with Tax and Fee Policies" (No. 12 of 2023) issued by the Ministry of Finance and the State Taxation Administration, the policy of calculating taxable income at 25% and paying corporate income tax at a rate of 20% for small and micro enterprises is extended to 31 December 2027.

The Company obtained the software enterprise certificate issued by the Jiangsu Software Industry Agreement on 23 October 2024. According to the State Council's Notice on Issuing the Several Policies to Promote the High-Quality Development of the Integrated Circuit Industry and Software Industry in the New Era (No. 8, 2020), the Ministry of Industry and Information Technology's Announcement No. 10, 2021, "Conditions for Software Enterprises Encouraged by the State", and the State Administration of Taxation's Announcement No. 23, 2018, "Announcement of the State Administration of Taxation on the Release of the Revised Measures for Handling Preferential Corporate Income Tax Policies", the Company meets the conditions for software enterprises for the exemption from income taxation for first two years, reduction half for next three years as stipulated in the aforementioned regulations, and 2024 is the second year of its profit, so it is exempt from corporate income tax when remitting corporate income tax in 2024.

The reconciliation between the income tax expense/(credit) and the product of profit before tax multiplied by the PRC Enterprise Income Tax rate is as follows:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Profit before tax	47,772	33,672	46,577
Tax at the domestic income tax rate of 25%	11,943	8,418	11,644
Effect of different tax rates of subsidiaries	4,958	4,222	786
Tax concessions	–	(3,132)	(15,392)
Tax effect of expenses that are not deductible	1,227	1,082	259
Tax effect of share of loss of associates	133	39	69
Tax effect of derecognition of tax loss for deregistration of subsidiaries	(9)	(3)	–
Tax effect of research and development tax credit	(2,845)	(1,437)	–
Effect on deferred tax balance resulting from a change in tax rate	(5,218)	(387)	(611)
Income tax expense/(credit)	10,189	8,802	(3,245)

14. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Amortisation on intangible assets	40	176	442
Cost of inventories sold	852,812	1,074,126	1,135,072
Cost of services *(Note)*	70,475	72,845	62,909
Depreciation on property, plant and equipment	1,044	1,183	1,273
Depreciation on right-of-use assets	4,950	6,229	6,435
Impairment losses/(reversal of impairment losses) for trade and other receivables	3,120	9,193	(2,370)
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Research and development expenses	15,173	10,102	15,702

Note:

The following costs are included in the amounts of cost of services disclosed separately above:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Staff costs	60,047	61,298	60,597

15. EMPLOYEE BENEFIT EXPENSE

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Employee benefits expense:			
Salaries, bonuses and allowances	102,471	112,558	102,912
Share-based payment	1,219	429	429
Retirement benefit scheme contribution	19,966	21,763	24,930
	123,656	134,750	128,271

Five highest paid individuals

The five individuals with the highest emoluments in the Group during the Track Record Period did not include any directors of the Company.

The emoluments of the 5 individual during the Track Record Period were as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Salaries, bonuses and allowances	4,862	5,128	3,772
Retirement benefit scheme contribution	457	487	508
	5,319	5,615	4,280

The emoluments fell within the following band:

	Number of Individuals		
	Year ended 31 December		
	2022	2023	2024
HKD500,001 to HKD1,000,000	0	0	4
HKD1,000,001 to HKD1,500,000	5	5	1

During the Track Record Period, there was no arrangement under which a director of the Company waived or agreed to waive any remuneration, and no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

Benefits and Interests of Directors

(a) Directors' emoluments

The remuneration of every director is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking							(Note ii) Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	
	Fees	Salaries	Discretionary bonus	(Note i) Estimated money value of other benefits	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director	Housing allowance		Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:									
Wang Shan	–	180	–	–	30	–	–	–	210
Ji Rong	–	180	–	–	14	–	–	–	194
Non-executive directors:									
Lin Xianghong (note a)	–	–	–	–	–	–	–	–	–
Wang Yunpeng (note b)	–	–	–	–	–	–	–	–	–
Independent Non-executive director:									
Xi Youmin (note c)	–	–	80	–	–	–	–	–	80
Total for the year ended 31 December 2022	–	360	80	–	44	–	–	–	484
Executive directors:									
Wang Shan	–	197	4	–	52	–	–	–	253
Ji Rong	–	197	4	–	52	–	–	–	253
Non-executive directors:									
Yang Qikun (note d)	–	–	–	–	–	–	–	–	–
Lin Xianghong (note a)	–	–	–	–	–	–	–	–	–
Wang Yunpeng (note b)	–	–	–	–	–	–	–	–	–
Independent Non-executive director:									
Xi Youmin (note c)	–	–	–	–	–	–	–	–	–
Total for the year ended 31 December 2023	–	394	8	–	104	–	–	–	506
Executive directors:									
Wang Shan	–	356	–	–	54	–	–	–	410
Ji Rong	–	356	–	–	53	–	–	–	409
Non-executive directors:									
Yang Qikun (note d)	–	–	–	–	–	–	–	–	–
Lin Xianghong (note a)	–	–	–	–	–	–	–	–	–
Wu Han (note e)	–	–	–	–	–	–	–	–	–
Xi Youmin (note c)	–	–	–	–	–	–	–	–	–
Independent Non-executive director:									
Xi Youmin (note c)	–	–	–	–	–	–	–	–	–
Total for the year ended 31 December 2024	–	712	–	–	107	–	–	–	819

Note:

(a) Ling Xianghong resigned as non-executive director with effective from 2 February 2024.

(b) Wang Yunpeng resigned as non-executive director with effective from 14 June 2023.

(c) Xi Youmin resigned as independent non-executive director and appointed as non-executive director with effective from 6 May 2024.

(d) Yang Qikun appointed as non-executive director with effective from 3 August 2023.

(e) Wu Han appointed as non-executive director with effective from 2 February 2024 and resigned as non-executive director with effective from 6 May 2024.

(b) Directors' material interests in transactions, arrangements or contracts

Except for the disclosure of related party transactions in note 44, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the connected party of the director of the Company had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

16. EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful in view of that the proposed [**REDACTED**] has not been effected as of the date of this report.

17. DIVIDENDS

During the Track Record Period, the directors of the Company did not recommend payment of any final dividend.

18. PROPERTY, PLANT AND EQUIPMENT

	Building	Leasehold improvement	Computer equipment	Office equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost					
At 1 January 2022	–	1,785	2,400	575	4,760
Additions	4,173	54	82	350	4,659
Disposals	–	–	(171)	(81)	(252)
At 31 December 2022 and 1 January 2023	4,173	1,839	2,311	844	9,167
Additions	–	368	273	75	716
Disposals	–	–	(5)	–	(5)
At 31 December 2023 and 1 January 2024	4,173	2,207	2,579	919	9,878
Additions	–	1,014	303	3	1,320
At 31 December 2024	4,173	3,221	2,882	922	11,198
Accumulated depreciation					
At 1 January 2022	–	355	1,411	86	1,852
Charge for the year	83	397	445	119	1,044
Disposals	–	–	(142)	(16)	(158)
At 31 December 2022 and 1 January 2023	83	752	1,714	189	2,738
Charge for the year	198	386	408	191	1,183
Disposals	–	–	(5)	–	(5)
At 31 December 2023 and 1 January 2024	281	1,138	2,117	380	3,916
Charge for the year	198	639	282	154	1,273
At 31 December 2024	479	1,777	2,399	534	5,189
Carrying amount					
At 31 December 2024	3,694	1,444	483	388	6,009
At 31 December 2023	3,892	1,069	462	539	5,962
At 31 December 2022	4,090	1,087	597	655	6,429

At 31 December 2022, 2023 and 2024, the Group is in the process of obtaining the property ownership certificates in respect of certain buildings located in the PRC with carrying value of RMB4,090,000, RMB3,892,000 and RMB3,694,000 respectively. The Group has obtained the property ownership certificates on 12 May 2025.

19. RIGHT-OF-USE ASSETS

	Leased properties
	RMB'000
1 January 2022	12,647
Additions	1,395
Depreciation	(4,950)
At 31 December 2022 and 1 January 2023	9,092
Additions	9,870
Depreciation	(6,229)
At 31 December 2023 and 1 January 2024	12,733
Additions	11,052
Depreciation	(6,435)
At 31 December 2024	17,350

Right-of-use assets comprised the leased properties in the PRC.

Lease liabilities of RMB9,321,000, RMB13,005,000 and RMB17,453,000 are recognised with related right-of-use assets of RMB9,092,000, RMB12,733,000 and RMB17,350,000 as at 31 December 2022, 2023 and 2024 respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Depreciation expenses on right-of-use assets	4,950	6,229	6,435
Interest expense on lease liabilities (included in finance cost)	421	415	411
Expenses relating to short-term lease (included in selling expenses and administrative expenses)	948	748	1,881

Details of total cash outflow for leases is set out in note 40(b).

During the Track Record Period, the Group leases various offices and warehouses for its operations. Lease contracts are entered into for fixed term of 1 to 2 years, 1 to 6 years and 1 to 6 years respectively, but may have extension and termination options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

20. INTANGIBLE ASSETS

	Software
	RMB'000
Cost	
At 1 January 2022	2,174
Written-off	(1,716)
At 31 December 2022 and 1 January 2023	458
Additions	1,406
At 31 December 2023 and 1 January 2024	1,864
Additions	620
At 31 December 2024	2,484
Accumulated amortisation	
At 1 January 2022	476
Amortisation for the year	40
Written-off	(349)
At 31 December 2022 and 1 January 2023	167
Amortisation for the year	176
At 31 December 2023 and 1 January 2023	343
Amortisation for the year	442
At 31 December 2024	785
Carrying amount	
At 31 December 2024	1,699
At 31 December 2023	1,521
At 31 December 2022	291

The average remaining amortisation period of the software as at 31 December 2022, 2023 and 2024 are 6 years, 9 years and 7 years respectively.

21. INVESTMENTS IN SUBSIDIARIES

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investment, at cost	32,342	32,342	53,532
Financial guarantee	1,802	1,678	4,130
Less: Impairment loss	(25,253)	(21,455)	(28,199)
	8,891	12,565	29,463

The amount due to a subsidiary is unsecured, interest free and have no fixed terms of repayment.

Particulars of the subsidiaries are as follow:

Name of subsidiary	Date and place of incorporation/ establishment	Particular of issued share capital	Equity interests attributable to the Company			Principal Activities
			As at 31 December			
			2022	2023	2024	
蘇州新易盛信息技術有限公司 (known as "Suzhou Xinyisheng Information Technology Co., Ltd.")#	22 Apr 2020 The PRC	RMB5,000,000	100%	100%	100%	<Note>
上海半橙電子商務有限公司 (known as "Shanghai Bancheng e-commerce Co., Ltd.")#	4 Jan 2017 The PRC	RMB2,000,000	100%	100%	100%	<Note>
無錫易勝紫岩數據科技有限公司 (known as "Wuxi Yisheng Ziyan Data Technology Co., Ltd.")#	14 Sep 2017 The PRC	RMB3,400,000	100%	100%	100%	<Note>
蘇州極茂信息技術有限公司 (known as "Suzhou Jimao Information Technology Co., Ltd.")#	2 May 2018 The PRC	RMB10,000,000	100%	100%	100%	<Note>
Hong Kong Ecmax Co., Limited	8 Aug 2018 Hong Kong	HKD1,000,000	100%	100%	100%	<Note>
Hylife Information Technology Limited	30 Sep 2020 Hong Kong	HKD10,000	100%	100%	100%	Inactive
上海可萬威訊信息技術有限公司 (known as "Shanghai Kewanweixun Information Technology Co., Ltd.")#	21 Jan 2020 The PRC	RMB1,000,000	100%	100%	100%	<Note>
蘇州融榮信息技術有限公司 (known as "Suzhou Rongrong Information Technology Co., Ltd.")#	24 Mar 2020 The PRC	RMB5,000,000	100%	100%	100%	Investment holding
蘇州購美信息技術有限公司 (known as "Suzhou Gome Information Technology Co., Ltd.")#	24 Mar 2020 The PRC	RMB5,000,000	100%	100%	100%	Investment holding and provision of brand-to-customers solutions, brand-to-business solutions, brand asset management and IP commercialization and other services
Gmax Trading Co., Limited	28 Dec 2020 Hong Kong	HKD8,000,000	100%	NA	NA	Inactive
無錫極易科技有限公司 (known as "Wuxi Jiyi Technology Co., Ltd.")#	25 Sep 2023 The PRC	RMB23,200,000	NA	100%	100%	<Note>
淮北極易信息技術有限公司 (known as "Huaibei Jiyi Information Technology Co., Ltd.")#	28 Sep 2023 The PRC	RMB0	NA	100%	100%	Inactive
蘇州喜立數據網絡科技有限公司 (known as "Suzhou Hylife Co., Limited.")#	2 Nov 2020 The PRC	RMB0	100%	100%	100%	Sales of automotive parts
蘇州易勝華鑫信息技術有限公司 (known as "Suzhou Yisheng Huaxin Information Technology Co., Ltd.")#	28 Oct 2019 The PRC	RMB3,000,000	100%	100%	100%	<Note>
杭州極茂信息技術有限公司 (known as "Hangzhou Jimao Information Technology Co., Ltd.")#	15 Jun 2023 The PRC	RMB0	NA	100%	100%	Inactive
上海極茂正華科技有限公司 (known as "Shanghai Jimao Zhenghua Technology Co., Ltd.")#	25 Jul 2023 The PRC	RMB0	NA	100%	100%	Inactive
蘇州極易星晟信息科技有限公司 (known as "Suzhou Jiyi Xingsheng Information Technology Co., Ltd.")#	28 May 2024 The PRC	RMB0	NA	NA	100%	Inactive
蘇州西斯廷信息技術有限公司 (known as "Suzhou Sistine Information Technology Co., Ltd.")#	4 Jun 2019 The PRC	RMB1,000,000	100%	100%	100%	<Note>

Name of subsidiary	Date and place of incorporation/ establishment	Particular of issued share capital	Equity interests attributable to the Company			Principal Activities
			As at 31 December			
			2022	2023	2024	
北京晶世文化傳媒有限公司 (known as "Beijing Jingshi Culture Media Co., Ltd.")#	23 Jul 2018 The PRC	RMB1,000,000	100%	100%	100%	live streaming services
深圳市彩虹雲科技有限公司 (known as "Shenzhen Rainbow Cloud Technology Co., Ltd.")#	19 Apr 2023 The PRC	RMB0	NA	80%	80%	<Note>
璟實供應鏈(深圳)有限公司 (known as "Jingshi Supply Chain (Shenzhen) Co., Ltd.")#	24 Apr 2023 The PRC	RMB0	NA	80%	80%	<Note>
深圳市璟實商貿有限公司 (known as "Shenzhen Jingshi Trading Co., Ltd.")#	30 Jun 2023 The PRC	RMB0	NA	80%	80%	<Note>
深圳市璟實科技有限公司 (known as "Shenzhen Jingshi Technology Co., Ltd.")#	30 Jun 2023 The PRC	RMB0	NA	80%	80%	<Note>
深圳雲創商貿科技有限公司 (known as "Shenzhen Yunchuang Trading Technology Co., Ltd.")#	6 Sep 2021 The PRC	RMB0	NA	NA	80%	<Note>
北京極邁科技有限公司 (known as "Beijing Jimai Technology Co., Ltd.")#	1 Jun 2023 The PRC	RMB0	NA	51%	51%	<Note>
海南易後信息技術有限公司 (known as "Hainan Yihou Information Technology Co., Ltd.")#	17 Nov 2020 The PRC	RMB2,550,000	100%	100%	100%	<Note>
義烏極冠科技有限公司 (known as "Yiwu Jiguan Technology Co., Ltd.")#	7 Nov 2024 The PRC	RMB100,000	NA	NA	100%	Inactive
深圳市璟實貿易有限公司 (known as "Shenzhen Jingshi Trade Co., Ltd.")#	10 Sep 2018 The PRC	RMB2,000,000	NA	NA	80%	Inactive
淮北易勝信息科技有限責任公司 (known as "Huaibei Yisheng Information Technology Co., Ltd.")#	14 Oct 2024 The PRC	RMB0	NA	NA	65%	Inactive
海南鴻億信息技術有限公司 (known as "Hainan Hongyi Information Technology Co., Ltd.")#	23 Oct 2024 The PRC	RMB100,000	NA	NA	100%	Inactive
西藏山石會永科貿有限公司 (known as "Xizang Shanshihui Yongke Trade Co., Ltd.")#	19 Nov 2024 The PRC	RMB0	NA	NA	60%	Inactive
吉林省易勝盈樂科技有限公司 (known as "Jilin Yisheng Yingle Technology Co., Ltd.")#	17 Dec 2024 The PRC	RMB0	NA	NA	55%	Inactive
蘇州易合數據科技有限公司 (known as "Suzhou Yihe Data Technology Co., Ltd.")#	14 Dec 2020 The PRC	RMB0	100%	NA	NA	Inactive
梭納投資有限公司 (known as "SOLARISUS CO., LIMITED")#	15 May 2015 Hong Kong	HKD10,000,000	100%	100%	100%	<Note>
香港吉成信息技術有限公司 (known as "Geesons Hong Kong Technology Limited")#	15 Oct 2020 Hong Kong	HKD10,000	100%	100%	100%	<Note>
香港易成信息技術有限公司(known as "Tradeasy Hong Kong Technology Limited")#	15 Oct 2020 Hong Kong	HKD10,000	100%	100%	NA	Inactive
Simpor Jaya Pte. Ltd	7 Aug 2024 Singapore	USD420,000	NA	NA	100%	Investment holding
Singapore EcMax Co., Pte. Limited	15 Nov 2024 Singapore	RMB5,000,000	NA	NA	60%	Inactive
Doyoe Ambition Trading Co., Limited	26 Aug 2024 Vietnam	Vietnamese Dongs 5,000,000	NA	NA	100%	Inactive
韓國鴻億有限會社 (known as "Seoul Hongyi Co. Ltd")#	29 Nov 2024 South Korea	KRW1,000,000	NA	NA	100%	Inactive

Name of subsidiary	Date and place of incorporation/ establishment	Particular of issued share capital	Equity interests attributable to the Company			Principal Activities
			As at 31 December			
			2022	2023	2024	
北京小資科技有限公司 (known as "Beijing Xiaozi Technology Co., Ltd.")#	13 Nov 2018 The PRC	RMB0	NA	NA	60%	Inactive
廣州智點電子商務有限公司 (known as "Guangzhou Zhidian E-commerce Co., Ltd.")#	12 Jun 2020 The PRC	RMB0	NA	NA	60%	Inactive

<Note> The principal activity of the subsidiaries is provision of brand-to-customers solutions, brand-to-business solutions, brand asset management and IP commercialisation and other services.

\# These subsidiaries are registered in the PRC with limited liabilities.

As at 31 December 2022, 2023 and 2024, the bank and cash balances of the Group' subsidiaries in the PRC denominated in RMB amounted to RMB33,271,000, RMB43,194,000 and RMB143,416,000. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

22. INVESTMENTS IN ASSOCIATES

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Unlisted investments:			
Share of net assets	429	275	1,000

The Group's trade receivables due from the associates are disclosed in notes 26.

Details of the associates at the end of the reporting period are as follows:

Name	Place of incorporation	Issued and paid up capital	Percentage of ownership interest/voting power			Principal activities
			2022	2023	2024	
上海福邁食品有限公司 (known as "Shanghai Fumai Food Co., Ltd") ("Fumai")	PRC	RMB10,000,000	17.1%	17.1%	17.1%	Trading of dairy products
上海優恩健康科技有限公司 (known as "Shanghai Youen Health Technology Co., Ltd.") ("Youen")	PRC	RMB12,150,000	5%	5%	5%	Trading of paper products
無錫萊美吉晟科技有限公司 (known as "Wuxi Laimei Jisheng Technology Co., Ltd") ("Wuxi Laimei")	PRC	RMB2,000,000	–	–	50%	Providing software and information technology services

The above investments in associates of Fumai and Youen are held through a wholly-owned subsidiary of the Company.

Although, the Group holds 17.1% and 5% of the equity capital of Fumai and Youen. However, under the agreements, the Group has the right to assign one of five directors to the board of directors of Fumai and Youen and have significant influence to Fumai and Youen. The Directors consider that the Group does have significant influence over Fumai and Youen and it is therefore classified as associates of the Group.

Although, the Group holds 50% of the equity capital of Wuxi Laimei. However, under the agreement, the Group has the right to assign one of three directors to the boards of directors of Wuxi Laimei which is less the two directors of another shareholder. Thus, the Directors consider that the Group does have significant influence over Wuxi Laimei and it is therefore classified as an associate of the Group.

No associates that are material to the Group. These associates are accounted for in the Historical Financial Information using the equity method.

23. FINANCIAL ASSETS AT FVTOCI

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Unlisted equity securities at FVTOCI	2,000	2,000	3,914

The following table provides a reconciliation of financial assets at FVTOCI.

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	–	2,000	2,000
Additions	2,000	–	1,914
At 31 December	2,000	2,000	3,914

The carrying amounts of the Group's financial assets at FVTOCI are denominated in currencies other than functional currencies of the relevant group entities are set out below:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Thai baht	–	–	1,914

The Group has irrevocably elected at initial recognition to recognise the investment as financial assets at FVTOCI as the investment is held for the purpose of strategic investment.

The fair value changes in financial assets at FVTOCI of RMBNil, RMBNil and RMBNil is charged to other comprehensive income during the Track Record Period.

24. FINANCIAL ASSETS AT FVTPL

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Investment products	1,001	1	23
Unlisted equity securities	–	–	1,000
	1,001	1	1,023

Movements of the investment products:

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	1,000	1,001	1
Additions on investment products	5,001	8,004	24,661
Proceeds on disposal on investment products	(5,010)	(9,043)	(24,687)
Gain on financial assets at FVTPL	10	39	48
At 31 December	1,001	1	23

All financial assets at FVTPL are denominated in RMB.

The investment products are unlisted financial instruments placed in the financial institutions in PRC. The fair values of the investment products are derived from current redemption values quoted by financial institutions.

As at 31 December 2024, there is an investment in an unlisted entity amounted to RMB1,000,000 with 51% shareholding for short term investment purpose.

25. INVENTORIES

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Finished goods	277,077	314,533	282,997
Allowance of inventories	(5,578)	(7,428)	(4,404)
	271,499	307,105	278,593

The movement of allowance for inventories is as follows:

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	6,046	5,578	7,428
(Reversal of allowance)/allowance for the year	(468)	1,850	(3,024)
At 31 December	5,578	7,428	4,404

26. TRADE RECEIVABLES

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	155,374	272,215	256,089
Allowance for doubtful debts	(8,501)	(16,955)	(14,958)
	146,873	255,260	241,131

The Group generally allows a credit period ranged from 30 to 180 days to its customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors of the Company.

The ageing analysis of trade receivables based on the invoice date (or date of recognition, if earlier), and net of allowance, is as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	144,266	244,656	234,417
1-2 years	2,266	9,336	6,019
Over 2 years	341	1,268	695
	146,873	255,260	241,131

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, The Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in the consolidated statement of financial position. The amount repayable under the factoring agreement is presented as secured borrowing. The Group considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Transferred receivables	51,029	52,279	541
Associated secured other borrowings *(note 32)*	113,117	76,468	1,680

Management considers that in substance the factor collects the amounts receivable on the entity's behalf and retains the cash in settlement of the separate financing transaction. The Group therefore presents the cash inflows received from other lenders as financing cash inflows and the subsequent payments by the debtor as both operating cash inflows and financing cash outflows.

The carrying amounts of the Group's trade receivables are denominated in currencies other than functional currencies of the relevant group entities are set out below:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
USD	23,417	11,803	11,661
HKD	357	137	–
EUR	168	569	160
Australian Dollar ("AUD")	–	–	261

Trade receivables due from associates

Included in the Group's trade receivables is an amount due from the Group's associates of RMB94,000, RMB94,000 and RMB94,000 net of allowance for ECL of RMB15,000, RMB39,000 and RMB94,000 which are repayable on similar credit terms with reference to those offered to the customers of the Group who are similar in size and stature. The amounts outstanding are unsecured with carrying amount of RMB13,000, RMB94,000 and RMB94,000 which are past due balances.

27. DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Deposits	9,692	14,934	23,547
Deposit paid for intangible assets	–	–	29,000
Prepayments	99,176	123,034	179,610
Other tax receivables	4,000	6,258	9,982
Other receivables	142,553	208,604	133,518
	255,421	352,830	375,657
Less: Allowance for doubtful debts	(1,568)	(2,307)	(1,971)
	253,853	350,523	373,686

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Analysed as:			
Current assets	253,853	350,523	344,686
Non-current assets	–	–	29,000
	253,853	350,523	373,686

28. BANK DEPOSITS AND BANK AND CASH BALANCES

Short-term bank balances carry market interest rates which range from 0.01% to 0.5%, 0.07% to 3.20% and 0.05% to 0.1%, per annum in 2022, 2023 and 2024.

The carrying amounts of the Group's bank deposits and bank and cash balances are denominated in the following currencies:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
RMB	42,334	73,344	145,966
AUD	97	100	318
HKD	4,861	4,021	28,107
USD	38,081	38,928	16,950
EUR	13,817	27,710	2,766
Singapore dollars ("SGD")	2,306	2,596	2,569
British Pound ("GBP")	4	4	4
	101,500	146,703	196,680

Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

29. SHARE CAPITAL

	Number of shares issued	Issued and fully paid
		RMB'000
Share capital of the Company		
At 1 January 2022	30,000,000	30,000
Issue of shares (note a)	700,935	701
At 31 December 2022 and 1 January 2023	30,700,935	30,701
Issue of shares (note b)	2,312,804	2,313
At 31 December 2023 and 1 January 2024 and 31 December 2024	33,013,739	33,014

Notes: Prior to 2018, the Company had registered capital of RMB5,000,000 held by its founding shareholders (the "Founding Shareholders"). In 2018, 2019 and 2020, the Company and the Founding Shareholders entered into several share subscription agreements and shareholders agreements with the new investors ("New Investors") to subscribe for an amount of RMB4,211,522 in the registered capital of the Company. On 3 December 2021, the Company converted from a limited liability company into a joint stock company with limited liability and increased the registered capital from RMB9,211,522 to RMB30,000,000 divided into 30,000,000 unlisted ordinary shares with a nominal value of RMB1 each.

(a) Pursuant to a share subscription agreement dated 17 January 2022, Mount Wuyi City Daqi No. 1 Equity Investment Partnership (Limited Partnership) agreed to subscribe for 700,935 unlisted shares, representing approximately 2.28% of the equity interest in our Company upon completion of the subscription, at a consideration of RMB30,000,000.

(b) Pursuant to a share subscription agreement dated 28 November 2023 (as amended by a supplemental agreement dated 21 December 2023), Wuxi Industrial Development Service Trade Investment Fund Partnership (Limited Partnership), Wuxi Economic Development Zone Xinzhi Venture Capital Partnership (Limited Partnership), Suzhou Qingce Venture Capital Partnership (Limited Partnership), Suzhou Xinlin Phase IV Venture Capital Partnership (Limited Partnership), Qingdao Xueheyou Qingyuan Venture Capital Fund Partnership (Limited Partnership) (known as Series Pre-[**REDACTED**] Financial Investors), agreed to subscribe for a total of 2,312,804 unlisted shares, representing approximately 7.01% of the equity interest in the Company upon completion of the subscription, at an aggregate consideration of RMB113,000,000.

All shareholders have the same voting rights and dividend rights.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the equity holders through the optimisation of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy-back shares, raise new debts, redeem existing debts or sell assets to reduce debts.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Total debt comprises bank borrowings, other borrowings and lease liabilities. Adjusted capital comprises all components of equity (i.e. share capital, accumulated losses, statutory surplus reserves, capital reserve, foreign currency translation reserve) except for non-controlling interests. The debt-to-adjusted capital ratios at 31 December 2022, 31 December 2023 and at 31 December 2024 were as follows:

	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Total debt	459,034	517,555	545,215
Less: cash and cash equivalents	(101,500)	(115,858)	(196,680)
Net debt	357,534	401,697	348,535
Total equity	280,622	423,987	477,184
Debt-to-adjusted capital ratio	127%	95%	73%

During the Track Record Period, the Group's strategy, which was unchanged from previous years, was to maintain the debt-to-equity ratio at a level of industry average.

No externally capital requirements for the Group are imposed for the interest-bearing borrowings.

30. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statements of profit or loss and other comprehensive income and consolidated statements of changes in equity.

(b) The Company

	Capital reserve	Statutory surplus reserve	(Accumulated losses)/ retained earnings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	524,935	1,617	(268,037)	258,515
Issue of shares	29,299	–	–	29,299
Share-based payment	1,219	–	–	1,219
Total comprehensive income for the year	–	4,263	36,280	40,543
At 31 December 2022 and 1 January 2023	555,453	5,880	(231,757)	329,576
Issue of shares	110,687	–	–	110,687
Share-based payment	429	–	–	429
Total comprehensive income for the year	–	2,698	28,082	30,780
At 31 December 2023 and 1 January 2024	666,569	8,578	(203,675)	471,472
Share-based payment	429	–	–	429
Total comprehensive income for the year	–	6,218	49,208	55,426
At 31 December 2024	666,998	14,796	(154,467)	527,327

(c) Nature and purpose of reserves

(i) Capital reserve

Capital reserve represents the difference between the nominal amounts of the share capital issued by the Company in exchange for the nominal amount of the share capital of the Company and the fair value of shares awarded to employees of the Group that are yet to vest, recognised in accordance with the accounting policy adopted for equity-settled share-based payments. The fair value of shares awarded to employees and consultants of the Group is recorded in accordance with the accounting principles set out in note 4(w) to the Historical Financial Information.

(ii) Statutory surplus reserve

The statutory surplus reserve, which is non-distributable, is appropriated from the profit after tax of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(e) to the Historical Financial Information.

31. BANK BORROWINGS

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Bank borrowings	336,596	428,082	526,082

The borrowings are repayable as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within one year	336,596	428,082	526,082

The carrying amounts of the Group's bank borrowings are denominated in currencies other than functional currency of the relevant group entities are set out below:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
EUR	20,950	22,182	–
USD	18,645	–	–
CHF	–	–	28,792

The average interest rates were as follows:

	As at 31 December		
	2022	2023	2024
Bank borrowings	4.04%	3.89%	3.39%

The bank borrowings are arranged at fixed rates, thus exposing the Group to fair value interest rate risk.

The Group's bank borrowings are secured by the corporate guarantees of the Company, personal guarantees of directors of the Company and a close family member of a director of the Company.

32. OTHER BORROWINGS

The carrying amounts of the Group's other borrowings are denominated in currencies other than functional currency of the relevant group entities are set out below:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
USD	33,264	10,063	–

The interest rates were as follows:

	As at 31 December		
	2022	2023	2024
Other borrowings	7.5% to 11%	7.5% to 11%	4.6% to 11%

The other borrowings are arranged at fixed rates and expose the Group to fair value interest rate risk.

The Group's other borrowings are secured by factored trade receivables (details please refer to note 26).

33. DERIVATIVE INSTRUMENTS

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities – Forex contracts	–	234	–

At 31 December 2023, the Group entered foreign exchange forward contracts designated as highly effective hedging instrument in order to mitigate the Group's foreign currency risk exposure.

Major terms of these contracts are as follows:

31 December 2023

Notional value	Maturity	Contracted price
Buy/Sell USD3,000,000	29 January 2024	USD1:RMB7.018
Buy/Sell USD500,000	28 February 2024	USD1:RMB7.085

During the Track Record Period, fair value loss of RMB–, RMB298,000 and RMB– have been recognised in profit or loss.

34. LEASE LIABILITIES

	Minimum lease payments			Present value of minimum lease payments		
	As at 31 December			As at 31 December		
	2022	2023	2024	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	5,088	5,942	5,163	4,830	5,551	4,475
In the second to fifth years, inclusive	4,624	7,107	14,000	4,491	6,591	12,978
Over five years	–	874	–	–	863	–
	9,712	13,923	19,163	9,321	13,005	17,453
Less: Future finance charges	(391)	(918)	(1,710)	N/A	N/A	N/A
Present value of lease obligations	9,321	13,005	17,453	9,321	13,005	17,453
Less: Amount due for settlement within 12 months (shown under current liabilities)				(4,830)	(5,551)	(4,475)
Amount due for settlement after 12 months				4,491	7,454	12,978

The weighted average incremental borrowing rates applied to lease liabilities is 4.2%.

The carrying amounts of the Group's lease payables are denominated in RMB.

35. TRADE PAYABLES

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	48,370	107,144	73,392

The ageing analysis of trade payables based on the date of receipt of goods, is as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	47,334	103,811	73,293
1-2 years	1,036	3,181	97
Over 2 years	–	152	2
	48,370	107,144	73,392

The carrying amounts of the Group's trade payables are denominated in currencies other than functional currency of the relevant group entities are set out below:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
USD	15,221	27,309	27,475

36. ACCRUALS AND OTHER PAYABLES

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Accruals	16,023	30,122	32,219
Other payables	4,187	4,771	2,050
Contract liability	7,591	12,122	11,936
	27,801	47,015	46,205

* Contract liability is recognised when a customer pays consideration, or is contractually required to pay consideration and the amount is already due, before the Group recognises the related revenue.

Movements in contract liability

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
At 1 January	8,697	7,591	12,122
Decrease in contract liability as a result of recognising revenue during the year	(8,697)	(7,591)	(12,122)
Increase in contract liability as a result of billings in advance	7,591	12,122	11,936
At 31 December	7,591	12,122	11,936

The above amount relates to billings in advance for performance received that is expected to be recognised as income within 1 year.

37. DEFERRED TAX

The following are the deferred tax liabilities and assets recognised by the Group.

	Allowance of inventories	ECL of trade and other receivables	Tax losses	Lease liabilities	Right-of-used assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	1,337	1,242	33,559	1,639	(1,643)	36,134
(Charge)/credit to profit or loss for the year	(163)	656	(7,927)	(272)	298	(7,408)
At 31 December 2022 and 1 January 2023	1,174	1,898	25,632	1,367	(1,345)	28,726
Credit/(charge) to profit or loss for the year	467	816	(5,385)	(409)	414	(4,097)
At 31 December 2023 and 1 January 2024	1,641	2,714	20,247	958	(931)	24,629
(Charge)/credit to profit or loss for the year	(1,023)	163	4,705	118	(158)	3,805
At 31 December 2024	618	2,877	24,952	1,076	(1,089)	28,434

The following is the analysis of the deferred tax balances for consolidated statement of financial position purposes:

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets	30,071	25,560	29,523
Deferred tax liabilities	(1,345)	(931)	(1,089)
	28,726	24,629	28,434

38. SHARE-BASED PAYMENTS

With the purpose of incentivising the Group's employees and hence improving the profitability and sustainability of the Group, the Group has adopted and approved the employee incentive scheme (the "Scheme") by resolution of the board of directors in September 2017.

In 2022, under the Scheme, the Group set up the share award scheme and the terms and agreement of the share award scheme proposes that Suzhou Joy Pilot Linghang Enterprise Management Partnership (Limited Partnership) ("Jiyi Linghang") and Suzhou Jiyi Xiaoman Enterprise Management Partnership (Limited Partnership) ("Jiyi Xiaoman"), limited partnership, will act as a shareholding platform for the Group's employees. By granting employees ownership in Jiyi Linghang and Jiyi Xiaoman will represent the holding of the Group's shares indirectly.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. The shares granted would vest on condition that employees remain in service of the Group without any performance requirements.

A total of 2 lots of share-based payment were being transferred to Jiyi Linghang and Jiyi Xiaoman. For the first lot of share-based payment, the employee stock ownership platform, Jiyi Linghang, granted shares to a director and 39 employees. The number of award shares were numbered to 43,890. The shares granted are vested immediately at the grant date.

For the second lot of shar-based payment, the employee stock ownership platform, Jiyi Xiaoman, granted shares to further a director and 38 employees. The number of award shares were numbered to 61,710. The vesting period of the share-award scheme is four years without any performance requirements.

(a) The details for the grant price as of the grant date is as follow:

Grant Date	**Fair value at grant date (per share)**
	RMB
21 November 2022	42.8

(b) Total expenses arising from share-based payments recognised during the period as part of staff costs were as follows:

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Staff cost	1,219	429	429

39. FINANCIAL GUARANTEES

	Company		
	2022	2024	2023
	RMB'000	*RMB'000*	*RMB'000*
Fair value of financial guarantees			
– Subsidiaries	1,802	1,678	4,130

At the end of the reporting period, the Group has issued certain guarantees to some banks in respect of banking facilities granted to the Group. Under the guarantees, the Group is liable for all or any of the borrowings of each of them from the banks upon failure of the guaranteed entity to make payments when due.

The maximum liability of the Group at the end of the reporting period under guarantees is the amount of bank loans drawn under the guarantees at that date of RMB336,596,000, RMB428,082,000 and RMB526,082,000.

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank Borrowings (note 31)	Other borrowings (note 32)	Lease liabilities (note 34)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	300,947	41,584	12,617	355,148
Cash flows	13,965	68,865	(5,112)	77,718
Interest expenses	18,557	1,489	421	20,467
Additions	–	–	1,395	1,395
Exchange difference	3,127	1,179	–	4,306
At 31 December 2022 and 1 January 2023	336,596	113,117	9,321	459,034
Cash flows	68,197	(39,780)	(6,601)	21,816
Interest expenses	21,742	2,567	415	24,724
Additions	–	–	9,870	9,870
Exchange difference	1,547	564	–	2,111
At 31 December 2023 and 1 January 2024	428,082	76,468	13,005	517,555
Cash flows	80,327	(76,352)	(7,015)	(3,040)
Interest expenses	18,183	1,488	411	20,082
Additions	–	–	11,052	11,052
Exchange difference	(510)	76	–	(434)
At 31 December 2024	526,082	1,680	17,453	545,215

(b) Total cash outflow for leases

Amounts included in the consolidated statements of cash flows for leases comprise the following:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	1,369	1,163	2,292
Within financing cash flows	4,691	6,186	6,604
	6,060	7,349	8,896

The amounts relate to the following:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Lease rental paid	6,060	7,349	8,896

(c) Major non-cash transactions

Additions to right-of-use assets during the Track Record Period of RMB1,395,000, RMB9,870,000 and RMB11,052,000 were financed by lease liabilities.

41. CONTINGENT LIABILITIES

As at 31 December 2022, 2023 and 2024, the Group did not have any significant contingent liabilities.

42. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Group regularly entered into short-term leases for offices and warehouses. As at 31 December 2022, 2023 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 19.

43. CAPITAL COMMITMENTS

At the end of Track Record Period, the capital commitments of the Group are as follow:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contracted but not provided for:			
– Intangible assets – intellectual property	–	–	10,377

44. RELATED PARTY TRANSACTIONS

(a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Lease rental paid to a related company with common director	2,612	2,671	2,240
Revenue from sales of goods to an associate	5	–	–

The Directors are of the opinion that the above transactions with the associates, and a related company of the Group were conducted in the usual course of business.

Other than the above, the details of trade debtors from the associate are shown in note 26.

(b) Compensation of key management personnel of the Group:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Short term benefits	2,167	2,374	2,712
Post-employment benefits	123	308	320
	2,290	2,682	3,032

The remuneration of executive directors and key executives was determined by the board of Directors of the Company having regard to the performance of individuals and market trends. The remuneration of independent non-executive directors was recommended by the board of Directors and approved by the shareholders of the Company at the annual general meeting.

45. CHANGE OF INTERESTS IN SUBSIDIARIES

Acquisition of subsidiaries

On 31 December 2024, the Group acquired 60% and 60% of the issued share capital of Beijing Xiaozi and Guangzhou Zhidian for a total consideration of RMB600,000 and RMB60,000 respectively. Beijing Xiaozi and Guangzhou Zhidian will engage in provision of IP commercialisation during the year respectively. The acquisitions are for the purpose of deepening IP commercial operation projects.

The fair value of the identifiable assets and liabilities of Beijing Xiaozi and Guangzhou Zhidian acquired as at the date of acquisition are as follows:

	Beijing Xiaozi	Guangzhou Zhidian	Total
	RMB'000	*RMB'000*	*RMB'000*
Net assets acquired:			
Inventories	778	–	778
Trade receivables	582	–	582
Prepayments, deposits and other receivables	1,116	226	1,342
Bank and cash balances	565	2	567
Trade payables	(316)	–	(316)
Other payables and accruals	(1,640)	(178)	(1,818)
	1,085	50	1,135
Non-controlling interests	(485)	10	(475)
	600	60	660
Satisfied by:			
Other payables	–	60	60
Cash	600	–	600
	600	60	660
Net cash outflow arising on acquisition:			
Cash consideration paid			600
Cash and cash equivalents acquired			(567)
			33

If the acquisition had been completed on 1 January 2024, the total revenue of the Group for the year from continuing operations would have been RMB1,400,287,000, and profit for the year from continuing operations would have been RMB49,786,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is intended to be a projection of future results.

46. EVENTS AFTER THE REPORTING PERIOD

A new wholly owned subsidiary, Taicang Jimao Information Technology Co., Ltd., incorporated on 20 February 2025.

A new wholly owned subsidiary, Qingdao Jiyi Technology Co., Ltd., incorporated on 20 February 2025.

A new subsidiary, Suzhou Cheyixiang Technology Co., Ltd., incorporated on 15 April 2025 with 55% shareholding.

A new wholly owned subsidiary, Luoyang Jihong Information Technology Co., Ltd., incorporated on 25 April 2025.

Pursuant to a share subscription agreement dated 8 May 2025, Wobolian Guanzhou Pharmaceutical (Guangzhou) Equity Investment Partnership Enterprise (Limited Partnership) agreed to subscribe for 733,639 unlisted ordinary shares of the Company with a nominal value of RMB1 each, representing approximately 2.17% of enlarged share capital of the Company upon completion of the subscription, at a consideration of RMB40,000,000.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

This Appendix sets out summaries of the main clauses of our Articles of Association adopted on June 7, 2025, which shall become effective as at the date on which the H Shares are [**REDACTED**] on the Stock Exchange. As the main purpose of this Appendix is to provide potential [**REDACTED**] with an overview of the Articles of Association, it may not necessarily contain all information that is important for prospective [**REDACTED**]. As discussed in the section headed "Documents Delivered to the Registrar of Companies and Available on Display" in Appendix V to this document, the full document of the Articles of Association in Chinese is available for examination.

1. SHARES AND REGISTERED CAPITAL

Shares of the Company are represented by share certificates. The shares of the Company shall be issued based on the principle of openness, fairness and impartiality and shall rank *pari passu* in all respects with the shares of the same class. Shares of the same class issued at the same time shall be issued under the same condition and at the same price. The same price shall be paid for each of the shares subscribed for by all entities or individuals.

The Company or its subsidiaries shall not provide financial assistance in the form of gifts, advances, loans, guarantees, etc. for others to acquire shares of the Company or its parent company, except for the Company's implementation of the employee stock ownership plan or authorized by the general meeting or the board according to the Articles of Association.

The Company may, for the benefit of the Company, provide financial assistance to others for the acquisition of shares of the Company upon a resolution of the general meeting, or a resolution of the board of directors in accordance with the articles of association or the authorization of the general meeting, provided that the total amount of financial assistance shall not exceed 10% of the total issued share capital. Resolutions of the Board of Directors shall be passed by at least two-thirds of all directors.

2. INCREASE AND REDUCTION IN CAPITAL AND REPURCHASE OF SHARES

Based on the needs of operation and development, the Company may increase capital by the following means in accordance with the provisions of the laws, regulations and [**REDACTED**] of the premise where the Company's shares are listed stipulate otherwise upon resolution of the general meeting:

(1) offering of shares to unspecified investors;

(2) offering of shares to specified investors;

(3) distribution of bonus shares to its existing Shareholders;

(4) conversion of capital reserve into share capital;

(5) other methods permitted by the laws and administrative regulations, [**REDACTED**] and stipulated by the CSRC.

The Company may reduce its registered capital. Such reduction shall be made in accordance with the procedures set out in the PRC Company Law, [**REDACTED**] and other relevant requirements and the Articles of Association.

The Company shall not purchase its own shares, except in any of the following circumstances:

(1) To reduce the registered capital of the Company;

(2) To merge with another company that holds shares in the Company;

(3) To use the shares for employee stock ownership plan or share incentives;

(4) shareholders who object to resolutions of the general meeting on merger or division of the Company requesting the Company to buy back their shares;

(5) To use the shares for conversion of corporate bonds issued by the Company which are convertible into shares;

(6) Where it is necessary for the Company to preserve its value and the shareholders' interest;

(7) Other situations as permitted by laws, administrative regulations, and the regulatory rules of the place where the Company's shares are listed.

3. TRANSFER OF SHARES

The Company shall not accept its own shares status of as collateral.

Shares that have been issued before the Company's public offering shall not be transferred for a period of one year commencing from the date of listed of the Company's shares on a stock exchange.

The directors and senior officers of the Company shall regularly disclose the number of shares held by them and the relevant changes. The number of shares transferred each year during their term of office as determined at the time of taking office shall not exceed 25% of the total number of shares of the Company in the same class held by them. The shares of the Company held by them shall not be transferred within one year as of the listed date of the shares of the Company. These people shall not transfer the shares of the company held by them within half of the year from their departure from the company.

4. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

The Company shall make a register of shareholders based on the vouchers provided by securities registration and settlement institution. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Company's shares. Shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

When the Company convenes a general meeting, distributes dividends, executes clearing or makes other conducts that require confirmation of equities, the Board of Directors or the convener of the general meeting shall determine the equity registration date. Shareholders included in the register of shareholders at the close of business on the equity registration date shall be the entitled shareholders.

Shareholders of the Company shall enjoy the following rights:

(1) to receive dividends and other distributions in proportion to the number of shares held;

(2) to request to convene, preside over and attend in person or appoint a proxy to attend general meetings in accordance with laws, and to exercise the corresponding right to speak and vote;

(3) to supervise the Company's operations, and to put forward proposals and raise inquiries;

(4) to transfer, bestow or pledge their shares in accordance with laws, administrative regulations and the Articles of Association;

(5) to review or copy the articles of association, the register of shareholders, minutes of general meetings, resolutions of the board meetings and meetings of the supervisory committee, and financial and accounting reports of the Company and its wholly-owned subsidiaries;

(6) to participate in the distribution of the remaining assets of the Company according to the number of Shares held, in the event of the termination or liquidation of the Company;

(7) the shareholders objecting to the merger or separation resolution made by the general meeting are entitled to ask the Company to acquire their Shares;

(8) other rights stipulated by laws, administrative regulations, department rules, [**REDACTED**] or the Articles of Association.

Shareholders of the Company shall assume the following obligations:

(1) to comply with the laws, administration regulations and the Articles of Association;

(2) to pay subscription money for the Shares subscribed in accordance with the agreed manner of payment;

(3) no withdrawal of the share capital from the Company except for the circumstances stipulated by relevant laws and administrative regulations;

(4) not to abuse shareholder's rights to harm the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of shareholders to the detriment of the Company's creditors;

(5) to fulfill other obligations stipulated by laws, administrative regulations, the rules of the securities regulatory authorities of the place where the Company's shares are listed and the Articles of Association.

Where the abuse of shareholders' rights causes any loss to the company or other shareholders, such abusive shareholder shall be liable for compensation in accordance with the law. Where shareholders of a company take advantage of the company's independent status or the limited liability of shareholders to disregard debts and seriously injure the interests of the company's creditors, such shareholders shall bear joint and several liability for the debts of the company.

5. GENERAL MEETINGS

(1) General provisions

The general meeting shall be the organ of authority of the Company and shall exercise the following functions and powers according to law:

(1) To elect and replace directors and to decide matters relating to the remuneration of directors;

(2) To examine and approve reports of the Board;

(3) To examine and approve profit distribution plans and loss recovery plans of the Company;

(4) To make resolutions concerning the increase or reduction of the Company's registered capital;

(5) To make resolutions on the issuance of corporate bonds or other types of securities;

(6) To pass resolutions on matters such as the merger, division, dissolution, liquidation or change in the organizational form of the Company;

(7) To amend the Articles of Association;

(8) To make resolution on the engagement or removal of the accounting firm that undertakes the Company's auditing business;

(9) To review and approve the guarantee matters set out in Article 45 of the Articles of Association;

(10) To examine matters relating to the Company's purchase and/or sale of major assets within one year that exceed 30% of the audited total assets of the Company in the most recent period;

(11) To examine and approve matters concerning changes in the use of raised funds;

(12) To consider the equity incentive scheme and employee stock ownership plan;

(13) To examine other matters that shall be decided by the general meeting as stipulated by laws, administrative regulations, departmental rules, [**REDACTED**] or the Articles of Association.

The general meetings shall be divided into the annual general meetings and the extraordinary general meetings (the "**EGM**"). The annual general meeting shall be convened once a year, and shall be held within six months after the prior fiscal year ends.

The Company shall convene an EGM within two months of the occurrence of any of the following circumstances:

(1) the number of directors is less than the legally required minimum specified in the PRC Company Law or two-thirds of the number required by the Articles of Association;

(2) the uncovered loss of the Company reaches one-third of the total share capital of the Company;

(3) Shareholders individually or jointly holding 10% or more of the Company's shares (excluding treasury stock) make a request;

(4) the Board deems it necessary;

(5) the Audit Committee proposes such a meeting be held;

(6) any other circumstances stipulated by the laws, administrative regulations, departmental rules, [**REDACTED**] and the Articles of Association.

(2) Convening of the general meeting

The Board of Directors shall convene a general meeting on time and within the prescribed period. With the consent of a majority of all the independent directors, independent non-executive directors (independent directors) have the right to propose to the Board to convene an EGM. For the proposal of independent directors of convening an EGM, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, give a written reply on whether to convene the EGM or not within ten days upon receipt of the proposal. If agreeing to convene an EGM, the Board shall, within five days after the Board resolution is made, issue a notice calling for the meeting. If the Board does not agree to convene such meeting, the reasons shall be stated and announced.

The Audit Committee has the right to propose to the Board to convene an EGM, and shall make such proposal in writing. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations and this Articles of Association, give a written reply on whether to convene the EGM or not within ten days upon receipt of the proposal.

When the Board of Directors agrees to convene an EGM, the Board of Directors shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the Audit Committee.

When the Board of Directors does not agree to convene an EGM, or does not provide written feedback within ten days upon receipt of the proposal, the Board of Directors shall be considered to be unable or fail to perform the duty of convening an EGM. The Audit Committee may convene and preside over the meeting on its own.

When the shareholders who individually or jointly hold 10% or more of the shares of the Company (excluding treasury stock) propose to the Board of Directors for convening of an EGM, such shareholders shall make such request to the Board of Directors in writing. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations and the Articles of Association, provide a written reply on whether to convene the EGM or not within ten days upon receipt of the request to the shareholders.

When the Board of Directors agrees to convene an EGM, it shall, within five days after the Board resolution is made, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the relevant shareholders.

When the Board of Directors does not agree to convene an EGM, or does not provide feedback within ten days upon receipts of the request, shareholders who individually or jointly holding 10% or more of the Company's shares (excluding treasury stock) for 90 consecutive days, shall propose to the Audit Committee to convene an EGM in writing.

When the Audit Committee agrees to convene an EGM, it shall, within five days of receipt of the proposal, issue a notice calling for the meeting. Changes in the original proposal in the notice shall be subject to the approval of the relevant shareholders.

When the Audit Committee fails to give notice of a general meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting. Shareholders who individually or jointly holding 10% or more of the Company's shares (excluding treasury stock) for 90 consecutive days, may convene and preside over such a meeting.

(3) Proposals and notices of general meetings

When the Company convenes the general meeting, the Board of Directors, the Audit Committee and shareholders individually or jointly holding more than 1% of the shares of the Company are entitled to submit proposals to the Company.

The shareholders holding more than 1% of the shares of the Company separately or jointly may raise temporary proposal and submit it to the convener in writing ten days before the general meeting is held. The temporary proposal shall be determined and detailed. The convener shall supplement the notice of general meeting in two days after receiving the proposal and publicize the content of the temporary proposal, and submit the temporary proposal to the general meeting for examination, except that the temporary proposal violates laws, administrative regulations or the provisions of the Articles of Association, or does not fall within the scope of authority of the general meeting.

Save as specified above, the convener shall neither revise the proposals set out in the notice of general meetings nor add new proposals after issuing the notice of general meeting.

The general meeting shall not vote or pass resolutions on proposals not listed in the notice of the general meeting or resolutions not in conformity with the Articles of Association.

(4) Holding of general meetings

All the shareholders recorded in the register as at the equity registration date or their proxies have the right to attend the general meeting, and speak and exercise the voting rights in accordance with relevant laws, regulations, [**REDACTED**] and the Articles of Association. Shareholders may attend the general meeting in person, and also may appoint a proxy to attend and vote on his/her behalf.

The general meeting is presided over by the Chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his/her duties, the vice chairman of the Board of Directors shall preside over the meeting (if the Company has two or more vice chairmen, vice chairmen elected by more than half of the directors shall preside over the meeting.) If the vice chairman is unable or fails to perform his/her duties, a director elected by more than half of the directors shall preside over the meeting.

A general meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, a member of the Audit Committee elected by more than half of the members of the Audit Committee shall preside over the meeting.

A general meeting convened by the shareholders themselves shall be presided over by the convenor or an elected representative.

During the course of a general meeting, if the meeting presider violates the procedural rules such that the meeting cannot be continued, the shareholders in the general meeting may elect one person to act as the meeting presider to continue the meeting as long as the proposed presider has the consent of more than half of the shareholders with voting rights who attend the meeting.

(5) Voting and resolutions of general meetings

The resolutions of a general meeting are classified into ordinary ones and special ones.

Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) present at the meeting.

Special resolutions of the general meeting shall be adopted by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

The following matters shall be resolved by way of ordinary resolution of the general meeting:

(1) reports of the Board of Directors;

(2) profit distribution proposals and proposals for making up losses formulated by the Board of Directors;

(3) appointment, dismissal and remuneration of the members of the Board and the method of payment of the remuneration;

(4) other matters other than those that shall be resolved by special resolutions according to laws, administrative regulations, [**REDACTED**] or the Articles of Association.

The following matters shall be resolved by way of special resolution of the general meeting:

(1) increase or reduction of the Company's registered capital;

(2) separation, division, merger, dissolution and liquidation of the Company;

(3) amendment of the Articles of Association;

(4) the Company's purchase or disposal of major assets or provision of guarantee within one year with the amount exceeding thirty percent of the latest audited total assets of the Company;

(5) the equity incentive scheme;

(6) other matters required to be resolved by way of a special resolution by the laws, administrative regulations, [**REDACTED**] or the Articles of Association, and matters which, according to an ordinary resolution of the general meeting, may have a significant impact on the Company and shall be resolved by way of a special resolution.

6. DIRECTORS AND THE BOARD

(1) Directors

Directors shall be elected or replaced by the general meeting. The Directors have a tenure of three years and can be reelected upon the expiry of the tenure.

The term of office of directors shall last from the date on which the directors take office to the expiration of the term of office of the current Board of Directors. Where a new elect is not yet available upon expiration of a director's term, such director, before the new elect takes his office, shall continue the performance of his duties in accordance with laws, administrative regulations, the Articles of Association and the regulatory rules of the place where the Company's shares are listed.

A director may be senior officer concurrently, provided that the total number of directors who concurrently serve as senior officers and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

(2) Board of Directors

The Board of Directors shall consist of 10 directors, four of whom shall be independent non-executive Directors. The Board of Directors shall have one chairman. The Board shall exercise the following functions and powers:

(1) to convene general meetings and presenting reports thereto;

(2) to implement resolutions adopted by the general meeting;

(3) to resolve on the Company's business plans and investment plans;

(4) to formulate the profit distribution plan and loss recovery plan of the Company;

(5) to formulate the plans of increasing or reducing the Company's registered capital, issuing corporate bonds or other securities, and going public;

(6) to formulate the plans for material acquisitions, purchase of shares of the Company or merger, division, dissolution or change of corporate form of the Company;

(7) to determine the external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted wealth management, connected transactions, and external donations of the Company within the authority granted by the general meeting;

(8) to determinate the establishment of the Company's internal management structure;

(9) to appoint or dismiss the manager of the Company, and decide on matters of remuneration, rewards and punishments; to appoint or dismiss senior officers such as deputy manager and CFO according to the nomination of the manager, and decide on matters of remuneration, rewards and punishments;

(10) to formulate the basic management system of the Company;

(11) to formulate proposals for any amendment to the Articles of Association;

(12) to manage the information disclosure of the Company;

(13) to request the general meeting to engage or replace the accounting firm that provides audit for the Company;

(14) to debrief the work report of the manager of the Company and check the works of the manager;

(15) any other functions and powers stipulated by the laws, administrative regulations, departmental rules, [**REDACTED**], the Articles of Association, or granted by the general meeting.

The Board of Directors of the Company shall have the Audit Committee, Nomination Committee and Remuneration Committee. The special committees shall be accountable to the Board of Directors and shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Their proposals shall be submitted to the Board of Directors for deliberation and decision. All special committees are comprised of directors. The Board of Directors shall be responsible for formulating the working rules of the special committees and regulating their operation.

7. SENIOR OFFICERS

The Company shall have one manager who shall be appointed or dismissed by the Board.

The manager shall be accountable to the Board and exercise the following powers and functions:

(1) to be responsible for the Company's production, operation and management, organize the implementation of resolutions of the Board of Directors, and report to the Board of Directors;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to prepare the proposal for the establishment of the Company's internal management structure;

(4) to draft the Company's basic management system;

(5) to formulate the detailed rules and regulations of the Company;

(6) to propose to the board of directors the appointment or dismissal of the deputy manager and chief financial officer;

(7) to decide to appoint and dismiss the management personnel other than those to be employed and dismissed by the Board of Directors;

(8) other functions and powers granted by the Articles of Association or the Board of Directors.

The manager is required to attend board meetings.

8. FINANCIAL AND ACCOUNTING SYSTEMS

The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations, and rules of the relevant authorities of the state.

The financial and accounting reports are prepared in accordance with relevant laws, administrative regulations, departmental rules and [**REDACTED**].

9. PROFIT DISTRIBUTION

The Company's profit distribution policy is:

(1) Profit distribution principle

The Company implements a proactive profit distribution policy, emphasizing reasonable investment returns to shareholders and taking into account the sustainable development of the Company, and has maintained the continuity and stability of its profit distribution policy.

(2) Forms of profit distribution

The Company may distribute profits in the form of cash, stock or a combination of both, with cash dividends being given priority over stock dividends where the conditions for cash dividends are met.

10. APPOINTMENT OF ACCOUNTING FIRMS

The Company shall employ an accounting firm that complies with the provisions of the state and [**REDACTED**] to audit financial reports, verify net assets, and offer other relevant consulting services. The term of employment of such accounting firm shall be one year, which is renewable.

Employing or dismissing an accounting firm for the Company shall be decided by the general meeting by ordinary resolution. The Board shall not appoint an accounting firm before a general meeting is held.

11. DISSOLUTION AND LIQUIDATION

The Company shall be dissolved if:

(1) business term specified in the Articles of Association expires or other dissolution reasons as stipulated in the Articles of Association arise;

(2) the general meeting resolves to dissolve the Company by means of special resolution;

(3) a dissolution is required due to merger or division of the Company;

(4) the Company is revoked of business license according to law, ordered to close or canceled;

(5) Dissolution by the People's Court in accordance with Article 231 of the Company Law.

If the Company is in the situation of paragraphs (1) or (2) of this article and has not yet distributed its property to its shareholders, it may survive by amending the Articles of Association or by a resolution of the general meeting. Amendments to the Articles of Association or resolutions of general meeting made in accordance with the provisions of the preceding paragraph shall be approved by more than 2/3 of the voting rights held by the shareholders attending the general meeting.

After the liquidation committee has thoroughly examined the Company's assets and prepared a balance sheet and schedule of assets, it shall formulate a liquidation plan and submit such plan to the general meeting or the people's court for confirmation.

The remaining property of the Company after paying the liquidation expenses, wages owed to employees of the Company, labor insurance fees and statutory compensation, outstanding taxes and debts of the Company shall be distributed in proportion to the number of shares held by shareholders.

During the liquidation period, the Company still exists but shall not carry out any business activities not related to liquidation. The property of the Company shall not be distributed to shareholders until all liabilities have been paid off in accordance with the provisions of the preceding paragraph.

If the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and schedule of assets, discovers that the Company's property is insufficient to pay its debts in full, it shall immediately apply to the People's Court for bankruptcy liquidation.

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

After the liquidation of the Company is completed, the liquidation committee shall prepare a liquidation report and submit the report to the general meeting or the people's court for confirmation, and shall submit it to the company registration authority to apply for deregistration of the company.

12. AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

(1) After the amendment of the PRC Company Law or relevant laws and administrative regulations, the matters stipulated in the Articles of Association conflict with the provisions of the amended laws or administrative regulations;

(2) There has been a change to the Company, resulting in inconsistency with the content in the Articles of Association;

(3) The general meeting approves to amend the Articles of Association by a special resolution.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on October 21, 2015 and converted into a joint stock company with limited liability on December 28, 2021.

We have established a place of business in Hong Kong at Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and were registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on May 30, 2025 under the same address. Ms. Chan Pui Ching has been appointed as our authorized representative for the acceptance of service of process and notices on our behalf in Hong Kong.

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

2. Changes in our share capital

The following sets out the changes in our Company's share capital within the two years immediately preceding the issue of this document:

- on December 27, 2023, the registered capital of our Company was increased from RMB30,700,935 to RMB33,013,739; and

- on May 26, 2025, the registered capital of our Company was increased from RMB33,013,739 to RMB33,747,378.

Save as disclosed above, there has been no alteration in our share capital within the two years immediately preceding the date of this document.

3. Changes in the share capital of our subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in note 21 to the Accountants' Report as set out in Appendix I.

The following subsidiaries have been established within the two years immediately preceding the date of this document:

Name of subsidiary	Place of establishment	Date of establishment
Shenzhen Jingshi Trading Co., Ltd. (深圳市璟實商貿有限公司)	PRC	June 30, 2023
Shenzhen Jingshi Technology Co., Ltd. (深圳市璟實科技有限公司)	PRC	June 30, 2023
Shanghai Jimao Zhenghua Technology Co., Ltd. (上海極茂正華科技有限公司)	PRC	July 25, 2023
Wuxi Jiyi Technology Co., Ltd. (無錫極易科技有限公司)	PRC	September 25, 2023
Huaibei Jiyi Information Technology Co., Ltd. (淮北極易信息技術有限公司)	PRC	September 28, 2023
Suzhou Jiyi Xingsheng Information Technology Co., Ltd. (蘇州極易星晟信息科技有限公司)	PRC	May 28, 2024
Simpor Jaya Pte. Ltd.	Singapore	August 7, 2024
Doyoe Ambition Trading Co., Ltd.	Vietnam	August 26, 2024
Huaibei Yisheng Information Technology Co., Ltd. (淮北易勝信息科技有限責任公司)	PRC	October 14, 2024
Hainan Hongyi Information Technology Co., Ltd. (海南鴻億信息技術有限公司)	PRC	October 23, 2024
Yiwu Jiguan Technology Co., Ltd. (義烏極冠科技有限公司)	PRC	November 7, 2024
Singapore Ecmax Co., Pte. Ltd.	Singapore	November 15, 2024
Xizang Shanshihui Yongke Trade Co., Ltd. (西藏山石會永科貿有限公司)	PRC	November 19, 2024
Jilin Yisheng Yingle Technology Co., Ltd. (吉林省易勝盈樂科技有限公司)	PRC	December 17, 2024
Taicang Jimao Information Technology Co., Ltd. (太倉極茂信息技術有限公司)	PRC	February 20, 2025
Qingdao Jiyi Technology Co., Ltd. (青島極易科技有限公司)	PRC	February 20, 2025
Suzhou Cheyixiang Technology Co., Ltd. (蘇州車易享科技有限公司)	PRC	April 15, 2025
Luoyang Jihong Information Technology Co., Ltd. (洛陽極宏信息技術有限公司)	PRC	April 25, 2025

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this document:

- on August 15, 2023, the registered capital of Suzhou Yisheng Huaxin Information Technology Co., Ltd. (蘇州易勝華鑫信息技術有限公司) was increased from RMB1,000,000 to RMB3,000,000;

- on December 29, 2023, the registered capital of Shenzhen Yunchuang Trading Technology Co., Ltd. (深圳雲創商貿科技有限公司) was increased from RMB200,000 to RMB1,000,000;

- on February 27, 2024, the registered capital of Suzhou Hylife Data Network Technology Co., Ltd. (蘇州喜立數據網絡科技有限公司) was increased from RMB1,000,000 to RMB10,000,000;

- on May 22, 2024, the registered share capital of Guangzhou Zhidian E-commerce Co., Ltd. (廣州智點電子商務有限公司) was decreased from RMB1,000,000 to RMB100,000; and

- on October 22, 2024, the registered share capital of Shenzhen Jingshi Trade Co., Ltd. (深圳市璟實貿易有限公司) was increased from RMB3,000,000 to RMB5,000,000.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4. Resolutions of our Shareholders

At the extraordinary general meeting of our Company held on June 7, 2025, the following resolutions, among other things, were duly passed:

(a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be [**REDACTED**] on the Stock Exchange;

(b) the number of H Shares to be issued shall not be more than [**REDACTED**] of the total issued share capital of our Company as enlarged by the [**REDACTED**] (before the exercise of the [**REDACTED**]), and the grant of the [**REDACTED**] of not more than [**REDACTED**] of the number of H Shares to be [**REDACTED**] initially under the [**REDACTED**];

(c) authorization of the Board and/or its authorized persons to handle all matters relating to, among other things, the [**REDACTED**] and the [**REDACTED**] of the H Shares; and

(d) subject to the completion of the [**REDACTED**], the adoption of the Articles of Association which shall become effective on the [**REDACTED**], and authorization to the Board to amend the Articles of Association for the purpose of the [**REDACTED**].

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 preceding the date of this document that are or may be material:

(a) a share subscription agreement dated May 8, 2025 entered into among our Company and WBA Guangzhou Pharmaceutical (Guangzhou) Equity Investment Partnership (Limited Partnership) (沃博聯廣藥(廣州)股權投資合夥企業(有限合夥)), pursuant to which WBA Guangzhou Pharmaceutical (Guangzhou) Equity Investment Partnership (Limited Partnership) (沃博聯廣藥(廣州)股權投資合夥企業(有限合夥)) agreed to subscribe for 733,639 Shares of our Company at a consideration of RMB40,000,000; and

(b) [**REDACTED**].

2. Intellectual Property Rights of our Group

As of the Latest Practicable Date, the following intellectual property rights are, in the opinion of our Directors, material to our Group's business.

(a) Trademarks

As of the Latest Practicable Date, our Group had registered the following trademarks which we consider to be material to our business:

No.	Trademark	Class	Registered owner	Place of registration	Registration number	Expiry date
1. . . .	ecMAX	35	Our Company	PRC	77715454	September 20, 2034
2. . . .	极易优品	12	Our Company	PRC	76509787A	August 20, 2034
3. . . .	喜宝莉	25	Our Company	PRC	54586474	December 20, 2031
4. . . .	喜宝莉	35	Our Company	PRC	53379382	October 13, 2032
5. . . .	极易电商	35	Our Company	PRC	47388693	May 13, 2031
6. . . .	喜宝莉	35	Our Company	PRC	47320932	December 27, 2031

No.	Trademark	Class	Registered owner	Place of registration	Registration number	Expiry date
7. . . .	喜宝莉	16	Our Company	PRC	44585439	February 20, 2031
8. . . .	喜宝莉	27	Our Company	PRC	44592375	November 6, 2030
9. . . .	喜宝莉	21	Our Company	PRC	44585498	February 20, 2031
10. . .	喜宝莉	3	Our Company	PRC	44587133	February 20, 2031
11. . . .	喜宝莉	18	Our Company	PRC	44576845	November 20, 2030
12. . .	极易云	35	Our Company	PRC	43476211	January 13, 2031
13. . .	极易优品	35	Our Company	PRC	43491459	November 27, 2030
14. . .	极电 易商	35	Our Company	PRC	43477969	January 6, 2031
15. . .	极易优享	35	Our Company	PRC	43473303	January 13, 2031
16. . .	XIBAOLI 喜宝莉	24	Our Company	PRC	28685582	December 13, 2028
17. . .	XIBAOLI 喜宝莉	20	Our Company	PRC	28685835	December 13, 2028
18. . .	ecMax	35	Our Company	PRC	12909214	December 27, 2024
19. . .	极易	41	Our Company	PRC	12909121	December 13, 2024

As of the Latest Practicable Date, our Group had applied for registration of the following trademark which we consider to be material to our business:

No.	Trademark	Class	Registered owner	Place of registration	Application number	Application date
1.	ecMAX 极易科技 Brand Tech.	16, 35	Hong Kong Ecmax Co., Limited	Hong Kong	306812794	February 19, 2025

(b) Patents

As of the Latest Practicable Date, our Group had registered the following patents which we consider to be material to our business:

No.	Name of patent holder	Description	Type of patent	Patent number	Place of registration	Date of registration
1. . .	Our Company	A product recommendation method and system based on big data analysis (一種基於大數據的商品推薦方法及系統)	Invention	ZL202310050055.2	PRC	October 27, 2023
2. . .	Our Company	Method, system, storage medium and electronic device for generating a package of goods (商品包的生成方法、系統、存儲介質及電子設備)	Invention	ZL202311212615.6	PRC	December 15, 2023
3. . .	Our Company	Method, apparatus, device, and medium for recognizing marketing information based on machine learning (基於機器學習的營銷信息識別方法、裝置、設備和介質)	Invention	ZL202311050755.8	PRC	November 21, 2023
4. . .	Our Company	A streaming media content analysis method and system based on NLP (一種基於NLP的流媒體內容分析方法及系統)	Invention	ZL202310554226.5	PRC	August 4, 2023
5. . .	Our Company	Big data based e-commerce user message push method and system (基於大數據的電商用戶訊息推送方法及系統)	Invention	ZL202110680936.3	PRC	May 13, 2022

No.	Name of patent holder	Description	Type of patent	Patent number	Place of registration	Date of registration
6. . .	Our Company	Advertisement delivery method, apparatus, electronic device and storage medium (廣告投放方法、裝置、電子設備及存儲介質)	Invention	ZL202311569359.6	PRC	January 23, 2024
7. . .	Our Company	A product display method, user terminal and storage medium for e-commerce live broadcasting (一種用於電商直播的商品展示方法、用戶終端及存儲介質)	Invention	ZL202311181437.5	PRC	February 2, 2024
8. . .	Our Company	Method, device, apparatus and medium for determining competitor price based on market penetration rate (基於市場滲透率的競品價格確定方法、裝置、設備及介質)	Invention	ZL202311061836.8	PRC	February 27, 2024
9. . .	Our Company	An after-sales processing method, device, apparatus and medium for an e-commerce platform (一種用於電商平台的售後處理方法、裝置、設備和介質)	Invention	ZL202311642536.9	PRC	March 8, 2024

(c) Domain Names

As of the Latest Practicable Date, our Group had registered the following domain name which we consider to be material to our business:

No.	Domain name	Registered owner	Place of registration	Date of registration	Expiry date
1. . .	ecmax.cn	Our Company	PRC	November 30, 2013	November 30, 2025

(d) Copyrights

As of the Latest Practicable Date, our Group had registered the following copyrights in the PRC which we consider to be material to our business:

No.	Copyright	Registration number	Registered owner	Place of registration	Date of registration
1. . .	Development System of Enterprise Employee Q&A Management System Based on AI Big Model V1.0 (基於AI大模型企業員工問答管理系統的開發系統V1.0)	2024SR0051145	Our Company	PRC	January 8, 2024
2. . .	ecMAX Big Data Processing and Storage Management System V1.0 (極易大數據處理流程及儲存管理系統V1.0)	2023SR1293448	Our Company	PRC	October 24, 2023
3. . .	ecMAX Streaming Big Data Cleaning System V1.0 (極易流式大數據清洗系統V1.0)	2023SR1293450	Our Company	PRC	October 24, 2023
4. . .	ecMAX web-based mass data processing system V1.0 (極易基於web的海量數據處理系統 V1.0)	2023SR1293269	Our Company	PRC	October 24, 2023

No.	Copyright	Registration number	Registered owner	Place of registration	Date of registration
5. . .	Vlion Effectiveness Integrated Digital Marketing System V1.0 (Vlion實效整合數字營銷系統V1.0)	2016SR060922	Our Company	PRC	March 23, 2016
6. . .	Vscoial socialized precision communication Communication System V1.0 (Vscoial社會化精準傳播系統V1.0)	2016SR353345	Our Company	PRC	December 5, 2016
7. . .	ECEM Customer Management and Consumer Operation System V1.0 (ECEM客戶管理與消費者運營系統V1.0)	2018SR227221	Our Company	PRC	April 2, 2018
8. . .	EC Retail Platform Operation Integrated Management System V1.0 (EC零售平台營運綜合管理系統V1.0)	2018SR227220	Our Company	PRC	April 2, 2018
9. . .	EVESHOP Social Retail E-commerce Platform System V1.0 (EVESHOP社交零售電商平台系統V1.0)	2018SR227218	Our Company	PRC	April 2, 2018
10. .	EASR Intelligent Merchandising and Promotion Management System V1.0 (EASR智能商品管理與促銷管理系統V1.0)	2018SR227216	Our Company	PRC	April 2, 2018
11. .	ESCOPE Business Data Matrix Big Data Processing and Analytics Engine System V1.0 (ESCOPE商業數據矩陣大數據處理及分析引擎系統V1.0)	2018SR227215	Our Company	PRC	April 2, 2018

No.	Copyright	Registration number	Registered owner	Place of registration	Date of registration
12. .	EPI+ Interactive Marketing System V1.0 (EPI+互動營銷系統V1.0)	2018SR227213	Our Company	PRC	April 2, 2018
13. .	ecMAX e-commerce CRM SMS marketing system V1.0 (極易電商CRM短信營銷系統V1.0)	2018SR813716	Our Company	PRC	October 12, 2018
14. .	ecMAX Customer Service Center System V1.0 (極易客戶服務中心繫統V1.0)	2018SR899363	Our Company	PRC	November 9, 2018
15. .	ecMAX E-commerce Super Interactive Marketing System V1.0 (極易電商超級互動營銷系統V1.0)	2020SR0070607	Our Company	PRC	January 14, 2020
16. .	ecMAX e-commerce SMS marketing system V1.0 (極易電商短信營銷系統V1.0)	2020SR0070568	Our Company	PRC	January 14, 2020
17. .	ecMAX e-commerce new retail marketing system V1.0 (極易電商新零售營銷系統V1.0)	2020SR0066689	Our Company	PRC	January 14, 2020
18. .	ecMAX RPA-based automated management system V1.0 (極易基於RPA的自動化管理系統V1.0)	2022SR0228635	Our Company	PRC	February 15, 2022
19. .	ecMAX customer management system for B-side V1.0 (極易面向B端的客戶管理系統V1.0)	2022SR0231226	Our Company	PRC	February 15, 2022
20. .	o2o data backend management system V1.0 (o2o數據後台管理系統) V1.0	2023SR1390329	Our Company	PRC	November 6, 2023

No.	Copyright	Registration number	Registered owner	Place of registration	Date of registration
21. .	IM robot based automated warning development system for anomaly reports V1.0 (基於IM機器人的異常報表自動化預警的的研發系統) V1.0	2023SR1665549	Our Company	PRC	December 18, 2023
22. .	User Reviews Monitoring and Analyzing System V1.0 (用戶評論監控分析系統V1.0)	2023SR1390648	Our Company	PRC	November 6, 2023
23. .	ecMAX big data based Intelligent Data Analysis System V1.0 (極易基於大數據的智能數據分析系統V1.0)	2023SR1340419	Our Company	PRC	October 30, 2023
24. .	ecMAX AdaBoost algorithm based data cleaning system V1.0 (極易基於AdaBoost算法的數據清洗系統 V1.0)	2023SR1357040	Our Company	PRC	November 2, 2023
25. .	ecMAX optimized deep confidence networks based multi-source heterogeneous data cleansing system V1.0 (極易基於優化深度置信網絡的多源異構數據清洗系統V1.0)	2023SR1327477	Our Company	PRC	October 27, 2023
26. .	ecMAX DMP big data based visualization analysis processing system V1.0 (極易基於DMP大數據可視化分析處理系統V1.0)	2023SR1340430	Our Company	PRC	October 30, 2023

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests of the Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations

Immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), the interests or short positions of our Directors or chief executive 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 us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, under section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("**Model Code**"), once the H Shares are [**REDACTED**] will be as follows:

(i) Interest in Shares of our Company

				As of the Latest Practicable Date	Immediately following completion of the [REDACTED] (assuming no exercise of the [REDACTED])	
Name of Director or chief executive	**Nature of interest**	**Description of Shares**	**Number of Shares held or interested**	**Approximate percentage of shareholding in our total Share capital(1)**	**Approximate percentage of shareholding in our H Shares(2)**	**Approximate percentage of shareholding in our total Share capital(2)**
Mr. Wang(3) . .	Beneficial owner, interest held by controlled corporations	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Ji	Beneficial owner	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) The calculation is based on a total of [**REDACTED**] Unlisted Shares in issue as of the Latest Practicable Date, including [**REDACTED**] Unlisted Shares which will be converted into H Shares upon completion of the [**REDACTED**].

(2) The calculation is based on a total of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares in issue upon [**REDACTED**], comprising (a) an aggregate of [**REDACTED**] H Shares converted from Unlisted Shares; and (b) [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**], without taking into account the H Shares which may be issued upon the exercise of the [**REDACTED**].

(3) See the section headed "Substantial Shareholders" in this document.

(ii) Interest in shares of associated corporations of our Company

Our Directors and chief executive are not interested in the shares of any associated corporation of our Company.

(b) Interests of the substantial shareholders of any member of our Group (other than our Company)

Member of our Group	Name of substantial shareholder	Approximate percentage of shareholding interest held by the substantial shareholder
Shanghai Kewan Weixun Information Technology Co., Ltd. (上海可萬威訊信息技術有限公司)	Beijing Xinyisheng Enterprise Management Co., Ltd. (北京信邑晟企業管理有限公司)	40.0%
Shenzhen Rainbow Cloud Technology Co., Ltd. (深圳市彩虹雲科技有限公司)	Hainan Deshan Supply Chain Management Co., Ltd. (海南德贍供應鏈管理有限公司)	20.0%
Huaibei Yisheng Information Technology Co., Ltd. (淮北易勝信息科技有限責任公司)	Jing Song (敬松)	35.0%
Xizang Shanshihui Yongke Trade Co., Ltd. (西藏山石會永科貿有限公司)	Wang Yan (王岩)	40.0%
Guangzhou Zhidian E-commerce Co., Ltd. (廣州智點電子商務有限公司)	Sun Dandan (孫丹丹)	40.0%
Beijing Xiaozi Technology Co., Ltd. (北京小資科技有限公司)	Chen Mingwei (陳明偉)	40.0%
Suzhou Cheyixiang Technology Co., Ltd. (蘇州車易享科技有限公司)	Hangzhou Guolian Zhumeng Technology Partnership Enterprise (Limited Partnership) (杭州國鏈築夢科技合夥(有限合夥))	45.0%
Jilin Yisheng Yingle Technology Co., Ltd. (吉林省易勝盈樂科技有限公司)	Jilin Yingle Investment Co., Ltd. (吉林省盈樂投資有限公司)	45.0%
Hainan Yihou Information Technology Co., Ltd. (海南易後信息技術有限公司)	Shanghai Houfei Software Technology Co., Ltd. (上海後非軟件科技有限公司)	49.0%

Member of our Group	Name of substantial shareholder	Approximate percentage of shareholding interest held by the substantial shareholder
Beijing Jimai Technology Co., Ltd. (北京極邁科技有限公司)	Haikou Rongzhi Youshu Technology Partnership (Limited Partnership) (海口融智有數科技合夥企業 (有限合夥))	49.0%
Jingshi Supply Chain (Shenzhen) Co., Ltd. (璟實供應鏈(深圳)有限公司)	Hainan Deshan Supply Chain Management Co., Ltd. (海南德贍供應鏈管理有限公司)	20.0%
Hainan Hongyi Information Technology Co., Ltd. (海南鴻億信息技術有限公司)	Jin Wenjing (金文靜)	35.0%
Singapore Ecmax Co., Pte. Ltd.	HK Xinyicheng Int'l Trading Limited	40.0%
Simpor Jaya Pte. Ltd.	Jiraporn Ananthasook	40.0%

Save as disclosed above, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), our Directors are not aware of any person, not being a Director or chief executive of our Company who will, directly or indirectly, be interested in 10% or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of any member of our Group (other than our Company).

2. Particulars of Service Contracts

We [have] entered into a contract with each of our Directors in respect of, among other things, compliance with relevant laws and regulations, observance of the Articles of Association and provisions on arbitration.

Save as disclosed above, none of the Directors has or is proposed to have a service contract 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).

3. Directors' Remuneration

The aggregate amount of remuneration (including salaries, discretionary bonuses, allowances, and contributions to retirement benefit schemes) we paid to our Directors in respect of the financial years ended December 31, 2022, 2023 and 2024 were approximately RMB484,000, RMB506,000 and RMB819,000, respectively.

Details of our Directors' remuneration are also set out in note 15 of the Accountants' Report set out in Appendix I to this document. Save as disclosed in the Accountants' Report, no other emoluments have been paid or are payable by our Company or any of our subsidiaries to our Directors during the Track Record Period.

None of the five highest paid individuals during the Track Record Period was a Director. During the Track Record Period, the total emoluments paid to the five highest paid individuals by us amounted to approximately RMB5,319,000, RMB5,615,000 and RMB4,280,000 for the years ended December 31, 2022, 2023 and 2024, respectively.

Under the arrangements currently in force, the aggregate amount of remuneration and benefits in kind payable by our Company to our Directors for the financial year ending December 31, 2025 is estimated to be approximately HKD600,000.

None of the Directors (or former Directors) or the five highest paid individuals has been paid any sum of money for the Track Record Period (i) as an inducement to join or upon joining us; or (ii) as compensation for loss of office in connection with the management of the affairs of any member of our Group.

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

Save as disclosed in this document, none of the Directors has been or is interested in the promotion of, or in the property proposed to be acquired by, us, and no sum has been paid or agreed to be paid to any of them in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him in connection with the promotion or formation of our Company.

4. Fees or commissions received

Save in connection with the [**REDACTED**], none of the Directors or any of the persons whose names are listed under the paragraph headed "E. Other Information — 7. Consents of Experts" below had received any commissions, discounts, brokerages or other special terms in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this document.

5. Disclaimers

(a) Save as disclosed in the section headed "C. Further Information about our Directors and Substantial Shareholders — 1. Disclosure of Interests" in this Appendix IV, none of our Directors or chief executives has any interests and short positions 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 have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is 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 will be required, pursuant to the Model Code to be notified to us and the Stock Exchange, in each case once our H Shares are [**REDACTED**] on the Stock Exchange.

(b) None of our Directors or any of the parties listed in the paragraph headed "E. Other Information — 6. Qualifications of Experts" below is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this document, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to us.

(c) Save in connection with the [**REDACTED**], none of our Directors or any of the parties listed in the paragraph headed "E. Other Information — 6. Qualifications of Experts" below is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.

(d) Save in connection with the [**REDACTED**], none of the parties listed in the paragraph headed "E. Other Information — 6. Qualifications of Experts" below: (i) is interested, legally or beneficially, in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

(e) None of our Directors or their respective associates (as defined under the Listing Rules) or any of our Shareholders (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers.

D. EMPLOYEE INCENTIVE SCHEME

Our employee incentive scheme (the "**Scheme**") was adopted and approved by resolutions of the Board in September 2017. The Scheme is not subject to the provisions of Chapter 17 of Listing Rules as the Scheme does not involve the grant of options or awards by our Company after the [**REDACTED**]. Given the Shares under the Scheme have already been issued, there will not be any dilution effect to the issued Shares.

As of the Latest Practicable Date, our Company had established three Employee Shareholding Platforms which directly hold Shares in our Company, namely Suzhou Shanglai, Yimai Youwei and Jiyi Dazhan. As of the Latest Practicable Date, the three Employee Shareholding Platforms in aggregate held 3,852,718 Unlisted Shares, representing approximately 11.42% of the aggregate amount of our Shares in issue immediately before the completion of the [**REDACTED**]. For further details of the Employee Shareholding Platforms, please refer to the section headed "History, Development and Corporate Structure — Employee Shareholding Platforms" in this document.

The following is a summary of the principal terms of the Scheme.

Purpose

The purpose of the Scheme is to recognize the contribution to our Group by our employees. The Scheme fosters shared interests between our Shareholders and our management team, thereby furthering our Company's focus on long-term development.

Eligibility

Persons eligible to participate in the Scheme are the directors, supervisors, senior management and core employees of, and any other person who is deemed to have made significant contribution to, the Group.

Participation by Selected Participants

The executive partner of each of the Employee Shareholding Platforms is Mr. Wang, who is responsible for their respective management. The Board has the authority to, among others, determine the selected participants of the Scheme, the number of awards to be granted and the grant price after considering, among others, the position, work performance and contribution of the selected participants to the Group.

The selected participants under the Scheme (the "**Participant(s)**") are granted awards in the form of economic interests in the Employee Shareholding Platforms, and become indirectly interested in our Company through their respective interests as limited partners of the relevant Employee Shareholding Platform(s) upon acquisition of partnership interests in the relevant Employee Shareholding Platform(s).

Restrictions on Transfers

Any award granted under the Scheme shall be personal to the participant to whom it is made and shall not be assignable. Participants shall not dispose of or transfer their respective interests in the Employee Shareholding Platforms.

Arrangements for Departing Employees

Where a Participant departs from our Group, becomes no longer capable of discharging his/her duties or dies, he/she may, subject to applicable legal restrictions in effect at the time, dispose of his/her partnership interests or transfer his/her partnership interests in the relevant Employee Shareholding Platform to any other employee of our Group as approved by the executive partner, at a consideration determined between the relevant parties. However, where such Participant's employment or service with the Group is terminated due to wrongdoing on the part of the Participant (such as incompetency, violation of moral codes, breach of confidentiality obligation, dereliction of duty, malfeasance, or other violations of moral codes, laws, administrative rules and regulations or articles of association of the Company), the executive partner of the relevant Employee Shareholding Platform shall be entitled to request the Participant to transfer to him or any other employee of our Group as designated by him the Participant's partnership interests in the relevant Employee Shareholding Platform, at a consideration determined in accordance with the Scheme (subject to any set-off in the amount of loss caused to our Group or the relevant Employee Shareholding Platform).

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that currently no material liability for estate duty under PRC law is likely to fall upon our Company or any of our subsidiaries under the laws of Hong Kong and the PRC.

2. Litigation

As of the Latest Practicable Date, we are not aware of any litigation or arbitration proceedings of material importance pending or threatened against us or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The fee payable to the Sole Sponsor in respect of its services as a sponsor for the [**REDACTED**] is US$950,000 and payable by us.

4. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

5. Promoter

The promoters of our Company comprised all of the then 27 Shareholders of our Company as at December 3, 2021 before our conversion into a joint stock limited liability company.

No.	Name
1 . . .	Wang Shan (王珊)
2 . . .	Ji Rong (吉融)
3 . . .	Qingdao Yihua Shengxin Enterprise Management Partnership (Limited Partnership) (青島易華生鑫企業管理合夥企業(有限合夥))
4 . . .	Suzhou Shanglai Enterprise Management Partnership (Limited Partnership) (蘇州尚來企業管理合夥企業(有限合夥))
5 . . .	Jiangsu Jingdong Bangneng Investment Management Co., Ltd. (江蘇京東邦能投資管理有限公司)
6 . . .	Suzhou Xinlin Phase 3 Venture Capital Enterprise (L.P.) (蘇州新麟三期創業投資企業(有限合夥))
7 . . .	Invest In Xiamen Equity Fund (L.P.) (廈門為來卓識股權投資基金合夥企業(有限合夥))
8 . . .	Suzhou Industrial Park Zhongyimingyuan Phase II Venture Capital Center (Limited Partnership) (蘇州工業園區中億明源二期創業投資中心(有限合夥))
9 . . .	Ningbo Meishan Bonded Port Area Sichang Investment Center (Limited Partnership) (寧波梅山保税港區嗣昌投資中心(有限合夥))
10 . .	Suzhou Yipu No. 1 Equity Investment Partnership (L.P.) (蘇州翼樸一號股權投資合夥企業(有限合夥))
11 . .	Suzhou Yipu No. 2 Equity Investment Partnership Enterprise (Limited Partnership) (蘇州翼樸二號股權投資合夥企業(有限合夥))
12 . .	Jiangsu Jiequan Yuanhe Origin Intelligent No. 3 Venture Capital Partnership Enterprise (Limited Partnership) (江蘇疌泉元禾原點智能叁號創業投資合夥企業(有限合夥))
13 . .	Ningbo Daohe Ronghai Investment Management Partnership Enterprise (Limited Partnership) (寧波道合融海投資管理合夥企業(有限合夥))
14 . .	Suzhou Wenhui Gaoqi Equity Investment Center (Limited Partnership) (蘇州文匯高齊股權投資中心(有限合夥))

No.	Name
15 . .	CCBI Tech Venture (Suzhou) Combined Debt & Equity Private Equity Fund LLP (建銀科創(蘇州)投貸聯動股權投資基金(有限合夥))
16 . .	Yangzhou Fuhai Sanqi Internet Cultural Investment CITIC (L.P.) (揚州富海三七互聯網文化投資中心(有限合夥))
17 . .	Fujian Daqi Jiyi Equity Investment Partnership Enterprise (Limited Partnership) (福建大器極易股權投資合夥企業(有限合夥))
18 . .	Zhuhai Chongxing Equity Investment Partnership Enterprise (Limited Partnership) (珠海崇星股權投資合夥企業(有限合夥))
19 . .	Shenzhen Guohong No. 3 Management Consulting Service Partnership Enterprise (Limited Partnership) (深圳市國宏三號管理諮詢服務合夥企業(有限合夥))
20 . .	Suzhou Kangli Junzhuo Equity Investment Center (L.P.) (蘇州康力君卓股權投資中心(有限合夥))
21 . .	Xi'an Jiaotong University Siyuan Universal Investment Partnership Enterprise (Limited Partnership) (西安交大思源普惠投資合夥企業(有限合夥))
22 . .	Suzhou Yimai Youwei Enterprise Management Partnership (Limited Partnership) (蘇州易賣有為企業管理合夥企業(有限合夥))
23 . .	Suzhou Jiyi Dazhan Enterprise Management Partnership (Limited Partnership) (蘇州極易大展企業管理合夥企業(有限合夥))
24 . .	Suzhou Gaoce Jiyi Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (蘇州高策極易創業投資合夥企業(有限合夥))
25 . .	Shanghai Miaolin Consulting Management Partnership Enterprise (Limited Partnership) (上海淼霖諮詢管理合夥企業(有限合夥))
26 . .	Shanghai Qianjing Enterprise Management Center (Limited Partnership) (上海謙京企業管理中心(有限合夥))
27 . .	Nanjing Jisheng Enterprise Management Partnership (Limited Partnership) (南京極晟企業管理合夥企業(有限合夥))

Save for the [**REDACTED**], within the two years immediately preceding the date of this document, no cash, securities or other benefits has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the [**REDACTED**] or the related transactions described in this document.

6. Qualifications of Experts

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

CITIC Securities (Hong Kong) Limited	A corporation licensed to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
RSM Hong Kong	Certified Public Accountants and Registered Public Interest Entity Auditor
Global Law Office	Legal advisor to our Company as to PRC law
Frost & Sullivan	Independent industry consultant

As at the Latest Practicable Date, none of the experts named above has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

7. Consents of Experts

Each of the persons named in "— 6. Qualifications of Experts" has given and has not withdrawn its respective written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included in this document in the form and context in which it is respectively included.

8. Taxation of holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the H Shares being sold or transferred. For further details in relation to taxation, please refer to the section headed "Regulatory Overview — Regulations on Tax in the PRC" in this document.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, 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 insofar as applicable.

10. Restrictions on Share Repurchases

For details, see the section headed "Summary of the Articles of Association — 2. Increase and Reduction in Capital and Repurchase of Shares" in Appendix III to this document.

11. Miscellaneous

(a) Within the two years immediately preceding the date of this document:

(i) save as disclosed in the sections headed "History, Development and Corporate Structure", "Share Capital" and "[**REDACTED**]" in this document and in this Appendix IV, 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 fully or partly paid either for cash or a consideration other than cash;

(ii) save in connection with the [**REDACTED**], 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 or loan capital of our Company or any of its subsidiaries; and

(iii) save in connection with the [**REDACTED**], no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share or debenture in our Company.

(b) Our Group has not issued any debentures nor does it have any outstanding debentures or any convertible debt securities.

(c) No share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(d) No founder or management or deferred shares of our Company or any of its subsidiaries have been issued or agreed to be issued.

(e) Our Directors confirm that:

(i) there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2024 (being the date to which the latest audited consolidated financial statements of our Group were prepared);

(ii) there is no arrangement under which future dividends are waived or agreed to be waived; and

(iii) 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 document.

(f) There are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.

(g) No company within our Group is presently listed on any stock exchange or traded on any trading system.

(h) The English and Chinese language versions of this document 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).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts" in Appendix IV to this document; and

(b) the written consents referred to in the section headed "Statutory and General Information — E. Other Information — 7. Consents of Experts" in Appendix IV to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.ecmax.cn** up to and including the date which is 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report prepared by RSM Hong Kong, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Company for the years ended December 31, 2022, 2023 and 2024;

(d) the report on the [**REDACTED**] financial information received from RSM Hong Kong, the text of which is set out in Appendix II to this document;

(e) the PRC legal opinion prepared by Global Law Office, our PRC Legal Advisor, in respect of certain aspects and property interests of our Group in the PRC;

(f) the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview" in this document;

(g) the material contracts referred to in the section headed "Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts" in Appendix IV to this document;

(h) the written consents referred to in the section headed "Statutory and General Information — E. Other Information — 7. Consents of Experts" in Appendix IV to this document;

(i) the service contracts and letters of appointment referred to in the section headed "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 2. Particulars of Service Contracts" in Appendix IV to this document; and

(j) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association of Listed Companies issued by the CSRC together with unofficial English translations thereof.