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

Application Proof of

Eastroc Beverage (Group) Co., Ltd.
東鵬飲料（集團）股份有限公司

(the "**Company**")

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

WARNING

The publication of this Application Proof is required by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Securities and Futures Commission (the "**Commission**") solely for the purpose of providing information to the public in Hong Kong.

This Application Proof is in draft form. The information contained in it is incomplete and is subject to change which can be material. By viewing this document, you acknowledge, accept and agree with the Company, its joint sponsors, overall coordinators, advisers or member of the underwriting syndicate that:

(a) this document is only for the purpose of providing information about the Company to the public in Hong Kong and not for any other purposes. No investment decision should be based on the information contained in this document;

(b) the publication of this document or supplemental, revised or replacement pages on the Stock Exchange's website does not give rise to any obligation of the Company, its joint sponsors, overall coordinators, advisers or members of the underwriting syndicate to proceed with an offering in Hong Kong or any other jurisdiction. There is no assurance that the Company will proceed with the offering;

(c) the contents of this document or supplemental, revised or replacement pages may or may not be replicated in full or in part in the actual final listing document;

(d) the Application Proof is not the final listing document and may be updated or revised by the Company from time to time in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;

(e) this document does not constitute a prospectus, offering circular, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities;

(f) this document must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended;

(g) neither the Company nor any of its affiliates, its joint sponsors, overall coordinators, advisers or members of its underwriting syndicate is offering, or is soliciting offers to buy, any securities in any jurisdiction through the publication of this document;

(h) no application for the securities mentioned in this document should be made by any person nor would such application be accepted;

(i) the Company has not and will not register the securities referred to in this document under the United States Securities Act of 1933, as amended, or any state securities laws of the United States;

(j) as there may be legal restrictions on the distribution of this document or dissemination of any information contained in this document, you agree to inform yourself about and observe any such restrictions applicable to you; and

(k) the application to which this document relates has not been approved for listing and the Stock Exchange and the Commission may accept, return or reject the application for the subject public offering and/or listing.

If an offer or an invitation is made to the public in Hong Kong in due course, prospective investors are reminded to make their investment decisions solely based on the Company's prospectus registered with the Registrar of Companies in Hong Kong, copies of which will be distributed to the public during the offer period.

IMPORTANT

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

Eastroc Beverage (Group) Co., Ltd.
東鵬飲料（集團）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]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal Value	**:**	**RMB1.00 per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Joint Sponsors,* [REDACTED]**

华泰国际 HUATAI INTERNATIONAL　Morgan Stanley　UBS 瑞銀集團

(in alphabetical order)

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

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

The **[REDACTED]** is expected to be determined by agreement between the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) and us on the **[REDACTED]**. The **[REDACTED]** is expected to be on or before **[REDACTED]** (Hong Kong time) and, in any event, not later than **[REDACTED]** (Hong Kong time). The **[REDACTED]** will be not more than HK$**[REDACTED]** per **[REDACTED]** and is currently expected to be not less than HK$**[REDACTED]** per **[REDACTED]**, unless otherwise announced. Applicants for **[REDACTED]** are required to pay, on **[REDACTED]** (subject to application channel), the maximum **[REDACTED]** of HK$**[REDACTED]** for each **[REDACTED]** together with brokerage fee of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the **[REDACTED]** as finally determined is less than HK$**[REDACTED]**. If, for any reason, the **[REDACTED]** is not agreed by **[REDACTED]** (Hong Kong time) between the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) and us, the **[REDACTED]** will not proceed and will lapse.

The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, with the consent of our Company, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that stated in this Document (which is HK$[REDACTED] to HK$[REDACTED]) at any time prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, a notice of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on our website at www.szeastroc.com and the Stock Exchange's website at www.hkexnews.hk not later than the morning of the last day for lodging [REDACTED] under the [REDACTED]. Further details are set forth in "Structure of the [REDACTED]" and "How to Apply for [REDACTED]" in this Document. If applications for [REDACTED] have been submitted prior to the day which is the last day for lodging applications under the [REDACTED], then such applications can be subsequently withdrawn if the number of [REDACTED] and/or the indicative [REDACTED] range is so reduced.

The obligations of the **[REDACTED]** under the **[REDACTED]** are subject to termination by the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) if certain grounds arise prior to 8:00 a.m. on the **[REDACTED]**. Such grounds are set out in "**[REDACTED]**" in this Document. It is important that you refer to that section for further details.

The Company has not been and will not be registered under the U.S. Investment Company Act. The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any securities laws of any state or other jurisdiction in the United States and may not be [REDACTED], [REDACTED], pledged or transferred within the United States or to U.S. Persons, except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws in the United States. The [REDACTED] are being [REDACTED] and [REDACTED] only (a) to persons within the United States or to U.S. Persons, in each case, who are both Qualified Institutional Buyers and Qualified Purchasers, acting for their own account or for the account of another Qualified Institutional Buyer that is also a Qualified Purchaser, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; and (b) outside the Unites States to persons that are not, and are not acting for the account or benefit of, U.S. Persons in offshore transactions in reliance on Regulation S. No [REDACTED] of the [REDACTED] will be made in the United States. Prospective [REDACTED] are hereby notified that [REDACTED] of the [REDACTED] may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A and the exclusion from the registration requirements of the U.S. Investment Company Act provided by Section 3(c)(7) thereof.

ATTENTION

We have adopted a fully electronic application process for the **[REDACTED]**. We will not provide printed copies of this Document to the public in relation to the **[REDACTED]**.

This Document is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.szeastroc.com. If you require a printed copy of this Document, you may download and print from the website addresses above.

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

EXPECTED TIMETABLE[(1)]

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE [REDACTED]

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

You should rely only on the information contained in this Document to make your investment decision. The **[REDACTED]** *is made solely on the basis of the information contained and the representations made in this Document. We have not authorized anyone to provide you with information that is different from what is contained in this Document. Any information or representation not contained nor made in this Document must not be relied on by you as having been authorized by us, the Joint Sponsors,* **[REDACTED]**, *any of the* **[REDACTED]**, *any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the* **[REDACTED]**.

Page

EXPECTED TIMETABLE i

CONTENTS v

SUMMARY 1

DEFINITIONS 20

GLOSSARY OF TECHNICAL TERMS 33

CONTENTS

FORWARD-LOOKING STATEMENTS 36

RISK FACTORS 38

WAIVERS 69

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED] 76

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED] 81

CORPORATE INFORMATION 88

INDUSTRY OVERVIEW 92

REGULATORY OVERVIEW 109

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE 132

BUSINESS 142

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS 246

FINANCIAL INFORMATION 252

FUTURE PLANS AND USE OF [REDACTED] 307

CONNECTED TRANSACTIONS 313

DIRECTORS AND SENIOR MANAGEMENT 319

SUBSTANTIAL SHAREHOLDERS 341

SHARE CAPITAL 343

[REDACTED] 347

STRUCTURE OF THE [REDACTED] 361

HOW TO APPLY FOR [REDACTED] 372

CONTENTS

APPENDIX I — ACCOUNTANTS' REPORT I-1

APPENDIX II — UNAUDITED [REDACTED] FINANCIAL INFORMATION . . . II-1

APPENDIX III — SUMMARY OF ARTICLES OF ASSOCIATION III-1

APPENDIX IV — STATUTORY AND GENERAL INFORMATION IV-1

APPENDIX V — DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY. V-1

SUMMARY

This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Document before you decide to invest in the **[REDACTED]**.

There are risks associated with any investment. Some of the particular risks in investing in the **[REDACTED]** *are set out in the section headed "Risk Factors" in this Document. You should read that section carefully before you decide to invest in the* **[REDACTED]**.

OVERVIEW

Who We Are

We are the largest functional beverage company in China, with the fastest revenue growth among the world's top 20 listed soft beverage companies. According to Frost & Sullivan, we have been the largest functional beverage company in China in terms of sales volume for four consecutive years since 2021, with our market share increasing from 15.0% in 2021 to 26.3% in 2024, and the second largest functional beverage company in terms of retail sales in 2024 with a market share of 23.0%, further strengthening our market leadership. We are committed to energizing a vibrant and better life for consumers. With over 30 years of industry experience, we continue to provide tasty and value-for-money beverages, establishing Eastroc as a beloved brand with nationwide consumer recognition. "Worn out? Time for Eastroc! (累了、困了、喝東鵬特飲)" has gained strong consumer recognition, making *Eastroc Super Drink* (*東鵬特飲*) a widely recognized brand associated with consumption scenarios of energy replenishment. While strengthening our leadership in the functional beverage industry, we continuously innovate and upgrade our products, expanding into a diverse range of categories to lay a solid foundation for long-term growth.

We have built a nationwide, omni-channel sales network. As of June 30, 2025, our sales network spanned over 4.2 million POS nationwide, covering nearly 100% of prefecture-level cities. Our sales team collaborates closely with distribution partners to continuously improve product placement and shelf space, enhancing visibility and penetration. By consistently expanding our omni-channel sales network, we effectively serve the diversified daily consumption scenarios of our consumers. We adhere to a sophisticated channel management strategy, integrating a unique "product + service" mode. Backed by a strong sales team of over 7,000 personnel, we provide solid support to our channel partners, fostering deep trust and mutually beneficial relationships. Through close collaboration with channel partners, such as distribution partners and POS, we can continuously strengthen market penetration and channel management, in particular enhancing POS coverage, market responsiveness, new product promotion and per-store performance.

Our digital operating system pioneers China's beverage industry. We were among the first in the industry to adopt the "One Item, One Code (一物一碼)" system, which enables precise product tracing using unique QR codes inside our beverages' bottle caps and "five-code integration (五碼關聯)" technology, which develops a proprietary product traceability network with distinctive QR codes labelling key stages throughout the production-to-sales process. We have built a full-cycle and integrated digital operating system, covering our supply chain, production bases, channel

partners, and consumers. This system empowers data-driven decision-making in our key business operations, thereby driving sales growth, and improving overall cost efficiency and operational effectiveness. As of June 30, 2025, we had engaged efficiently with over 250 million consumers based on unique code scans, over 4.2 million POS, and over 3,200 distribution partners, collectively strengthening our competitive moat. Our digitalization capabilities enhance key growth drivers and encourage repeat purchases, while also providing real-time sell-through insights that enable agile decision-making. Meanwhile, our integrated digital systems continuously promote cost efficiency and operational excellence through targeted, data-driven strategies that optimize cost management.

We strive to build a supply chain system that ensures quality, collaborative supply chain planning, and cost efficiency. We have strategically established nine production bases in operation that provide nationwide coverage. We adopt a sell-through-driven strategy in achieving collaborative supply chain planning, leveraging real-time sales data, refined inventory management, and demand forecasting to timely align market insights with production. This ensures consistent product quality and strengthens our cost and operational efficiency, laying a solid foundation for our sustained growth.

Notes: (1) Top 20 ranking based on sales volume in 2024 globally, according to Frost & Sullivan; (2) Last-twelve-month year-over-year revenue growth based on the latest available financial period; (3) In terms of sales volume, according to Frost & Sullivan; and (4) As of June 30, 2025.

We embrace social responsibilities and actively contribute to philanthropic initiatives. We are committed to social responsibilities, actively engaging in philanthropic initiatives to contribute to the well-being of society.

Our Market Opportunities

China has a large and growing soft beverage industry. According to Frost & Sullivan, it has become the world's second-largest soft beverage market in 2024, with retail sales reaching approximately RMB1.3 trillion. Among soft beverages, functional beverages, the soft beverage products that contain certain ingredients targeting specific physiological functions, comprising energy beverages, sports beverages and other functional beverages, have emerged as the fastest-growing segment. Its market size achieved a CAGR of 8.3% from 2019 to 2024, surpassing the overall market's 4.7% growth over the same period. With the fast-paced lifestyles and the increasing health awareness, consumer demand for functional beverages, particularly those designed for energy replenishment and nutritional supplementation, has continued to experience steady growth. The functional beverage industry has demonstrated significant market potential, with its market size projected to reach RMB281.0 billion by 2029 in terms of retail sales, with a CAGR of 10.9% from 2025 to 2029, surpassing the projected 5.8% growth of the overall soft beverage market during the same period.

In terms of energy beverages, in recent years, demand for energy beverages in China has increased rapidly, with the consumer base expanded, consumption scenarios evolved and consumer preferences have become more diverse in terms of packaging, flavors, and functional benefits. According to Frost & Sullivan, China's energy beverage industry is expected to reach RMB180.7 billion by 2029 in terms of retail sales, with a CAGR of 10.3% from 2025 to 2029. In terms of sports beverages, with rising health and wellness awareness, sports beverages that provide hydration, electrolytes, and energy are gaining wider acceptance among consumers. Their consumption scenarios have expanded from sports and fitness to broader daily hydration needs. According to Frost & Sullivan, China's sports beverage industry reached RMB54.7 billion in 2024 and is expected to grow to RMB99.7 billion by 2029 in terms of retail sales, with a CAGR of 12.2% from 2025 to 2029.

OUR STRENGTHS

We believe the following strengths have contributed to our continuous growth and differentiated us from our competitors:

- Leading functional beverage company with high growth potential and strong profitability;
- Differentiated, value-for-money product positioning, driving robust growth and achieving win-win results with our channel partners and consumers;
- Nationwide and highly efficient omni-channel sales network, integrating a unique "product + service" mode;
- Leveraging targeted marketing and the Eastroc brand building methodology, we have built Eastroc as a household beverage brand for consumers;
- Continuous innovation and industry-leading digitalization has enhanced our full-cycle operations, setting industry benchmarks;

- Stable supply chain integrating rigorous quality control with collaborative supply chain planning, continuously reinforcing our industry-leading cost efficiency; and
- Led by our seasoned and dedicated management team, we fostered a pragmatic corporate culture championing social responsibilities.

OUR STRATEGIES

We are committed to becoming a leading beverage group with global recognition, energizing consumers with diversified quality products that inspire a more vibrant and enriching lifestyle. We plan to implement the following strategies:

- Continue to advance our nationwide expansion strategy by broadening our sales network and enhancing penetration;
- Continue to invest in product development, drive product innovation, and expand our product portfolio;
- Continue to invest in branding and consumer engagement to reinforce our position as a leading household brand;
- Strategically explore overseas markets and M&A opportunities;
- Continue to advance digitalization capabilities to further improve quality and efficiency;
- Further enhance production capacity and upgrade supply chain to strengthen cost competitiveness; and
- Continue to attract, develop, and retain top talent to refine our organizational management.

OUR BRANDS AND PRODUCTS

Focusing on functional beverages, we have established a strong brand recognition closely associated with key consumption scenarios of energy replenishment in consumers' minds. Through differentiated product positioning, as well as targeted and innovative marketing strategies, *Eastroc Super Drink* has become a ten-billion-RMB bestseller in terms of retail sales in China. Our brand slogan "Worn out? Time for Eastroc!" has gained strong consumer recognition, making it a preferred and popular choice for energy replenishment. In 2024, our revenue from energy beverages reached RMB13,303.6 million, reflecting a CAGR of 27.3% from 2022 to 2024. In the sports beverage segment, *Eastroc Water Boost* (*東鵬補水啦*), launched in January 2023, quickly gained traction by establishing a strong connection with hydration and sweating-related scenarios, achieving widespread recognition with its functional claim of "Quick electrolytes, full balance (*快速補充電解質*)." *Eastroc Water Boost* achieved nearly RMB1.5 billion in revenue in its second year after launch, marking a 280.4% year-over-year growth.

We also strategically focus on beverage products with long lifecycle and significant market potential, steadily expanding our product portfolio in recent years to better meet consumers' diverse beverage preferences. By positioning our functional beverages as high value-for-money products, we have successfully made them appealing to the mass market. While ensuring price

competitiveness, we provide consumers with high-quality products that enhance their sense of value and foster greater brand loyalty. Currently, our product portfolio includes energy beverages, sports beverages, tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages, and other beverage products. The chart below sets forth an overview of our major product categories:

Note: * Other beverage products primarily include tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages and other beverage products.

The following table sets forth a breakdown of our revenue by product category for the periods indicated:

	For the year ended December 31,								For the six months ended June 30,				
	2022		2023			2024			2024		2025		
	RMB	*% of total revenue*	*RMB*	*% of total revenue*	*YoY change %*	*RMB*	*% of total revenue*	*YoY change %*	*RMB*	*% of total revenue*	*RMB*	*% of total revenue*	*YoY change %*
	(in thousands, except percentages)								*(unaudited)*				
Sales of Beverage Products													
Functional beverage products:													
— *Energy beverages*	8,211,177	96.6	10,353,901	91.9	26.1	13,303,585	84.0	28.5	6,858,057	87.2	8,360,511	77.9	21.9
— *Sports beverages*	—	—	393,043	3.5	N/A	1,495,014	9.4	280.4	475,838	6.0	1,492,738	13.9	213.7
Other beverage products[1]	280,156	3.3	503,540	4.5	79.7	1,023,166	6.5	103.2	527,747	6.7	877,304	8.2	66.2
Subtotal	**8,491,333**	**99.9**	**11,250,484**	**99.9**	**32.5**	**15,821,765**	**99.9**	**40.6**	**7,861,642**	**99.9**	**10,730,553**	**100.0**	**36.5**
Others[2]	8,690	0.1	6,651	0.1	(23.5)	8,571	0.1	28.9	7,827	0.1	1,859	0.0	(76.2)
Total[3]	**8,500,023**	**100.0**	**11,257,135**	**100.0**	**32.4**	**15,830,336**	**100.0**	**40.6**	**7,869,469**	**100.0**	**10,732,412**	**100.0**	**36.4**

Notes:

(1) Other beverage products primarily include tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages and other beverage products.

(2) Others primarily refer to (i) sales of packaging materials, and (ii) revenue from providing advertising service and other services. The decrease from 2022 to 2023 was primarily because we no longer generated revenue from the provision of advertising service and other services since the disposal of Pengzhirui in 2023. For details, see "Financial Information — Description of Major Components of our Results of Operations — Revenue."

(3) Revenue generated from mainland China accounted for 100.0%, 99.8%, 99.8% and 99.8% of our total revenue in 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively, with the remaining revenue mainly derived from Hong Kong and Southeast Asian countries, such as Indonesia and Vietnam.

The following table sets forth a breakdown of the gross profit and gross profit margin of our beverage products for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Functional beverage products:										
— *Energy beverages*	3,485,865	42.5	4,615,514	44.6	6,325,133	47.5	3,204,103	46.7	4,173,992	49.9
— *Sports beverages*	—	—	100,964	25.7	433,677	29.0	136,387	28.7	464,943	31.1
Other beverage products	38,379	13.7	41,210	8.2	220,590	21.6	111,517	21.1	124,950	14.2
Total	**3,524,244**	**41.5**	**4,757,688**	**42.3**	**6,979,400**	**44.1**	**3,452,007**	**43.9**	**4,763,885**	**44.4**

The following table sets forth a breakdown of the sales volume and average selling price of our beverage products for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	Ton (in thousands)	*RMB/Ton*	*Ton (in thousands)*	*RMB/Ton*	*Ton (in thousands)*	*RMB/Ton*	*Ton (in thousands)*	*RMB/Ton*	*Ton (in thousands)*	*RMB/Ton*
Functional beverage products:										
— *Energy beverages*	1,867	4,399	2,388	4,336	3,083	4,315	1,605	4,272	1,966	4,252
— *Sports beverages*	—	—	174	2,259	661	2,262	209	2,271	686	2,177
Other beverage products	189	1,484	295	1,705	472	2,167	238	2,217	398	2,207
Total	**2,056**	**4,131**	**2,857**	**3,938**	**4,216**	**3,752**	**2,053**	**3,830**	**3,049**	**3,519**

OUR SALES CHANNELS

We have established a robust offline sales network, and continue to strengthen our presence in online, catering and other emerging channels. By partnering with distributors and key account customers that meet our operational standards, we have built a widespread and deeply penetrated omni-channel sales network. We strategically expand our sales through continuously advancing our nationwide expansion strategy, deploying more beverage coolers at POS, and exploring emerging channels including catering, social commerce, and live-streaming. The table below sets forth our revenue breakdown by sales channels in the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Sales of Beverage Products										
Distribution partners:	8,352,622	98.3	10,934,175	97.2	15,260,947	96.4	7,542,449	95.8	10,238,414	95.4
— *Distributors*	7,581,023	89.2	9,911,898	88.0	13,606,586	85.9	6,919,112	87.9	9,349,664	87.1
— *Key account customers through distributors*	669,144	7.9	866,537	7.7	1,297,091	8.2	471,545	6.0	642,349	6.0
— *Online sales*	102,455	1.2	155,740	1.5	357,270	2.3	151,792	1.9	246,401	2.3
Direct sales to key account customers	66,100	0.8	239,841	2.1	446,437	2.8	269,263	3.4	446,955	4.2
Self-operated online stores	39,643	0.5	49,568	0.4	88,148	0.6	36,865	0.5	43,760	0.4
Other channels[(1)]	32,968	0.4	26,900	0.2	26,233	0.1	13,065	0.2	1,424	0.0
Subtotal	**8,491,333**	**99.9**	**11,250,484**	**99.9**	**15,821,765**	**99.9**	**7,861,642**	**99.9**	**10,730,553**	**100.0**
Others[(2)]	8,690	0.1	6,651	0.1	8,571	0.1	7,827	0.1	1,859	0.0
Total	**8,500,023**	**100.0**	**11,257,135**	**100.0**	**15,830,336**	**100.0**	**7,869,469**	**100.0**	**10,732,412**	**100.0**

Notes:

(1) Other channels primarily refer to revenue derived from the production of contract-manufactured beverage products, mainly tea beverages and juice beverages, on behalf of a customer.

(2) Others primarily refer to (i) sales of packaging materials, and (ii) revenue from providing advertising service and other services. For details, see "Financial Information — Description of Major Components of our Results of Operations — Revenue."

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers were primarily our distribution partners, who purchase and resell our products. In 2022, 2023, 2024 and the six months ended June 30, 2025, the aggregate sales to our five largest customers in each period during the Track Record Period amounted to RMB582.1 million, RMB594.8 million, RMB804.8 million and RMB477.7 million, respectively, representing 6.8%, 5.3%, 5.1% and 4.5% of our revenue for the same periods, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2025, the sales to our largest customer in each period during the Track Record Period amounted to RMB145.0 million, RMB164.2 million, RMB233.7 million and RMB130.9 million, respectively, representing 1.7%, 1.5%, 1.5% and 1.2% of our revenue for the same periods, respectively.

Our suppliers primarily include raw material suppliers, advertising service suppliers, logistics service providers, beverage cooler suppliers, manufacturing service suppliers and equipment suppliers. In 2022, 2023, 2024 and the six months ended June 30, 2025, the aggregate purchases from our top five suppliers in each period during the Track Record Period amounted to RMB1,574.6 million, RMB2,168.8 million, RMB2,757.6 million and RMB1,818.4 million, respectively which accounted for 26.2%, 27.9%, 24.6% and 25.4% of our total purchases for the same periods, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2025, purchases from our largest supplier in each period during the Track Record Period amounted to RMB460.1 million, RMB619.8 million, RMB914.4 million and RMB566.4 million, respectively, which accounted for 7.7%, 8.0%, 8.2% and 7.9% of our total purchases for the same periods, respectively.

OUR PRODUCTION

As of June 30, 2025, we operated nine production bases strategically located across key regions, including Zengcheng Base, Dongguan Base, South China Base, Anhui Base, Nanning Base, Chongqing Base, Haifeng Base, Zhejiang Base and Changsha Base. These bases enhance our geographical market coverage, reduce logistics and transportation costs, and ensure timely delivery and efficient distribution across our nationwide market channels.

To ensure our production network remains aligned with regional market demands and supports our continued growth, we are strategically expanding our existing production bases while also planning new facilities to enhance capacity and optimize our nationwide production and sales footprint. As of June 30, 2025, we had commenced the production capacity expansion of four of our existing production bases, as well as the construction of three new production bases, and one new production base was under planning.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

During the Track Record Period, we delivered strong revenue growth, solid profitability, and robust cash flow. Our revenue grew from RMB8,500.0 million in 2022 to RMB15,830.3 million in 2024, with a CAGR of 36.5%, and grew by 36.4% from RMB7,869.5 million for the six months ended June 30, 2024 to RMB10,732.4 million for the same period in 2025. Alongside this rapid growth, we leverage our industry-leading advanced manufacturing capabilities, collaborative supply chain planning, optimized channel distribution and digital empowerment to effectively enhance our operational efficiency and profitability, achieving cost advantage. As a result, our net profit increased from RMB1,440.5 million in 2022 to RMB3,326.4 million in 2024, with a CAGR of 52.0%, and increased by 37.2% from RMB1,730.6 million for the six months ended June 30, 2024 to RMB2,374.5 million for the same period in 2025. Our net profit margin increased from 16.9% in 2022 to 18.1% in 2023, 21.0% in 2024, and further to 22.1% in the six months ended June 30, 2025.

We maintain strong cash flows and are committed to sharing profits with Shareholders. Our net cash flow from operating activities reached RMB2,026.1 million, RMB3,281.3 million, RMB5,789.4 million and RMB1,740.5 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. While maintaining a healthy cash position, we have distributed dividends annually since our listing on the Shanghai Stock Exchange in 2021. During the Track Record Period and up to the date of this Document, we declared dividends of RMB5.4 billion in total, with a cumulative payout ratio around 60%, calculated by dividing the amount of our declared dividends by the sum of profit attributable to owners of our Company during the Track Record Period reflecting our commitment to returning value to investors.

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountants' Report in Appendix I to this Document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this Document, including the related notes. Our financial information was prepared in accordance with IFRS.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Revenue	8,500,023	100.0	11,257,135	100.0	15,830,336	100.0	7,869,469	100.0	10,732,412	100.0
Cost of sales	(4,968,070)	(58.4)	(6,496,363)	(57.7)	(8,847,018)	(55.9)	(4,416,081)	(56.1)	(5,968,123)	(55.6)
Gross profit	**3,531,953**	**41.6**	**4,760,772**	**42.3**	**6,983,318**	**44.1**	**3,453,388**	**43.9**	**4,764,289**	**44.4**
Other income	107,802	1.3	239,352	2.1	383,832	2.4	179,734	2.3	174,500	1.6
Other gains and losses	32,288	0.4	76,507	0.7	72,969	0.5	34,925	0.4	117,966	1.0
Impairment losses under expected credit loss model, net of reversal	(358)	(0.0)	(1,692)	(0.0)	(958)	(0.0)	(1,620)	(0.0)	(1,928)	(0.0)
Distribution and selling expenses	(1,449,276)	(17.1)	(1,955,671)	(17.4)	(2,681,080)	(16.9)	(1,225,004)	(15.6)	(1,681,519)	(15.7)
Administrative expenses	(289,962)	(3.4)	(405,521)	(3.6)	(485,221)	(3.1)	(227,567)	(2.9)	(286,598)	(2.7)
Research and development expenses	(43,755)	(0.5)	(54,391)	(0.5)	(62,671)	(0.4)	(29,620)	(0.4)	(32,927)	(0.3)
Finance costs	(52,682)	(0.7)	(80,086)	(0.7)	(102,876)	(0.7)	(42,294)	(0.5)	(50,130)	(0.5)
[REDACTED]	—	—	—	—	—	—	—	—	[REDACTED]	[REDACTED]
Profit before tax	**1,836,010**	**21.6**	**2,579,270**	**22.9**	**4,107,313**	**25.9**	**2,141,942**	**27.2**	**3,001,570**	**28.0**
Income tax expense	(395,489)	(4.7)	(539,498)	(4.8)	(780,883)	(4.9)	(411,350)	(5.2)	(627,055)	(5.8)
Profit for the year/period	**1,440,521**	**16.9**	**2,039,772**	**18.1**	**3,326,430**	**21.0**	**1,730,592**	**22.0**	**2,374,515**	**22.1**
Other comprehensive (expense) income										
Exchange differences arising on translation of foreign operations	(14,340)	(0.1)	19,405	0.2	37,387	0.2	10,553	0.1	(26,938)	(0.3)
Total comprehensive income for the year/period	**1,426,181**	**16.8**	**2,059,177**	**18.3**	**3,363,817**	**21.2**	**1,741,145**	**22.1**	**2,347,577**	**21.9**
Profit (loss) for the year/period attributable to:										
Owners of the Company	1,440,521	16.9	2,039,772	18.1	3,326,710	21.0	1,730,592	22.0	2,374,751	22.1
Non-controlling interests	—	—	—	—	(280)	(0.0)	—	—	(236)	(0.0)
Profit for the year/period	**1,440,521**	**16.9**	**2,039,772**	**18.1**	**3,326,430**	**21.0**	**1,730,592**	**22.0**	**2,374,515**	**22.1**
Total comprehensive income (expense) for the year/period attributable to:										
Owners of the Company	1,426,181	16.8	2,059,177	18.3	3,364,097	21.2	1,741,145	22.1	2,347,813	21.9
Non-controlling interests	—	—	—	—	(280)	(0.0)	—	—	(236)	(0.0)
Total comprehensive income for the year/period	**1,426,181**	**16.8**	**2,059,177**	**18.3**	**3,363,817**	**21.2**	**1,741,145**	**22.1**	**2,347,577**	**21.9**

We recorded profit for the year/period of RMB1,440.5 million, RMB2,039.8 million, RMB3,326.4 million and RMB2,374.5 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, primarily due to the increase in our revenue driven by our business growth. For the fluctuations of key financial items set forth in our consolidated statements of profit or loss and other comprehensive income during the Track Record Period, see "Financial Information — Period-to-period Comparison of Results of Operations" for details.

Consolidated Statements of Financial Position

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this Document.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Total non-current assets	4,623,766	5,941,488	9,970,672	10,635,864
Total current assets	7,246,192	8,768,562	12,705,625	12,279,536
Total assets	**11,869,958**	**14,710,050**	**22,676,297**	**22,915,400**
Total non-current liabilities	99,658	338,952	139,674	472,780
Total current liabilities	6,705,700	8,047,341	14,845,042	13,703,495
Total liabilities	**6,805,358**	**8,386,293**	**14,984,716**	**14,176,275**
Net current assets/(liabilities)	**540,492**	**721,221**	**(2,139,417)**	**(1,423,959)**
Net assets	**5,064,600**	**6,323,757**	**7,691,581**	**8,739,125**
Share capital	400,010	400,010	520,013	520,013
Reserves	4,664,590	5,923,747	7,167,791	8,215,571
Equity attributable to owners of the Company	5,064,600	6,323,757	7,687,804	8,735,584
Non-controlling interests	—	—	3,777	3,541
Total equity	**5,064,600**	**6,323,757**	**7,691,581**	**8,739,125**

Our net current liabilities decreased from RMB2,139.4 million as of December 31, 2024 to RMB1,424.0 million as of June 30, 2025, primarily due to (i) the increase in time deposits of RMB2,179.9 million, mainly attributable to our improved cash position in line with our business growth, and (ii) the decrease in contract liabilities of RMB1,093.5 million, mainly attributable to the seasonally high level of advance payments at the end of 2024, resulting from the stockpiling to support sales around the 2025 Chinese New Year; partially offset by the decrease in cash and cash equivalents of RMB1,268.0 million.

We recorded net current liabilities of RMB2,139.4 million as of December 31, 2024, compared to net current assets of RMB721.2 million as of December 31, 2023. The change was primarily due to (i) the increase in the current portion of borrowings of RMB3,535.4 million, (ii) the increase in contract liabilities of RMB2,153.3 million, mainly attributable to the increase in advance payment received from our customers resulting from the stockpiling to support our sales around the upcoming Chinese New Year, as well as the increase in accrued sales rebates and discounts to our distribution partners in line with our business expansion, and (iii) the increase in trade and other payables of RMB1,022.5 million, mainly attributable to the increased purchase from our suppliers in line with our business expansion; partially offset by the increase in financial assets at FVTPL of RMB3,349.2 million.

Our net current assets increased from RMB540.5 million as of December 31, 2022 to RMB721.2 million as of December 31, 2023, primarily due to (i) the increase in time deposits of RMB1,620.8 million and (ii) the increase in cash and cash equivalents of RMB1,436.5 million, both mainly attributable to our improved cash position in line with our business growth; partially offset by the decrease in financial assets at FVTPL of RMB2,094.3 million.

We also recorded net assets of RMB5,064.6 million, RMB6,323.8 million, RMB7,691.6 million and RMB8,739.1 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. The increase in net assets during the Track Record Period was primarily due to the profit for the year/period incurred, which was RMB1,440.5 million, RMB2,039.8 million, RMB3,326.4 million and RMB2,374.5 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively; partially offset by dividends recognized as distribution. For details, see the Accountants' Report included in Appendix I to this Document for a detailed description of our consolidated statements of changes in equity.

Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
			(RMB in thousands)		
Operating cash flows before movements in working capital	1,839,115	2,471,079	3,851,769	2,020,297	2,851,324
Changes in working capital	598,796	1,366,506	2,647,975	508,712	(596,909)
Income taxes paid	(427,718)	(615,570)	(792,632)	(319,433)	(519,708)
Interest received	15,913	59,255	82,296	57,717	5,751
Net cash generated from operating activities	2,026,106	3,281,270	5,789,408	2,267,293	1,740,462
Net cash used in investing activities	(3,335,769)	(758,307)	(6,875,491)	(2,587,516)	(1,225,771)
Net cash generated from/(used in) financing activities	1,764,223	(1,057,905)	1,507,450	1,844,257	(1,788,064)
Net increase/(decrease) in cash and cash equivalents	**454,560**	**1,465,058**	**421,367**	**1,524,034**	**(1,273,373)**
Cash and cash equivalents at the beginning of the year/period	999,135	1,438,572	2,875,073	2,875,073	3,328,162
Effect of foreign exchange rate changes	(15,123)	(28,557)	31,722	16,389	5,354
Cash and cash equivalents at the end of the year/period	**1,438,572**	**2,875,073**	**3,328,162**	**4,415,496**	**2,060,143**

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Revenue growth rate	N/A	32.4%	40.6%	36.4%
Gross profit margin	41.6%	42.3%	44.1%	44.4%
Net profit growth rate	N/A	41.6%	63.1%	37.2%
Net profit margin	16.9%	18.1%	21.0%	22.1%
Current ratio	1.1	1.1	0.9	0.9
Quick ratio	1.0	1.0	0.8	0.8
Gearing ratio	65.3%	52.9%	86.5%	75.0%
Return on equity	31.0%	35.8%	47.5%	N/A

For the calculation methods of the aforementioned key financial ratios, see "Financial Information — Key Financial Ratios."

COMPETITION

We operate in a rapidly evolving soft beverage industry. We face competition from various beverage brands, competing across factors such as brand recognition, product quality and efficacy, sales and distribution network and supply chain systems. Comprehensive business capabilities are essential for nationwide and overseas expansion, while consumer recognition and targeted marketing play a critical role in successfully penetrating regional markets. Established market leaders have leveraged economies of scale, brand influence, and extensive sales networks to consolidate their market share. The market share of the top five players in China's functional beverage industry in terms of sales volume increased from 57.8% in 2022 to 61.6% in 2024, reflecting the further consolidation of the industry. We believe that we are well-positioned to compete effectively given our competitive strengths and strategies.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Lin directly held as beneficial owner 49.74% of our total issued share capital. In addition, Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng together held as beneficial owners, 0.42% of our total issued share capital, and Mr. Lin held 99.998%, 99.89% and 99.87% interests as a limited partner in Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng, respectively. Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Lin will directly hold as beneficial owner **[REDACTED]**% of our total issued share capital, Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng will hold as beneficial owners, in aggregate, **[REDACTED]**% of our total issued share capital, and together they will hold approximately **[REDACTED]**% of our total issued share capital. As such, solely for the purpose of the Hong Kong Listing Rules, Mr. Lin, Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng are deemed to be a group of controlling shareholders immediately upon the completion of the **[REDACTED]**.

[REDACTED]

[REDACTED]

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE

Since May 2021, our Company has been listed on the Shanghai Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with the rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations in any material respects and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the **[REDACTED]** attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Adviser is of the view that the confirmation of our Directors above with regard to our compliance record is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Adviser's view, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange in any material respect.

DIVIDENDS

Our Company declared annual dividends of RMB800.0 million, RMB1,000.0 million and RMB2,300.0 million for the year ended December 31, 2022, 2023 and 2024, respectively. As of the Latest Practicable Date, the aforementioned dividends had been paid in full. In October 2024, 120,003,000 ordinary shares were approved and issued as bonus shares. The resolution of an interim dividend for the six months ended June 30, 2025 of RMB1,300.0 million has been

approved by our Board of Directors on July 25, 2025. As of the Latest Practicable Date, such interim dividend had been paid in full. See Note 40 to the Accountants' Report in Appendix I to this Document for details.

In April 2024, our Board established a shareholder return and dividend policy for the next three years (the "**Dividend Policy**"), which was approved by our Shareholders in the same month. Pursuant to the Dividend Policy and our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. A fixed dividend payout ratio was not stipulated in the Dividend Policy. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC Law and approval by our Shareholders.

We intend to distribute cash dividends to our Shareholders at least on an annual basis, subject to the discretion of our Directors in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong.

Our future declarations of dividends may not be in line with our historical declaration of dividends and will be subject to the approval of our Shareholders. See "Risk Factors — Risks Relating to the **[REDACTED]** — Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute dividend in the future" in this Document for details.

USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the **[REDACTED]** Range of between HK$**[REDACTED]** and HK$**[REDACTED]** per H Share), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated expenses paid and payable by us in connection with the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised. In line with our strategies, we intend to use our **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]**, will be allocated to enhancing our production capacity and upgrading our supply chain;

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]**, will be allocated to enhancing our brand building and consumer engagement to continuously strengthen our brand influence;

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to advancing our nationwide expansion strategy, strengthening, deepening, and refining our channel network;

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to overseas business expansion and potential investments and acquisitions;

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to advancing our digitalization capabilities across full cycle of our business;

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to enhancing our product development capabilities and expanding our product portfolio; and

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to working capital and general corporate purposes.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]**, and (ii) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming full payment of the discretionary **[REDACTED]**, the estimated total **[REDACTED]** expenses (based on the mid-point of the **[REDACTED]** Range and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]**, accounting for approximately of **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]** expenses, we expect to pay **[REDACTED]**-related expenses of HK$**[REDACTED]**, professional fees for our and the **[REDACTED]** legal advisors and Reporting Accountants of HK$**[REDACTED]** and other fees and expenses of HK$**[REDACTED]**. An estimated amount of HK$**[REDACTED]** for our **[REDACTED]** expenses, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**, is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**. We recognized **[REDACTED]** expenses of RMB**[REDACTED]** for the six months ended June 30, 2025 in our consolidated statements of profit or loss and other comprehensive income.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Impact of COVID-19

The COVID-19 pandemic, which began in early 2020, continued to spread worldwide through 2022, including in regions where we have business operations and where our customers, suppliers and business partners are located. To contain the virus spread within our office premises and production facilities and protect the well-being of our employees, we adopted various mitigation measures, such as remote working, social distancing and mask wearing, and other site-specific precautionary measures. Our production, supply chain, daily operations and financial results had not been materially adversely affected during the Track Record Period. As the COVID-19 pandemic has since subsided, we do not anticipate further adverse impact by the pandemic on our business and financial performance. See "Risk Factors — Our financial and operating performance may be adversely affected by epidemics, adverse weather conditions, natural disasters and other catastrophes" for details.

No Material Adverse Change

Our Directors have confirmed that, up to the date of this Document, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since June 30, 2025, being the end date of our latest audited financial statements, and there has been no event since June 30, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I.

RISK FACTORS

Our business and the **[REDACTED]** involve certain risks, including risks relating to (i) our business and industry; (ii) doing business in the countries and regions where we operate; and (iii) the **[REDACTED]**. Some of the major risks we face include, but are not limited to, the following:

- We may not be able to respond to changing consumer taste, preferences and perceptions effectively. Any failure to successfully develop, launch and promote new products may adversely affect our business development plans and profitability.
- Any failure to maintain, protect and enhance our brand or reputation may adversely affect our business and results of operations.
- We operate in a highly competitive and evolving market. Failure to compete effectively may adversely affect our market share and profitability.

- Any product quality and food safety issues related to our products, or concerns about the safety, quality or health effects of our products could have a material and adverse effect on our reputation, financial condition and results of operations.
- We may incur significant costs in connection with our branding, marketing and promotional efforts. If our marketing activities are not as effective as expected, our results of operations may be adversely impacted.
- We rely on our distribution network to promote and sell our products and generate a vast majority of revenue from our distributors. We may not be able to effectively manage and develop our distribution network, which could adversely affect our brands, operations and results of operations.
- We may not be able to efficiently sustain our business relationships with or manage our key account customers and online sales customers, which could adversely affect our brands, operations and results of operations.
- Fluctuations in the price and availability of raw materials and packaging materials may impact our product pricing, which may adversely affect our business and profitability.
- If we fail to effectively manage our future growth and implement our expansion plans, our business prospects may be adversely affected.

DEFINITIONS

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

"A Share(s)"	ordinary shares issued by our Company, with a nominal value of RMB1.00 each, which are listed on the SSE and traded in Renminbi
"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"	Accounting and Financial Reporting Council
"Articles" or "Articles of Association"	the articles of association of our Company adopted on April 2, 2025 with effect upon **[REDACTED]** (as amended from time to time), a summary of which is set out in Appendix III to this Document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors of the Company
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Chief Financial Officer"	chief financial officer of our Company
"China" or "the PRC"	the People's Republic of China, except where the content or context requires otherwise

"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Eastroc Beverage (Group) Co., Ltd. (東鵬飲料(集團)股份有限公司), a joint stock company with limited liability established in the PRC on June 30, 1994, the A Shares of which have been listed on the SSE (stock code: 605499.SH), and where the context requires, including our predecessors
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules, and, unless the context requires otherwise, refers to Mr. Lin, Dongpeng Yuandao, Dongpeng Zhiyuan, and Dongpeng Zhicheng
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"COVID-19"	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company

"Dongfang Limited"	Shenzhen Dongfang Corporation Limited* (深圳市東方企業有限公司), a state-owned corporation and a former shareholder of Eastroc Industrial
"Dongpeng Zhicheng"	Yantai Dongpeng Zhicheng Investment Development Partnership (Limited Partnership) (煙台市東鵬致誠投資發展合夥企業(有限合夥)), the details of which are set out in the section headed "History, Development and Corporate Structure"
"Dongpeng Zhiyuan"	Yantai Dongpeng Zhiyuan Investment Development Partnership (Limited Partnership) (煙台市東鵬致遠投資發展合夥企業(有限合夥)), the details of which are set out in the section headed "History, Development and Corporate Structure"
"Dongpeng Yuandao"	Yantai Dongpeng Yuandao Investment Development Partnership (Limited Partnership) (煙台市東鵬遠道投資發展合夥企業(有限合夥)), the details of which are set out in the section headed "History, Development and Corporate Structure"
"Eastroc Beverage (HongKong)"	Eastroc Beverage (HongKong) Co., Limited (東鵬飲料(香港)有限公司), a company incorporated in Hong Kong with limited liability on November 10, 2021 and a wholly-owned subsidiary of our Company
"Eastroc Industrial"	Shenzhen Eastroc Beverage Industrial Company* (深圳市東鵬飲料實業公司), our predecessor, the details of which are set out in the section headed "History, Development and Corporate Structure"
"Eastroc Limited"	Shenzhen Eastroc Beverage Industrial Co., Ltd.* (深圳市東鵬飲料實業有限公司), our predecessor, the details of which are set out in the section headed "History, Development and Corporate Structure"
"EIT"	enterprise income tax
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》)

"ESG"	Environmental, Social and Corporate Governance
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
	[REDACTED]
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
"F&S Report"	an independent market research report commissioned and prepared by Frost & Sullivan for the purpose of this Document
"GDP"	gross domestic product
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
	[REDACTED]
"Group", "our Group", "our", "we", or "us"	our Company and our subsidiaries (or our Company and any one or more of our subsidiaries, as the context may require)
"Guide"	the Guide for New Listing Applicants published by the Stock Exchange in December 2023 which took effect on January 1, 2024 (as amended or supplemented or otherwise modified from time to time)
"H Share(s)"	overseas **[REDACTED]** foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be **[REDACTED]** for and **[REDACTED]** in Hong Kong dollars and to be **[REDACTED]** on the Hong Kong Stock Exchange

[REDACTED]

"HKSCC"	the Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of the HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, **[REDACTED]** or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	the lawful currency of Hong Kong

[REDACTED]

[REDACTED]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

"IASB"	International Accounting Standards Board
"IFRS"	the International Financial Reporting Standards, which as collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the IASB
"IIT Law"	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》)
"Independent Third Party(ies)"	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules

[REDACTED]

[REDACTED]

"Joint Sponsors"	Huatai Financial Holdings (Hong Kong) Limited, Morgan Stanley Asia Limited and UBS Securities Hong Kong Limited *(in alphabetical order)*
"Kunpeng Investment"	Ruichang Kunpeng Chuangye Investment Partnership LP (Limited Partnership) (瑞昌市鯤鵬創業投資合夥企業) (有限合夥), formerly known as Yantai Kunpeng Investment Development LP (Limited Partnership) (煙台市鯤鵬投資發展合夥企業(有限合夥) and the details of which are set out in the section headed "History, Development and Corporate Structure"

"Latest Practicable Date"	September 29, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication
	[REDACTED]
"Listing Committee"	the listing committee of the Hong Kong Stock Exchange
	[REDACTED]
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Macau"	the Macau Special Administrative Region of the People's Republic of China
"Main Board"	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operates in parallel with the GEM of the Hong Kong Stock Exchange
"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. Lin"	Mr. Lin Muqin (林木勤), the chairman of our Board, an executive Director and the chief executive officer of our Company, one of our Controlling Shareholders
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of the Board

[REDACTED]

"Overseas Listing Trial Measures"	The Trial Measures for the Administration on 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 and became effective on March 31, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法)

"PRC Government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"PRC Legal Adviser"	DeHeng Law Offices, the PRC legal adviser to our Company

[REDACTED]

"Qualified Institutional Buyers" or "QIBs"	qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act
"Qualified Purchasers" or "QPs"	qualified purchasers as defined in section 2(a)(51) under the U.S. Investment Company Act
"Regulation S"	Regulation S under the U.S. Securities Act

[REDACTED]

"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
"SAMR"	the 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"	the State Administration of Taxation of the PRC (中華人民共和國國家税務總局)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"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
"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 Stock Exchange" or "SSE"	the Shanghai Stock Exchange (上海證券交易所)
"Shanghai Stock Exchange Listing Rules"	the Rules Governing the Listing of Stock on the Shanghai Stock Exchange (《上海證券交易所股票上市規則》), as amended from time to time
"Share(s)"	A Share(s) and H Share(s) in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of the Share(s)
	[REDACTED]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy and ESG Committee"	the strategy and ESG committee of the Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules

"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code" or "Hong Kong Takeovers Code"	the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the period comprising financial years ended December 31, 2022, 2023, 2024 and the six months ended June 30, 2025

[REDACTED]

"United States" or "U.S."	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
"United States dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Investment Company Act"	the United States Investment Company Act of 1940, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"U.S. Person"	has the meaning given to such term in Rule 902(k) of Regulation S
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"VAT"	value-added tax

[REDACTED]

For ease of reference, the names of PRC laws and regulations, governmental authorities, institutions, nature persons or other entities (including our subsidiaries) have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

* *For identification purpose only*

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this Document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"amino acid"	an organic chemical forming the basic building unit of proteins
"app"	a mobile application, which is an application designed to run on smartphones, tablets, or other mobile devices
"CAGR"	compound annual growth rate
"chloride"	a type of electrolyte that works with other electrolyte substances to keep the proper balance of body fluids and to maintain the body's acid-base balance
"corrugated fiberboard"	a type of packaging material consisting of a fluted corrugated sheet and one or two flat linerboards
"distribution partners"	our customers that contractually resell, or are reasonably expected to resell our products
"electrolyte"	compounds that can produce free ions and conduct electricity in aqueous solutions or molten states, which are essential minerals for the human body
"'five-code integration' technology"	a technology developed by us that assigns unique QR codes at key stages throughout the production-to-sales process — including inner cap codes, outer cap codes, inner box codes, outer box codes, and pallet codes
"HACCP"	Hazard Analysis and Critical Control Point, a system to identify, assess and control hazards in the food
"inositol"	a type of sugar that helps make cell membranes and regulate insulin levels
"IP"	intellectual property

"ISO22000"	ISO22000 food safety management system, an internationally accepted food safety management system implemented by the International Organization for Standardization
"KPI"	key performance indicator
"L" or "liter"	a metric unit of liquid volume capacity, equal to 1,000 ml
"lysine"	an α-amino acid involved in growth, tissue repair, collagen production, and other important bodily functions
"mini program"	an application built within the WeChat platform; third party companies can develop mobile-app-like applications for users that run within the WeChat
"ml" or "milliliter"	a metric unit of liquid volume capacity, equal to one thousandth of a liter
"'One Item, One Code' system"	a code system developed by us to embed a unique QR code inside the bottle cap of each of our soft beverage products
"PET"	polyethylene terephthalate, which can be used for blow molding of plastic bottles
"Polyester chips"	short fibers or pellets that are produced by melting and extruding PET resin, which are for the production of polyester-based products
"POS"	point(s) of sale
"potassium ions"	an electrolyte to maintain normal levels of fluid inside body cells
"prefecture-level city"	a main administrative unit in China, one rank below that of provinces
"R&D"	research and development
"sodium"	a chemical element which is one of the essential minerals in human body

GLOSSARY OF TECHNICAL TERMS

"SPU"	standard product unit
"taurine"	2-aminoethanesulfonic acid, a non-proteinogenic naturally occurring amino sulfonic acid that is widely distributed in animal tissues
"ton"	a unit of mass equal to 1,000 kilograms
"vitamin PP" or "niacin"	an organic compound and a vitamer of vitamin B3, an essential human nutrient that contributes to normal energy-yielding metabolism, reduction of tiredness and fatigue, normal functioning of the nervous system, normal psychological function and maintenance of normal skin

FORWARD-LOOKING STATEMENTS

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

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

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

- developments in technology and our ability to successfully keep up with technological advancement;

- our ability to attract and retain experienced professionals and other qualified employees and key personnel;

- changes in currency exchange rates; and

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

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

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

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may not be able to respond to changing consumer taste, preferences and perceptions effectively. Any failure to successfully develop, launch and promote new products may adversely affect our business development plans and profitability.

Our success relies significantly on our ability to identify and adapt to changing consumer taste, preferences, and perceptions. The demand for our products is shaped by factors such as consumer lifestyles, health awareness, social trends, and economic conditions. Any changes in these factors could result in a decline in consumer demand for our products. Additionally, consumer demand for new and diversified offerings has intensified as both established and emerging brands actively launch alternatives to capture market share.

To address evolving consumer preferences, we have consistently devoted significant resources to developing new products. However, the development and launch of new products involve uncertainties, including the risk of untimely product development failing to meet market demand, the risk of market or consumer rejection, unforeseen challenges in production or distribution, and the possibility of unintended impacts on our existing product portfolio. Moreover, the introduction of new products may lead to cannibalization with our current offerings, further complicating our ability to maintain overall revenue growth.

We cannot assure that these initiatives will meet consumer expectations, achieve widespread market acceptance, or effectively distinguish our products from those of competitors. If any of these risks materialize, our business, financial condition, and results of operations could be materially and adversely affected.

Any failure to maintain, protect and enhance our brand or reputation may adversely affect our business and results of operations.

Our success depends on our ability to maintain, protect, and enhance the recognition of our brand for both existing and new products, as well as our overall corporate reputation. Failure to achieve this could undermine our brand value and image, materially and adversely affecting our business, financial condition, and results of operations.

Any claims or allegations regarding product safety, quality, ingredient content, or environmental impact, even if false or unfounded, could tarnish the image of our brand. Such incidents may lead consumers to choose alternative products, significantly reducing demand for our products. Consumer demand for our products could also significantly diminish if we or our employees, suppliers, distribution partners, service providers or other business partners fail to preserve the quality of our products, act or are perceived to act in an unethical, illegal or socially irresponsible manner, including with respect to the production or sale of our products, service and treatment of our customers, or the use of customer data.

We cannot assure that we will not receive any material consumer complaints or that no one will utilize our brand illegally, which could cause a material adverse effect on our future operations.

The long-term success of our brand also relies on maintaining its relevance and appeal amid evolving market trends, consumer preferences, and competitive pressures. Our established brand image may become less attractive or outdated if we fail to innovate, refresh our brand image, or effectively communicate our value proposition. Brand aging could lead to a decline in brand equity, reduced customer loyalty, and lower sales performance.

We operate in a highly competitive and evolving market. Failure to compete effectively may adversely affect our market share and profitability.

The soft beverage industry in which we operate is highly competitive and constantly evolving. We face intense competition from other market players across various product categories. Competitors with longer operating histories, greater resources, or stronger R&D capabilities may introduce superior products, respond more swiftly to market trends, or implement more effective marketing strategies, all of which could adversely impact our market position. At the same time, smaller, more agile brands may prove to be more innovative, quicker to launch new products, and better positioned to serve niche markets effectively. Furthermore, as consumers become increasingly health-conscious, competition in the functional beverage market is intensifying, posing additional challenges from emerging brands.

Our competitors may adopt aggressive pricing strategies. If we are unable to match competitors' pricing or promotional activities, we risk losing customers and experiencing a decline in sales. Furthermore, our competitors may invest significantly in advertising, product placement, and digital engagement to strengthen their brand appeal. If we fail to match or surpass such efforts, our ability to attract and retain customers may be compromised. It is also possible that our industry may undergo significant consolidation or alliances, enabling competitors to rapidly expand their market share.

Any inability on our part to respond effectively to these competitive dynamics could materially and adversely affect our brand, reputation, results of operations, financial condition, and overall business prospects.

Any product quality and food safety issues related to our products, or concerns about the safety, quality or health effects of our products could have a material and adverse effect on our reputation, financial condition and results of operations.

Maintaining product quality and ensuring food safety are fundamental to our business and critical to sustaining consumer trust and loyalty. We have established robust quality and safety standards, supported by a quality control system designed to minimize risks throughout our operations. However, the effectiveness of this system depends on both its design and its consistent implementation. Despite these measures, our quality control system may not always be effective, and we may not identify defects or potential risks in a timely manner. Any failure to detect, prevent, or respond effectively to product quality or food safety issues could expose us to liability claims, damage our reputation, and result in penalties from regulatory authorities, which could materially and adversely affect our business and results of operations.

Incidents such as contamination, defective packaging, or the presence of harmful substances in our products could result in product recalls, consumer complaints, or regulatory penalties, severely harming our brand and incurring significant financial costs. Even occasional incidents could attract media scrutiny or negative publicity, amplifying consumer concerns about the safety and quality of our products. Such concerns, whether justified or not, may erode consumer confidence, reduce demand, and lead to a loss of market share.

Some of our products, such as energy beverages, contain caffeine or other functional ingredients, and may give rise to consumer concerns over potential health risks associated with excessive intake. There is no assurance that our labelling on caffeine content will fully address public concern or satisfy evolving regulatory scrutiny. Any heightened regulatory restrictions or negative consumer perception relating to caffeine or other functional ingredients could result in a decline in consumer demand for our products, and may adversely affect our brand image, financial condition and results of operations.

Moreover, our reliance on third parties, including suppliers, packaging vendors, logistics service providers and distribution partners, introduces further risks. Any failure by these business partners to adhere to our stringent quality standards, whether due to negligence, operational deficiencies, or misconduct, could lead to product quality issues. For example, the use of substandard raw materials or improper handling during transportation and storage could result in contamination or other safety concerns, exposing us to liability claims and increased regulatory scrutiny.

Failure to address these risks adequately could have a material and adverse effect on our reputation, financial condition, and results of operations.

We may incur significant costs in connection with our branding, marketing and promotional efforts. If our marketing activities are not as effective as expected, our results of operations may be adversely impacted.

Our operating results are affected by our brand marketing efforts and promotional activities. To promote our brand recognition and increase our brand value, we had invested in comprehensive branding and marketing initiatives during the Track Record Period. See "Business — Marketing — Multi-Dimensional Marketing Campaigns" for details. In 2022, 2023, 2024 and the six months ended June 30, 2025, our advertising and promoting expenses amounted to RMB636.5 million, RMB863.7 million, RMB1,331.8 million and RMB882.2 million, respectively, representing 7.5%, 7.7%, 8.4% and 8.2% of our total revenue for the same periods, respectively. Going forward, we will continue to adopt such strategies to enhance our reputation. However, there is no assurance that such expenditures will achieve the desired results. If our marketing activities fail to resonate with target consumers, or if we are unable to adapt quickly to changes in market trends and consumer preferences, our revenue growth may fall short of expectations.

Competitive pressures may also require us to increase spending on marketing and promotions to maintain market share, potentially compressing margins. Our competitors may engage in aggressive marketing strategies, which could dilute the impact of our efforts and further escalate costs.

In addition, ineffective or inappropriate marketing campaigns, as well as other unforeseeable negative press or public opinion, may damage our brand reputation, leading to negative consumer perceptions and reduced demand for our products. Any misstep in our marketing efforts, whether due to execution errors, inadequate market analysis, or shifts in consumer behavior, could adversely affect our results of operations and financial performance.

We rely on our distribution network to promote and sell our products and generate a vast majority of revenue from our distributors. We may not be able to effectively manage and develop our distribution network, which could adversely affect our brands, operations and results of operations.

We depend on an effective distribution network to deliver our products to consumers, and our distributors play an important role in expanding our geographic footprints and driving sales of our products. Our revenue generated from sales to distributors amounted to RMB7,581.0 million, RMB9,911.9 million, RMB13,606.6 million and RMB9,349.7 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing 89.2%, 88.0%, 85.9% and 87.2% of our revenue in each of the corresponding period. See "Business — Our Sales Network — Distributors" for details.

Our ability to manage and develop our distribution network depends on multiple factors, including but not limited to:

- *Maintaining relationships with existing distributors.* If we fail to sustain strong relationships with our distributors, or if our distributors terminate their agreements or reduce their engagement with us for whatever reasons, there is no assurance that we may be able to replace a distributor in its designated sales territory with comparable sales capability in a timely and cost-effective manner.

- *Ensuring compliance and performance.* Any failure by our distributors to adhere to our distribution agreements, sales policies, or applicable laws and regulations could disrupt our sales and adversely impact our business and financial performance. Furthermore, if our distributors fail to meet expected performance standards, namely the annual sales targets established for our distributors pursuant to the distribution agreements, we risk losing a significant portion, or even all, of our sales channels in the affected territories.

- *Managing daily operations.* Our policies formulated to manage distributors may prove insufficient, potentially leading to inefficiencies in supply chain management and forecasting. Insufficient control over the daily operations of distributors could make it challenging to accurately monitor sales, inventory levels, and market demand.

- *Sub-distributors.* Our distributors may engage sub-distributors to market and sell our products, but we generally lack direct contractual relationships with them, relying instead on our distributors to manage and supervise the sub-distributors they engage. There can be no assurance that the sub-distributors will always comply with our sales policies. See "Business — Our Sales Network — Distributors — Management of Sub-Distributors" for details.

- *Expanding distribution coverage.* The deepening of penetration in existing markets and development of new markets or channels may require us to engage new distributors. However, these distributors may vary in their resources, operational capabilities and alignment with our standards, potentially hindering the success of our expansion efforts and may lead to adverse impact on our brand.

The increasing complexity of managing a vast distribution network may elevate operational risks. As we continue to expand geographically, coordinating with a growing number of distributors and ensuring consistent execution of our brand and sales strategies may become more challenging. Any failure to align distributors with our goals could result in suboptimal market penetration, inefficient use of resources, or reputational damage.

In addition, competitors may offer more favorable terms or stronger incentives to our distributors, potentially reducing their commitment to promoting our products. If we are unable to retain our distributors or attract new ones, it may adversely affect our market presence and revenue generation.

Any disruptions or inefficiencies in our distribution network could hinder product availability, damage consumer trust in our brand, and negatively impact our financial performance. Failure to effectively manage and develop our distribution network could, therefore, materially and adversely affect our brands, operations, and results of operations.

We may not be able to efficiently sustain our business relationships with or manage our key account customers and online sales customers, which could adversely affect our brands, operations and results of operations.

Our key account customers are strategic partners with whom we cultivate long-term, customized business relationships. In 2022, 2023, 2024 and the six months ended June 30, 2025, revenue generated from our key account customers amounted to RMB735.2 million, RMB1,106.4 million, RMB1,743.5 million and RMB1,089.3 million, respectively, representing 8.6%, 9.8%, 11.0% and 10.1% of our total revenue for the same periods, respectively. See "Business — Our Sales Network — Key Account Customers" for details. Any failure to maintain strong relationships with these key account customers or to establish new ones could negatively impact our brand, financial performance, and operational results.

In addition, sales generated via online sales channels had been growing remarkably during the Track Record Period, driven by the rising popularity of e-commerce and social media platforms. However, this trend presents challenges, including potential competition and cannibalization between offline and online sales channels. If we are unable to balance our marketing efforts, optimize product mix, or develop effective pricing strategies across these

channels, such competition and overlap could harm our business, financial condition, and results of operations. In addition, any significant disruptions to the e-commerce and social media platforms we collaborated with, such as technical failures, or market changes, could adversely affect our online sales and brand image. Failure to effectively manage and sustain the growth of our online sales channels could negatively impact our business, operational performance, and financial condition.

Fluctuations in the price and availability of raw materials and packaging materials may impact our product pricing, which may adversely affect our business and profitability.

The principal types of our raw materials and packaging materials are sugar, PET and paper boxes. In 2022, 2023, 2024 and the six months ended June 30, 2025, our cost of raw materials and packaging materials was RMB4,018.9 million, RMB5,259.1 million, RMB7,001.3 million and RMB4,752.8 million, respectively, representing 80.9%, 81.0%, 79.1% and 79.6% of our cost of sales for the same periods, respectively. Given that the cost of raw materials and packaging materials is expected to continue to account for a large portion of our costs of sales, any fluctuation in their prices could materially and adversely impact our operations and financial performance.

The prices of raw materials and packaging materials are subject to various factors beyond our control, including supply and demand dynamics, fluctuations in commodity prices, weather conditions, and logistics costs. Specifically, the packaging materials industry is facing more stringent regulatory scrutiny due to environmental concerns. Regulatory changes, such as restrictions on single-use plastics or requirements for more sustainable packaging, could increase compliance costs or necessitate procurement of alternative materials.

We rely on third-party suppliers for raw materials and packaging materials, and any failure by these suppliers to meet our quality standards or delivery schedules could disrupt our production processes. We may not be able to procure with similar price or able to procure at all, with our increasing demand from expanded business scale. If we are unable to timely obtain raw materials and packaging materials in sufficient quantities, of satisfactory quality or at acceptable prices, our production volumes, quality of products and profit margins may be materially and adversely affected. Additionally, our ability to negotiate favorable terms with suppliers may be limited by market conditions or supplier consolidation, further impacting costs and operational flexibility.

Increased costs or shortages of raw materials and packaging materials could force us to adjust product pricing to maintain profitability. However, price increases may reduce the competitiveness of our products, potentially affecting consumer demand and market share. Alternatively, absorbing cost increases without raising prices could erode our margins and adversely affect our financial

results. If we are unable to secure stable and cost-effective supplies of raw materials and packaging materials or to effectively manage related risks, our business operations, profitability, and overall financial condition could be materially and adversely affected.

If we fail to effectively manage our future growth and implement our expansion plans, our business prospects may be adversely affected.

We experienced rapid revenue growth during the Track Record Period. Our revenue increased significantly by 32.4% from RMB8,500.0 million in 2022 to RMB11,257.1 million in 2023, and further increased by 40.6% to RMB15,830.3 million in 2024. Our revenue also increased by 36.4% from RMB7,869.5 million in the six months ended June 30, 2024 to RMB10,732.4 million during the same period in 2025. Rapid growth may strain our operational and management resources. Scaling up our production, distribution, and sales capabilities while maintaining consistent product quality and brand reputation requires robust management systems and processes. Failure to efficiently allocate resources, recruit and retain qualified personnel, or maintain operational effectiveness could affect our ability to meet growing consumer demand or respond to market dynamics. Moreover, our historical performance may not be indicative of our future performance. The sustainability of our growth depends on a number of factors, many of which are beyond our control, including evolving consumer preferences and demand, competition, regulatory evolvement and changes in economic condition. If we are not able to effectively manage our business growth and further expand our operations as needed, we may not be able to successfully implement the strategies necessary to further our business prospects on schedule or within our budget. Accordingly, we may not be able to sustain the growth we achieved in the past. Any failure to manage our future growth effectively may materially and adversely affect our business operations and prospects.

We also plan to actively seek strategic opportunities for acquisitions of or investments. However, we may face difficulties in identifying suitable acquisition targets or investment opportunities, integrating acquired businesses, or achieving expected synergies. Additionally, acquisitions may require substantial financial resources and could expose us to liabilities or operational issues associated with the acquired businesses. If an acquisition fails to deliver anticipated benefits or results in unforeseen complications, our financial performance and growth prospects could be adversely affected.

We continually evaluate the potentials of new business initiatives or new markets. For example, we plan to expand into overseas markets with a priority on the Southeast Asian market. See "Future Plans and Use of **[REDACTED]**" for details. The overseas markets in which we plan to enter in the future may have different competitive landscape, regulatory and compliance requirements, consumer tastes and discretionary spending patterns than the markets in China, which could result in underperformance. In addition, to build brand awareness in overseas markets,

we may need to make greater investments in advertising and promotional activity than we originally planned or than we need in China, which could negatively impact the profitability of our operations in those overseas markets.

If we are unable to manage these risks or fail to implement our growth and expansion plans as intended, our business prospects, financial condition, and operational results may be materially and adversely affected.

Any defect of our full-cycle digital operating system or any failure to comply with relevant data privacy, protection and information security laws could damage our reputation and subject us to legal proceedings and regulatory scrutiny.

We increasingly rely on our full-cycle digital operating system to manage business processes and enhance decision-making, exposing us to risks related to system reliability, including but not limited to:

- cybersecurity threats, such as hacking, phishing, malware, and ransomware attacks;
- unauthorized access or data breaches caused by system vulnerabilities;
- system errors arising from the growing complexity of managing large-scale digital operations;
- data loss or corruption due to system failures, power outages, or natural disasters; and
- inadequate system updates or poor implementation of new technologies.

Any such interruption to or any material undiscovered deficiencies in our full-cycle digital operating system could disrupt our operations, lead to suboptimal business decisions, and negatively impact our production and ability to fulfill sales orders, which may adversely affect our business and results of operations.

We are subject to laws and regulations relating to the collection, storage, use, processing, transmission, retention, security and transfer of data. See "Regulatory Overview — Regulations Relating to Information Security and Data Privacy" for details. The interpretation and application of such laws and regulations may vary over time and across jurisdictions. We cannot assure you that our data privacy and protection measures will always be deemed sufficient under the then-applicable legal and regulatory framework. We may also face investigations or inspections by government authorities regarding our compliance with these laws and regulations. If our practices are found to be non-compliant, we could face penalties, operational restrictions, or reputational

damage. Furthermore, as data protection and privacy laws continue to evolve, adapting to new and changing requirements may impose costs or necessitate changes in our business practices. Failure to comply with applicable laws or adequately address privacy and data protection concerns, whether actual or perceived, could damage our reputation, disrupt our digital operations, and expose us to legal, financial, and operational risks.

The potential unsuccessful execution of our investment, maintenance or upgrades related to production equipment, facilities, technologies and other operational aspects, as well as the possible inadequacy of our production capacity, may adversely affect our business growth.

We continuously maintain and upgrade our current production equipment and facilities to ensure smooth operations. As of June 30, 2025, we had nine production bases in operation. See "Business — Our Production — Production Bases" for details. As our business continues to grow, we also expand production capacity by expanding existing facilities and constructing new production bases to support our growth. See "Business — Our Production — Production Capacity Expansion Plan" for details.

However, a number of factors could delay our expansion plan or increase our costs, including: (i) insufficient funds to establish new production equipment and facilities and maintain working capital; (ii) delays in obtaining environmental and other regulatory approvals, permits, or licenses; (iii) difficulties in securing suitable locations for new production bases; (iv) shortages, late delivery, or increased costs of construction materials and equipment; and (v) adjustments to expansion plans necessitated by technological advancements, market changes, or capacity requirements.

Moreover, a decline in market demand could prevent us from recovering the costs associated with constructing new production bases, expanding existing facilities, or maintaining increased production capacity. Delays or cancellations in our expansion plans could also lead to disputes with various counterparties such as contractors, equipment suppliers, financiers, or regulatory authorities, potentially resulting in financial or operational disruptions.

Managing these projects requires significant allocation of human and other resources. Despite our efforts, such investments, maintenance, and upgrades may not be completed successfully or generate positive cash flows or returns within a short period. Additionally, these investments may become obsolete due to changes in technology or industry standards, further impacting their effectiveness. Any of these factors could materially and adversely affect our business, financial condition, operational results, and future prospects.

We may also face production capacity constraints that hinder our ability to meet customer demand, affecting our growth prospects. If actual demand exceeds our forecasts, particularly during periods of rapid market expansion or unexpected surges in consumer demand, our production capacity may become inadequate. Failure to address capacity shortages promptly and effectively or to maintain optimal utilization rates across our facilities could significantly impact our production efficiency, operational performance, and financial results. Additionally, production disruptions could arise from various factors beyond our control, such as fires, natural disasters, extreme weather conditions, production or distribution issues, disease outbreaks, labor strikes, transportation disruptions, supply shortages, contractual disputes, government regulations, cybersecurity threats, or geopolitical events such as war or terrorism. Any such factors could impair our production processes, delay product deliveries, and negatively affect our business and reputation.

Our operation requires various approvals, licenses and permits, and any failure to obtain or renew these approvals, licenses and permits may adversely affect our business and results of operations.

Pursuant to PRC laws and regulations, we are required to maintain various approvals, licenses and permits for our operations. For example, the production and sale of functional beverages with health benefits, such as our core product *Eastroc Super Drink*, requires completing the prerequisite registrations or filings, including the health food registration certificate. This process involves rigorous evaluation and approval of ingredients, formulation, production processes, and health claims to ensure compliance with applicable laws and standards. Furthermore, we are subject to requirements relating to land use rights, environmental impact assessments, discharge of pollutants, import and export registration, among other things. See "Business — Licenses, Permits and Approvals" and "Regulatory Overview" for details.

Failure to obtain, maintain, or renew our required approvals, licenses, and permits could result in fines and disrupt our operations, thereby materially impacting our business and financial performance. In case of any noncompliance, we may have to incur significant expenses and divert substantial management time and resources to resolving any deficiencies. We may also experience negative publicity arising from such deficiencies, which may materially and adversely affect our business and financial performance.

If our third-party service providers and business partners do not satisfactorily fulfill their commitments and responsibilities, our business and financial performance could be adversely affected.

In the conduct of our business operations, we cooperate with third parties, including suppliers of raw materials and packaging materials, promotion service providers, and other business partners, to support critical aspects of our operations. Any interruption, discontinuation, or deterioration in these relationships could materially and adversely affect our results of operations. Such disruptions may arise from various factors, including interruptions to our partners' operations, their inability to support our fast-growing business needs, termination or suspension of agreements, changes in cooperation terms, or disputes with these partners.

Our third-party service providers and business partners may fail to fulfill their commitments and responsibilities on time or in compliance with agreed terms or applicable laws. Furthermore, we have limited control over their business operations, governance and compliance systems, practices and procedures, which heightens our exposure to financial, legal, reputational and operational risks. If we are unable to effectively manage these relationships or if our partners fail to meet their obligations, our business, financial performance, and operational stability could be adversely impacted. Additionally, when existing contracts with third parties expire, we may face challenges in renewing them on commercially favorable terms or securing suitable replacements promptly, which could further disrupt our operations and negatively affect our business.

Specifically, logistics service providers play a crucial role in our product transportation. Interruptions or failures in the third-party logistics services could prevent the timely or successful delivery of our products. In addition, the transportation services provided by the third-party logistic service providers may not always meet our or our customers' expectations. Issues such as delayed deliveries or damaged products could result in product recalls, liabilities, and reputational harm, all of which could adversely affect our business and results of operations. Furthermore, the costs of logistics services are influenced by factors beyond our control. Any significant rise in logistics costs could negatively impact our financial performance and condition.

Seasonal consumption cycles and changes in weather may cause fluctuations in demand for our products.

The consumption of soft beverages is influenced by seasonal variations, with demand typically peaking during warmer months. Sales are generally higher in the second and third quarters of each year due to increased consumption driven by warmer weather. Conversely, the first and fourth quarters are generally low seasons with relatively lower revenue, which negatively affects our profitability during the same periods. These seasonal fluctuations can adversely impact our profitability, particularly during the low-demand periods.

In addition, unseasonable or unusual weather, natural disasters (such as storms, earthquakes, fires, drought or floods) or long-term climate change, may reduce consumer demand for our products, disrupting sales patterns and further affecting profitability. Such risks add uncertainty to our business performance and may exacerbate the financial impact of seasonal variations.

Due to these fluctuations, comparisons of sales and operating results between different periods within a financial year, between the same periods in different financial years, or between different financial years, are not necessarily indicative of our performance. Nor may our results for any particular quarter or half year be indicative of the results to be achieved for the entire fiscal year. Our financial condition and results of operations in the future may continue to fluctuate throughout a year. **[REDACTED]** should not rely on interim results as being indicative of results our Group may expect for the full year.

Any significant changes in food safety regulations and related policies in the soft beverage industry could affect our business.

Manufacturers within the soft beverage industry in the PRC must comply with PRC food safety laws and regulations. These food safety laws and regulations require all enterprises engaged in the production of food and beverages to obtain the food production licenses. They also set out safety standards with respect to food and food additives, packaging and containers, information to be disclosed on packaging as well as requirements for food production and sites, facilities and equipment used for the transportation and sale of food. In recent years, the PRC Government has been strengthening the supervision of food safety. The newly revised Food Safety Law of the People's Republic of China (中華人民共和國食品安全法) and the Regulation on the Implementation of the Food Safety Law of the People's Republic of China (中華人民共和國食品安全法實施條例) stipulate that businesses engaged in food production should conduct their production and operation activities according to the applicable laws and regulations and food safety standards, establish a comprehensive food safety management system, and take effective measures to prevent and control food safety-related risks to ensure the safety of the food produced. This may increase the compliance costs of soft beverage companies in China like us. Any failure to comply with PRC food safety-related laws and regulations may result in order of rectification, fines, confiscation of illegal gains, order of suspension of operations, revocation of food production and operating permits and, in more extreme cases, prosecution for criminal liabilities. See "Regulatory Overview — Laws and Regulations Relating to Food Safety and Production and Trading License" for details. In the event that the PRC Government makes further changes to food safety regulation, our production, sales and distribution costs may increase, which could adversely affect our business, results of operations, financial condition and prospects.

If we fail to comply with various laws and regulations relating to environmental protection, we may be subject to fines and penalties by the governmental authorities.

We are subject to PRC environmental laws and regulations, which aim to regulate emissions and their impacts to air, land and water. Our operations may result in odors, noise or other pollutants being emitted. Furthermore, with the changes to environmental laws and regulations, the increasingly stringent requirement on sustainable packaging materials may lead to increased costs. Failure to comply with any environmental laws and regulations or any future changes to such laws and regulations could result in alleged harm to employees or others close to our production facilities. Significant costs to satisfy environmental compliance, remediation or compensatory requirements, or the imposition of penalties or restrictions on operations by PRC governmental agencies or courts may adversely affect our business, results of operations and financial condition.

Our failure to adequately manage our inventories may lead to inventory obsolescence or other inventory risks.

Maintaining optimal inventory levels is essential to our business success. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had inventories of RMB394.2 million, RMB568.6 million, RMB1,068.1 million and RMB678.3 million, respectively. Our inventories primarily consist of (i) raw material and consumables, (ii) finished goods, and (iii) goods in transit. In 2022, 2023, 2024 and the six months ended June 30, 2025, our inventories turnover days were 27.0 days, 27.0 days, 33.8 days and 26.5 days, respectively.

To optimize our inventory levels and minimize inventory write-off risks, we have a comprehensive set of inventory management policies. See "Business — Inventory Management" for details. However, it may be difficult to accurately forecast demand and determine appropriate levels of inventory we maintain. In the case of overestimation of consumer demand, we may be subject to overstock, resale of the inventories at less favorable terms, or even write-offs of inventories. In the case of underestimation of consumer demand, we may not be able to maximize our revenue. In addition, if we are required to lower sale prices in order to reduce inventory level, our profit margins might be negatively affected. Any of the above may materially and adversely affect our business, financial condition, results of operations and prospects.

We may not be able to fulfill our obligations in respect of contract liabilities, which may have an adverse impact on our business, reputation and liquidity position.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, we recorded contract liabilities of RMB1,627.2 million, RMB2,607.2 million, RMB4,760.6 million and RMB3,667.1 million, respectively, which mainly represent advance payment received from our customers and the accumulated amount of sales rebates and discounts earned by our distribution partners. See "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Contract Liabilities" for details. If we fail to provide satisfactory products to our customers or sales rebates and discounts to our distribution partners in time, we may not be able to honor our obligations in respect of our contract liabilities, which may have a material and adverse impact on our business, reputation and liquidity position.

We are exposed to risks in connection with our investment in wealth management products.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, the balance of our financial assets at FVTPL was RMB4,258.9 million, RMB1,890.6 million, RMB5,274.4 million and RMB4,579.2 million, respectively, which were primarily wealth management products issued by financial institutions. We plan to continue to invest in these and other wealth management products when we believe that we have sufficient cash and the potential investment returns are reasonable. We have put in place certain internal control procedures for reducing risks in relation to these investments. However, we cannot assure you that these procedures will be effective and adequate. We cannot assure you that we will not experience losses with respect to these investments in the future or that such losses or other potentially negative impact will not have a material adverse effect on our business and financial condition.

We recorded net current liabilities in the past.

We recorded net current liabilities of RMB2,139.4 million and RMB1,424.0 million as of December 31, 2024 and June 30, 2025, respectively. See "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position" for details. We cannot assure you that we will not have net current liabilities in the future. A net current liabilities position exposes us to liquidity risks. Our future liquidity, capital expenditures, the payment of trade and other payables and the repayment of debt financing will primarily depend on our ability to generate an adequate cash flow from our operating activities. If we have a shortage in the cash flow generated from operations, our liquidity position may be materially and adversely affected, which in turn may impact our ability to execute our business strategies and constrain our business operation. In such event, our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to risks arising from our reliance on the sales of a limited number of beverage products.

In 2022, 2023, 2024 and the six months ended June 30, 2025, revenue generated from our energy beverages amounted to RMB8.2 billion, RMB10.4 billion, RMB13.3 billion and RMB8.4 billion, respectively, accounting for 96.6%, 91.9%, 84.0% and 77.9% of our total revenue for the respective periods. Although we have selectively expanded our product portfolio beyond energy beverages and the proportion of revenue attributable to energy beverages has been gradually declining, energy beverages, particularly *Eastroc Super Drink*, are expected to make significant contribution to our revenue for the foreseeable future. As a result, our business performance and prospects remain largely dependent on the continued market acceptance, brand strength and competitive positioning of our energy beverages. Any event that adversely affects the sales, reputation or profitability of our energy beverages could materially and adversely affect our business, financial condition, results of operations and prospects.

We received government grants and preferential tax treatment during the Track Record Period. Any significant reduction of government grants, termination of preferential tax treatment or change in the relevant policies may adversely affect our financial performance and results of operations.

Our government grants comprise subsidies received from local governments in China. In 2022, 2023, 2024 and the six months ended June 30, 2025, we recognized government grants of RMB54.3 million, RMB62.7 million, RMB49.5 million and RMB39.5 million, respectively. We cannot assure you that we will continue to be eligible to receive such government grants or that the amount of such grants will not be reduced in the future. Our ability to continue to enjoy government grants is subject to changes in national or local policies, and may be affected by the termination of, or amendments to, such policies for any number of reasons, including those beyond our control. Any decrease in or termination of such government grants in the future may have an adverse effect on our financial condition, results of operations and prospects.

Meanwhile, during the Track Record Period, some of our subsidiaries were entitled to preferential income tax rates pursuant to the relevant tax regulations. For example, during the Track Record Period, certain entities within our Group enjoyed preferential EIT tax rate of 15% as they were qualified high and new technology enterprises or were recognized as encouraged enterprises engaged in specific preferential treatment programs. See Note 9 to the Accountants' Report included in Appendix I to this Document for details. Preferential tax treatments and other incentives granted to us by PRC governmental authorities are subject to review and renewal and may be adjusted or revoked in the future. We cannot guarantee you that the preferential tax treatments and other incentives to which our PRC subsidiaries are currently entitled would be kept valid or successfully renewed. There can be no assurance that the local tax authorities will not, in

the future, change their position and discontinue any of our current tax treatments. The discontinuation of any of our current tax treatments could materially increase our tax obligations and adversely impact our net income.

Our efforts in developing and investing in R&D may not generate expected outcomes.

We have been continually devoted to developing new products. In 2022, 2023, 2024 and the six months ended June 30, 2025, our research and development expenses were RMB43.8 million, RMB54.4 million, RMB62.7 million and RMB32.9 million, respectively. Our future efforts in R&D activities may not be successful, or our competitors may develop certain new products ahead of us. As market trends and consumer tastes, preferences and spending habits evolve, there can be no assurance that our investment in R&D will always produce the expected outcomes, failure of which could adversely affect our business, financial condition, results of operations and prospects.

We may not be able to retain or promptly recruit senior management members or other key personnel required for our operations.

The success of our business is dependent, to a certain extent, on the abilities and contributions of our senior management members and other key personnel who possess industry expertise, know-how or experience in the soft beverage industry. See "Directors and Senior Management" for details. Any loss of such personnel could adversely affect our ability to sustain and develop our business. In addition, our key personnel may join a competitor or establish a competing business or fail to comply with the terms and conditions of their employment contracts. As competition for skilled and experienced talent is intense in our industry, any loss of key personnel or failure to promptly recruit such personnel for our future business development may adversely affect our business.

Any fraud, bribery or other misconduct committed by our employees, customers or other third parties may subject us to financial losses and adverse publicity.

We may be exposed to fraud, bribery, or other misconduct committed by our employees, customers or other third parties, which could subject us to financial losses and penalties from governmental authorities. Our internal control procedures may be unable to identify all non-compliance, suspicious transactions, fraud, corruption, bribery or other misconduct in a timely manner, or prevent or deter such instances. Our risk management systems and internal control capabilities are limited by the information and risk management tools or technologies available to us. Our ability to implement and maintain stringent internal control may be affected by our expansion in business scale and business scope. If any such misconduct of third parties committed

against our interests occurs, we may suffer from negative publicity and reputational damage, or even become subject to litigation and other proceedings, as well as administrative or criminal penalties for such misconduct, thereby adversely affecting our business and results of operations.

We may not be able to adequately protect our intellectual property rights, and may be subject to infringement of intellectual property rights, or misappropriation claims, by third parties.

The success of our business depends in part upon our continued ability to use our brands, trade names and trademarks to increase brand awareness and to further develop our products. The unauthorized reproduction of our trademarks could diminish the value of our brand and its market acceptance, competitive advantages or goodwill.

Monitoring and preventing the unauthorized use of our intellectual property is difficult. The measures we take to protect our brand, trade names, trademarks and other intellectual property rights may not be adequate to prevent their unauthorized use by third parties. If we are unable to adequately protect our brand, trade names, trademarks and other intellectual property rights, we may lose these rights and our business may suffer materially.

We may also be subject to claims for infringement, invalidity, or indemnification relating to third parties' intellectual property rights. Regardless of their merits, such third-party claims may be time-consuming and costly to defend, divert management attention and resources, or require us to enter into licensing agreements, which may not be available on commercially reasonable terms.

We may be exposed to the risk of product infringement.

We may be exposed to the risk of product infringement. We cannot assure you that there will be no counterfeit or forgery of our products, trademarks or brands in the market. Counterfeiters may illegally manufacture and market soft beverage products under our brand. Such counterfeit or forged products are usually difficult to detect or ban in a timely manner. The occurrence of such incidents may have an impact on our reputation and brands. Our reputation and brands are crucial to our profitability and competitiveness, any damage to our reputation or brands resulting from product infringement may adversely affect our profitability and competitiveness.

We may be subject to litigation and other legal proceedings, and may not always be successful in defending ourselves against such claims or proceedings.

We face potential liability, expenses for legal claims and harm due to our business nature. For example, consumers could assert legal claims against us in connection with personal injuries. The PRC Government, media outlets and other related organizations have been increasingly focused on

consumer protection in recent years. See "Regulatory Overview — Regulations Relating to Product Quality and Product Liability" for details. Sale of defective beverages may expose us to liabilities associated with consumer protection laws. Sellers are generally responsible for compensation on consumers' loss even if the contamination of food is not caused by the sellers. Thus, we may also be held liable if our suppliers, distribution partners or other business partners fail to comply with applicable food-safety related rules and regulations. Though we can ask the responsible parties for indemnity after that, our reputation could still be adversely affected. In addition, our Directors, management, distribution partners and employees may from time to time be subject to litigation and regulatory investigations and proceedings or otherwise face potential liability and expense in relation to food safety, commercial, labor, employment, antitrust or securities matters, which could adversely affect our reputation and results of operations.

After we become a publicly **[REDACTED]** company on the Stock Exchange, we may face additional exposure to claims and lawsuits. These claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be forced to pay substantial damages if we are unsuccessful in our efforts to defend against these claims, which could harm our business, financial condition and results of operations.

We are subject to various risks relating to third-party settlement arrangement.

During the Track Record Period, certain of our customers settled their payments with us through the accounts of third parties other than the contractual counterparties under the corresponding sales and purchase agreements or relevant parties who assumed unlimited personal liabilities for the payment obligations thereunder (the "**Arrangements**"). In 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate amount of payment made under the Arrangements was RMB365.0 million, RMB600.4 million, RMB1,033.9 million and RMB125.3 million, respectively, representing approximately 3.6%, 4.2%, 4.9% and 1.1% of the total payments received from all customers, respectively. As of March 6, 2025, our Group had ceased all Arrangements.

We were subject to various risks relating to such Arrangements during the Track Record Period, such as (i) possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors and (ii) potential risks arising from our limited understanding of the source and use of funds by third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us to demand return of the relevant payment or for violation or noncompliance of laws and regulations, we may need to allocate additional financial and managerial resources to defend against such claims and legal proceedings,

and we may be forced to comply with the court ruling and return the payment for the products that we sold and services that we provided. See "Business — Customers — Third-Party Settlement Arrangements" for details.

Developments in the labor market, increases in labor costs or any possible labor dispute may adversely affect our business and results of operations.

Our business requires a substantial number of personnel. Any failure to retain stable and dedicated labor by us may lead to disruption to our business operations. Although we have not experienced any labor shortage to date, we have observed an overall tightening and increasingly competitive labor market. We have experienced, and expect to continue to experience, increases in labor costs due to increases in salary, social benefits and employee headcount. We compete with other companies in our industry and labor-intensive industries for labor, and we may not be able to offer competitive remuneration and benefits compared to them. If we are unable to manage and control our labor costs, our business and results of operations may be materially and adversely affected.

We may face risks relating to labor relations, labor disputes, labor shortages and increases in labor costs.

Our success depends on our ability to hire, train, retain and motivate our employees. Any deterioration in labor relations with our employees could lead to labor disputes, which may disrupt our production and operations, adversely affecting our business and financial performance. Despite our efforts to provide a safe working environment to avoid occupational injuries, we may still face liability claims, negative publicity and government investigations related to workplace safety or employee injuries. Such incidents could result in a deterioration of our labor relations with employees and damage our reputation. Additionally, with the growth of the economy, average wages of our employees are expected to increase. Any significant increase in labor costs could adversely affect our profitability, business and financial performance.

Companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance and housing provident funds. The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, employers who fail to make adequate payments as required by the local competent authorities may be subject to late payment fees, fines and/or other penalties. During the Track Record Period and up to the Latest Practicable Date, we had not received any material administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. There can be no assurance

that any new laws and regulations, or more stringent interpretation and implementation of existing and new laws and regulations will not lead to extra employee benefit plan costs, which may adversely affect our results of operations and financial condition.

Our legal right to certain owned and leased properties may be challenged.

There might be defects in the leasehold interest of certain of our leased properties. For instance, certain lessors fail to provide the valid ownership certificates for our leased properties, hence we cannot ensure that they have the rights or authorizations to lease such properties to us. Our use of the leased properties with title defects may be affected by third parties' claims or challenges against the lease. Also, the relevant lease agreements may be deemed invalid, and we may be required to vacate from such properties. In addition, certain of our lease agreements have not been registered and filed with the relevant land and real estate administration bureaus in the PRC. As advised by our PRC Legal Adviser, failure to complete the registration and filing of lease agreements will not affect the validity of such leases or result in us being required to vacate the leased properties. If we are ordered by the relevant government departments to make corrections within a specified time limit due to the failure to handle the lease filing procedures, and we make the corrections within the time limit, we will not be fined either.

Furthermore, for one of our owned properties, we had not obtained relevant property ownership certificate in accordance with PRC laws. Although we were able to obtain a confirmation letter from the relevant governmental authorities that the land was planned for industrial purposes and our usage was in line with the town planning requirements, we may not receive any property title certificate that indicates the validity of our title in the future. In the event that the demolishment of such properties are inevitable, our results of operations and financial condition may be adversely affected.

Our insurance coverage may be insufficient to cover our potential liabilities or losses.

Our insurances may not provide adequate coverage for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs, which could have an adverse effect on our financial condition and results of operations.

Our financial and operating performance may be adversely affected by epidemics, adverse weather conditions, natural disasters and other catastrophes.

Our business is subject to risks related to outbreaks of a widespread health epidemic or pandemic (such as avian influenza, swine influenza, severe acute respiratory syndrome (SARS), Middle East respiratory syndrome coronavirus (MERS-CoV), or COVID-19), or other events such as adverse weather conditions, natural disasters and other catastrophes. The occurrence of any of the foregoing events may harm the global and regional economy in general, disrupt the soft beverage industry and our operations, and have an adverse effect on our business, results of operations and financial condition.

RISKS RELATING TO DOING BUSINESS IN THE COUNTRIES AND REGIONS WHERE WE OPERATE

Changes in economic, political and social conditions or the soft beverage industry in the countries and regions where we operate could have affect our business and operations.

We are headquartered in Shenzhen, China and substantially all of our operations are conducted in China. Accordingly, our business, financial condition and results of operations may be influenced by the economic, political and social conditions in China. The soft beverage market in general is affected by macro-economic factors, including changes in economic conditions, consumer demand and discretionary spending. The PRC government has implemented various measures to encourage, and to guide, the economic growth and the allocation of resources, some of which may resulted in uncertainties to us.

Our operations are subject to PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. Although we believe that in the past, we have acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our business, financial condition and results of operations, as well as our reputation.

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

Under the IIT Law and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the

transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國税函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC EIT at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas

Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval. Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities shall be in accordance with the then effective laws and regulations, and new taxes may be imposed which may adversely affect the value of your **[REDACTED]** in our H Shares.

If the PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your **[REDACTED]** in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

We are subject to the currency exchange regulatory system.

The conversion of RMB is subject to applicable laws and regulations in the PRC. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the **[REDACTED]**, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

Fluctuations in the value of the Renminbi and other currencies may have an adverse effect on your [REDACTED].

During the Track Record Period, substantially all of our revenue and expenditures were denominated in Renminbi, while the net **[REDACTED]** from the **[REDACTED]** will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the **[REDACTED]** from the **[REDACTED]**. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or United States dollar would affect our financial results in Hong Kong dollar or United States dollar terms without giving effect to any underlying change in our business or results of operations.

You may encounter difficulty in effecting service of legal process upon, and enforcing foreign judgments against, us, our Directors and senior management.

We are a company incorporated under the laws of the PRC and a majority of our assets and subsidiaries are located in the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. As a result, it may not be possible to effect service of process upon most of our Directors and senior management outside the PRC.

Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the **[REDACTED]** of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas securities offering and listing issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Overseas Listing Trial Measures and five supporting guidelines, which had become effective on March 31, 2023 (the "**Overseas Listing Regulations**"). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. See

"Regulatory Overview — Regulations Relating to Overseas Listing" for details. The Overseas Listing Regulations, or any pertinent rules or regulations promulgated in the future, may subject us, or our financing activities, to additional compliance requirements in the future. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our future financing activities.

RISKS RELATING TO THE [REDACTED]

Our A Shares are listed on the Shanghai Stock Exchange, and the characteristics of the A Share and H Share markets may differ.

Our A Shares are listed on the Shanghai Stock Exchange. Following the **[REDACTED]**, our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be **[REDACTED]** on the Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the **[REDACTED]** of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the **[REDACTED]** decision in our H Shares.

We will be concurrently subject to PRC and Hong Kong listing and regulatory requirements.

As we are listed on the Shanghai Stock Exchange and will be **[REDACTED]** on the Stock Exchange, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless otherwise agreed by the relevant regulators. Accordingly, we may incur additional costs and resources in complying with the requirements of both jurisdictions.

There has been no prior public market for our H Shares, and an active [REDACTED] market for our H Shares may not develop or be sustained.

Prior to the **[REDACTED]**, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of **[REDACTED]**. The initial **[REDACTED]** for our H Shares to the public will be the result of negotiations, and the **[REDACTED]** may differ significantly from the market price of the H Shares following the **[REDACTED]**.

We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]** in, the H Shares (including any H Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**). However, the **[REDACTED]** on the Stock Exchange does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the **[REDACTED]**, or that the market price of the H Shares will not decline following the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the market price and liquidity of our H Shares could be materially and adversely affected.

The price and [REDACTED] volume of our H Shares may be volatile, which could lead to substantial losses for [REDACTED].

The price and **[REDACTED]** volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and **[REDACTED]** volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and **[REDACTED]** volume of our H Shares. In addition to market and industry factors, the price and **[REDACTED]** volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute dividend in the future.

We have declared dividends in the past. However, there is no assurance that we will declare dividends in the future. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations, and the calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. The declaration, payment and amount of our future dividends will depend upon our earnings and financial condition, operating requirements, capital requirements, applicable laws and regulations and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, and would require approval at our Shareholders' meeting. No dividend shall be declared or payable except out of our profits and

reserves lawfully available for distribution. See "Financial Information — Dividends" for details. There can be no assurance that dividends of any amount will be declared or distributed in any year in the future. Our historical dividends should not be taken as indicative of our dividend policy in the future.

You will incur immediate and significant dilution if the [REDACTED] is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.

The **[REDACTED]** of the **[REDACTED]** is higher than the net tangible asset value per H Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the **[REDACTED]** in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** consolidated net tangible asset value. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible asset value per H Share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders' interests in our Company.

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

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Our Controlling Shareholders are able to exercise significant influence over us. The interests of our Controlling Shareholders may not align with that of our other Shareholders.

Immediately upon the completion of the **[REDACTED]**, without taking into account any Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**, our Controlling Shareholders will control approximately **[REDACTED]**% of the voting power at our Shareholders' meetings. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the approval of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the **[REDACTED]** of our H Shares.

Certain facts, forecasts and other statistics in this Document are derived from various publicly available official sources and independent third-party sources, including the industry expert reports.

This Document, particularly the section headed "Industry Overview," contains information and statistics relating to the logistics industry and other economic data. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate, and we have taken reasonable care in extracting and reproducing such information. However, the information derived from official government sources has not been independently verified by us, any of the Joint Sponsors, **[REDACTED]**, any of their respective directors and advisers, or any other persons or parties involved in the **[REDACTED]**, and no representation is given as to its accuracy. Collection methods of such information may be ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information.

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 to update or otherwise revise the forward-looking statements in this Document to the public, 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 not place reliance on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time we publicly release information relating to ourselves on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares is based on the regulatory requirements of the securities authorities and market practices in the PRC which are different from those applicable to our H Shares. Such information does not and will not form a part of this Document. As a result, prospective **[REDACTED]** in our H Shares are reminded that, in making their **[REDACTED]** decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this Document. 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 and any formal announcements made by us in Hong Kong with respect to the **[REDACTED]**.

You should read the entire Document carefully, and we caution you to not rely on any information contained in press articles or other media regarding us or the [REDACTED].

There has been, prior to the publication of this Document, and there may be, subsequent to the date of this Document but prior to the completion of the **[REDACTED]**, press and media coverage regarding us and the **[REDACTED]**. We have not authorized the disclosure of any information concerning the **[REDACTED]** in the press or media. 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 our H Shares, the **[REDACTED]** or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this Document, we disclaim responsibility for them. 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 our H Shares. By applying to **[REDACTED]** 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 and any formal announcements made by us in Hong Kong with respect to the **[REDACTED]**.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of the executive Directors must be ordinarily resident in Hong Kong. Pursuant to Rule 19A.15 of the Listing Rules, the requirement in Rule 8.12 may be waived having regard to, among other considerations, the arrangements for maintaining regular communication with the Stock Exchange.

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

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

(a) **Authorized representatives**: we have appointed Mr. Lin and Mr. ZHANG Lei (張磊) ("**Mr. Zhang**") as the authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. We will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. For more information about our Authorized Representatives, see "Directors and Senior Management" in this Document;

(b) **Directors**: each of our Authorized Representatives has means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact the members of our Board for any matters. In the event that any Director expects to travel or otherwise be out of office, he/she will provide a contactable phone number of him/her to the Authorized

Representatives. Pursuant to Rule 3.20 of the Listing Rules, each of our Directors shall provide their telephone number, mobile phone number, email address (if available), residential address and correspondence address to the Stock Exchange. To the best of our knowledge and information, each Director who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange;

(c) **Compliance advisor**: we have appointed Somerley Capital Limited as our compliance advisor (the "**Compliance Advisor**") upon **[REDACTED]** pursuant to Rules 3A.19 and 19A.05 of the Listing Rules for a period commencing on the **[REDACTED]** and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of the publish of our financial results for the first full financial year commencing after the **[REDACTED]**. The Compliance Advisor will have access at all times to our Authorized Representatives, the Directors and other senior management and can act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor; and

(d) **Hong Kong legal advisor**: we will retain a Hong Kong legal advisor to advise us on the on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the **[REDACTED]**.

APPOINTMENT OF JOINT COMPANY SECRETARIES

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

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

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

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

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

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

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

(b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

We have appointed Mr. Zhang as our joint company secretary. As he has extensive experience in investment, corporate finance and corporate governance but presently does not possess any of the qualification required under Rules 3.28 and 8.17 of the Listing Rules, we have appointed Ms. Lin Sio Ngo (練少娥) ("**Ms. Lin**") of SWCS Corporate Services Group (Hong Kong) Limited to provide assistance to Mr. Zhang. Ms. Lin is a member of the Hong Kong Chartered Governance Institute, 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.

Mr. Zhang and Ms. Lin will be jointly discharging the duties and responsibilities of a company secretary. Ms. Lin will be assisting Mr. Zhang in gaining the relevant experience required under Rules 3.28 and 8.17 of the Listing Rules. Also, Mr. Zhang will be assisted by (1) the Compliance Advisor for the first full financial year starting from the **[REDACTED]**, particularly in relation to Hong Kong corporate governance practice and compliance matters; and (2) the Hong Kong legal advisor of our Company, on matters regarding our Company's ongoing compliance with the Listing Rules and the applicable Hong Kong laws and regulations. In addition, Mr. Zhang will endeavor to attend relevant trainings and familiarize himself with the Listing Rules and duties required of a company secretary of an issuer listed on the Stock Exchange.

We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Zhang may be appointed as a joint company secretary of our Company.

Pursuant to Chapter 3.10 of the Guide, the waiver will be for a fixed period of time (the "**Waiver Period**") and on the following conditions: (1) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the Waiver Period; and (2) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years on the condition that Ms. Lin will work closely with, and provide assistance to, Mr. Zhang in the discharge of his duties as a company secretary and in gaining the relevant experience as required under Rule 3.28 of the Listing Rules and to become familiar with the requirements of the Listing Rules and other applicable Hong Kong laws and regulations. The waiver will be revoked immediately if Ms. Lin ceases to provide assistance to Mr. Zhang during the three-year period after **[REDACTED]**.

Our Company will further ensure that Mr. Zhang 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 listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws and regulations and the Listing Rules. Before the end of the three-year period, the Company will demonstrate and seek the Stock Exchange's confirmation that Mr. Zhang, having had the benefits of Ms. Lin's assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of a company secretary so that a further waiver would not be necessary.

For further information regarding the qualifications of Mr. Zhang and Ms. Lin, see "Directors and Senior Management" in this Document.

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions that will constitute partially-exempt continuing connected transaction of our Company under the Listing Rules upon **[REDACTED]** as described in the section headed "Connected Transactions" in this Document. Our Directors consider that strict compliance with the applicable requirement under the Listing Rules would be impractical, unduly burdensome and would impose unnecessary administrative costs on our Company. Accordingly, we have applied for, and the Stock Exchange [has granted] to us, a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules upon **[REDACTED]** in respect of such partially-exempt continuing connected transaction. For further details, see "Connected Transactions" in this Document.

WAIVERS

[REDACTED]

WAIVERS

[REDACTED]

WAIVERS

[REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Executive Directors

Name	Address	Nationality
Mr. LIN Muqin (林木勤)	Room 302, Unit 1, Building 9 No. 3042 Bao'an South Road Luohu District Shenzhen Guangdong Province PRC	Chinese
Mr. LIN Mugang (林木港)	Room 101, Building 9 Buxin Huayuan Phase 2 Buxin Street Luohu District Shenzhen Guangdong Province PRC	Chinese
Mr. LU Yifu (盧義富)	Room 505, Building 6 Wanke Yuncheng Phase III Xili Street Nanshan District Shenzhen Guangdong Province PRC	Chinese
Ms. JIANG Weiwei (蔣薇薇)	Room 4a, Building 2 Coastal Rose Garden Phase 3 Shekou, Nanshan District Shenzhen Guangdong Province PRC	Chinese

Name	Address	Nationality
Mr. ZHANG Lei (張磊)	Room 8C, Building 9 No. 11, Fuhua 3rd Road Futian Subdistrict Futian District Shenzhen Guangdong Province PRC	Chinese
Mr. LIN Daiji (林戴吉)	Room 2301, Block B, Building 1 B District, Haide Park No. 8, Antuoshan 3rd Road Futian District Shenzhen Guangdong Province PRC	Chinese

Independent non-executive Directors

Name	Address	Nationality
Ms. ZHAO Yali (趙亞利)	Room 2508, Building 1 No. 54 East Third Ring South Road Chaoyang District Beijing PRC	Chinese
Ms. YOU Xiao (游曉)	Room 5A, Building 5 Group 2, Phase 1, Xinghai Mingcheng Qianhai Road Nanshan District Shenzhen Guangdong Province PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. LI Hongbin (李洪斌)	No. 1306, Building 2, Block 634 Puyuan District Sun Yat-Sen University South Campus No. 135 Xingang West Road Haizhu District Guangzhou Guangdong Province PRC	Chinese
Mr. TAI Kwok Leung, Alexander (戴國良)	21 Ching Sau Lane Chung Hom Kok Hong Kong	Hong Kong, PRC

See "Directors and Senior Management" for further details of our Directors.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Central
Hong Kong

Morgan Stanley Asia Limited
46/F, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

UBS Securities Hong Kong Limited
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

(In alphabetical order)

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

[REDACTED]

Legal advisers to our Company	*As to Hong Kong and United States laws:* **Herbert Smith Freehills Kramer** 23/F, Gloucester Tower 15 Queen's Road Central Hong Kong *As to PRC laws:* **DeHeng Law Offices** 12/F, Tower B Focus Place No. 19 Finance Street Beijing PRC
Legal advisers to the Joint Sponsors and [REDACTED]	*As to Hong Kong laws:* **Jia Yuan Law Office** Suites 3502-03, 35/F One Exchange Square 8 Connaught Place Central Hong Kong *As to Hong Kong and United States laws:* **O'Melveny & Myers** 31/F, AIA Central 1 Connaught Road Central Hong Kong

	As to PRC laws: **Jia Yuan Law Offices** 45F, Media Finance Center Pengcheng 1st Road Futian District, Shenzhen Guangdong Province PRC
Reporting Accountants and Auditors	**Deloitte Touche Tohmatsu** *Certified Public Accountants and Registered Public Interest Entity Auditor* 35/F, One Pacific Place 88 Queensway Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Suite 2504 Wheelock Square 1717 Nanjing West Road Shanghai 200040 PRC
Compliance Adviser	**Somerley Capital Limited** 20/F China Building 29 Queen's Road Central Central Hong Kong

[REDACTED]

CORPORATE INFORMATION

Registered Office	1/F, Building 3 Zhongguan Honghualing Industry Western District 142 Zhuguang North Road Taoyuan Community Nanshan District Shenzhen Guangdong Province PRC
Headquarters in the PRC	1/F, Building 3 88 Mingliang Science Park 142 Zhuguang North Road Taoyuan Community Nanshan District Shenzhen Guangdong Province PRC
Principal Place of Business in Hong Kong	[40th Floor, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong]
Company's Website	**www.szeastroc.com** *(The information contained in this website does not form part of this Document)*
Joint Company Secretaries	**Mr. ZHANG Lei (張磊)** 1-3/F, Building 3 Zhongguan Honghualing Industry Western District 142 Zhuguang North Road Taoyuan Community Nanshan District Shenzhen Guangdong Province PRC

	Ms. LIN Sio Ngo (練少娥) *(Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute)* 40th Floor, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Authorized Representatives	**Mr. LIN Muqin (林木勤)** 1-3/F, Building 3 Zhongguan Honghualing Industry Western District 142 Zhuguang North Road Taoyuan Community Nanshan District Shenzhen Guangdong Province PRC **Mr. ZHANG Lei (張磊)** 1-3/F, Building 3 Zhongguan Honghualing Industry Western District 142 Zhuguang North Road Taoyuan Community Nanshan District Shenzhen Guangdong Province PRC
Audit Committee	Mr. TAI Kwok Leung, Alexander (戴國良) *(Chairman)* Mr. LI Hongbin (李洪斌) Ms. ZHAO Yali (趙亞利)
Nomination Committee	Ms. YOU Xiao (游曉) *(Chairwoman)* Mr. LIN Muqin (林木勤) Ms. ZHAO Yali (趙亞利)

Remuneration and Appraisal Committee	Ms. YOU Xiao (游曉) *(Chairwoman)* Mr. LIN Muqin (林木勤) Mr. LI Hongbin (李洪斌)
Strategy and ESG Committee	Mr. LIN Muqin (林木勤) *(Chairman)* Mr. LIN Mugang (林木港) Mr. LU Yifu (盧義富) Ms. JIANG Weiwei (蔣薇薇) Ms. ZHAO Yali (趙亞利)

[REDACTED]

Principal Banks	**Bank of China Shenzhen Taoyuan Road Branch** 1st Floor Tianxia Jinniu Plaza Building B Nanshan District Shenzhen Guangdong Province PRC **China Merchants Bank Shenzhen Central Business Branch** 1st Floor Central Business Building No. 88 Fuhua First Road Futian District Shenzhen Guangdong Province PRC

China Construction Bank Shenzhen Dongmen Branch

1st Floor
Baima Commercial Building
Intersection of Renmin North Road and Lixin Road
Luohu District
Shenzhen
Guangdong Province
PRC

The information presented in this section, unless otherwise indicated, is derived from various official government publications and other publications generally believed to be reliable and from the market research report prepared by Frost & Sullivan, which we commissioned. However, information and statistics from official government sources have not been independently verified by us or any other parties involved in the **[REDACTED]** *and no representation is given as to their accuracy. The information and statistics contained in this section may not be consistent with other information and statistics compiled within or outside of China. As a result, you are advised not to place undue reliance on such information.*

SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of, and to prepare a report on China's soft beverage industry, functional beverage industry and energy beverage industry. The report prepared by Frost & Sullivan for us is referred to in the Document as the F&S Report. We commissioned Frost & Sullivan for a total fee of RMB520,000 for the preparation of the report, which we believe reflects market rates for reports of this type. Frost & Sullivan is a global consulting company founded in 1961 in New York and has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists.

The F&S Report was undertaken through both primary and secondary research, and obtained knowledge, statistics, information and industry insights on the industry trends of the target research markets. Primary research involved interviewing industry insiders such as leading market players, suppliers, consumers, and recognized third-party industry associations. Secondary research involved reviewing company reports, independent research reports, and data based on Frost & Sullivan's own research database.

In compiling and preparing the F&S Report, Frost & Sullivan has adopted the following assumptions (i) the social, economic, and political environment in China is likely to remain stable in the forecast period and (ii) industry key drivers such as rising disposable income, diversified demand and others are likely to drive China's soft beverage industry, functional beverage industry and energy beverage industry in the forecast period.

Our Directors have confirmed that, after taking reasonable care, there has been no adverse change in the market information since the date of the F&S Report that would materially qualify, contradict or have an impact on such information.

OVERVIEW OF CHINA'S SOFT BEVERAGE INDUSTRY

Overview

China is the second-largest market in the global soft beverage industry. In terms of retail sales, the market size of China's soft beverage industry reached RMB1,250.2 billion in 2024, accounting for approximately 12.7% of the global soft beverage industry. The main product categories of soft beverages include functional beverages, tea beverages, juice beverages, packaged drinking water, coffee beverages, carbonated beverages, protein beverages, and other beverages. Soft beverage products have gradually become one of the daily consumer products, the market of which grows steadily with the development of the economy.

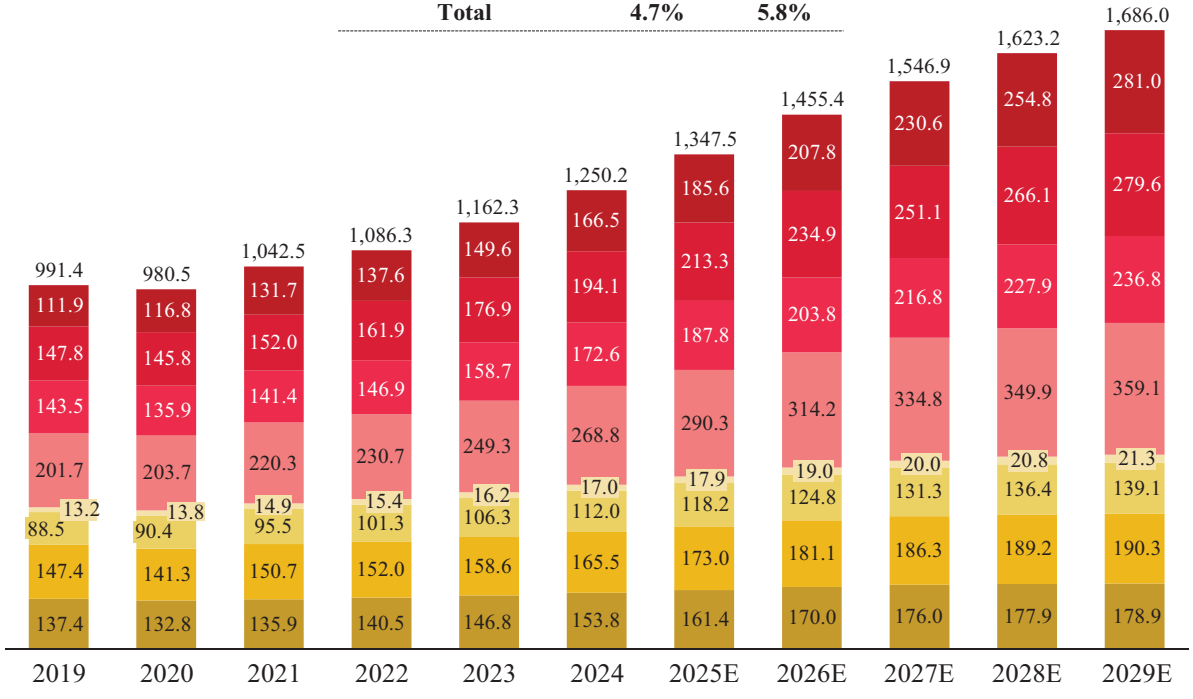
Market Size

Driven by rising disposable income, category expansion, refinement of sales channels, and consumers' increasing health awareness, China's soft beverage industry has maintained steady growth with a CAGR of 4.7% from 2019 to 2024 in terms of retail sales and is expected to grow at a CAGR of 5.8% from 2025 to 2029, reaching RMB1,686.0 billion by 2029. Among China's soft beverage industry, functional beverage industry is the fastest-growing segment.

In particular, consumers' increasing health awareness has played a pivotal role in expanding the consumer base and increasing the consumption frequency within the soft beverage industry. As consumers become more health-conscious, beverage companies have responded by introducing low-sugar, low-calorie, and additive-free formulations. These offerings have successfully attracted previously health-indifferent demographics, converting them into active consumers and unlocking a previously underserved market segment. In addition, rising interest in fitness and wellness has led to increased demand for hydration and nutrient replenishment solutions. Functional beverages such as energy beverages and sports beverages are now frequently consumed as part of workout routines, shifting from occasional indulgences to habitual, purpose-driven consumption. This behavioral shift has significantly increased purchase frequency and reinforced the role of soft beverages as an integral part of health-oriented lifestyles.

The following chart sets forth the breakdown of market size of China's soft beverage industry from 2019 to 2029 by product category.

Market Size of China's Soft Beverage Industry in Terms of Retail Sales, Breakdown by Product Category, 2019–2029E



CAGR	2019-2024	2025-2029E
Functional Beverage	8.3%	10.9%
Tea Beverage	5.6%	7.0%
Juice Beverage	3.8%	6.0%
Packaged Drinking Water	5.9%	5.5%
Coffee Beverage	5.2%	4.4%
Carbonated Beverage	4.8%	4.2%
Protein Beverage	2.3%	2.4%
Other Beverages	2.3%	2.6%
Total	**4.7%**	**5.8%**

Sources: *Frost & Sullivan, National Bureau of Statistics, China Beverage Industry Association*

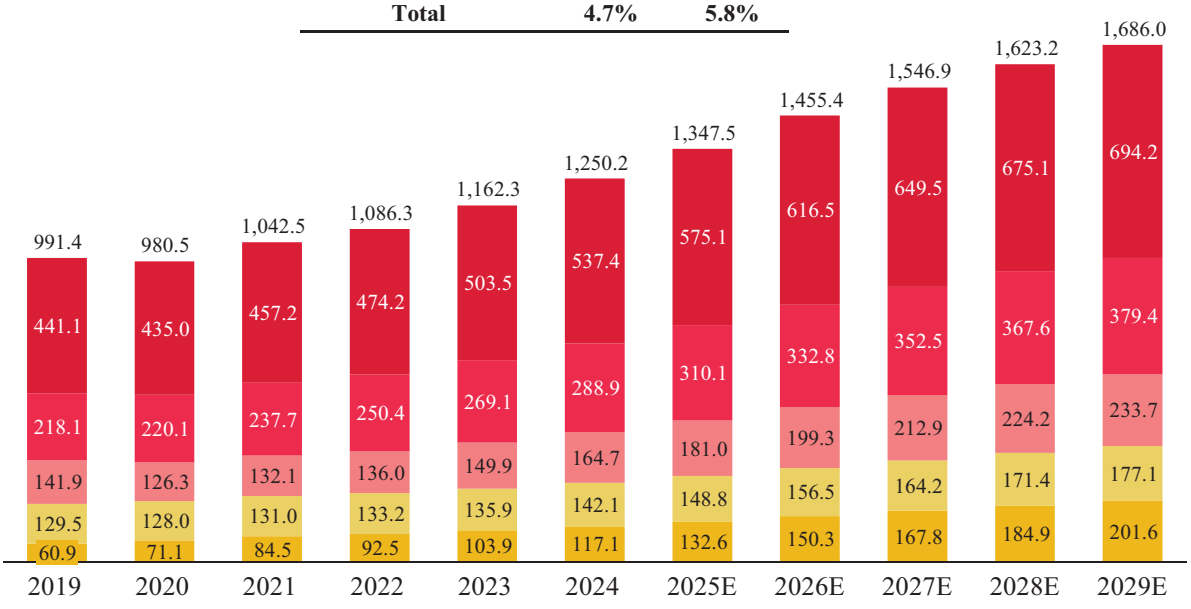
Notes: (i) Tea beverages refer to soft beverage products that primarily use tea leaves, plant, or their extracts as the main raw materials, combined with other complementary ingredients; (ii) Other beverages include flavored beverages, solid beverages, among others.

Soft beverages in China are sold through both offline and online channels. Offline channels include: (i) traditional channels, primarily referring to non-chained grocery stores that are mainly owned and operated by individuals or sole proprietorships, (ii) modern channels, primarily including supermarkets and chained convenience stores, (iii) catering channels, primarily referring

to restaurants and other locations that provide catering services, and (iv) other offline channels, primarily including gas station stores, smart vending machines, among others. Online channels primarily refer to various e-commerce platforms. With the booming of the internet, retail sales generated from online channels rapidly grew at a CAGR of 14.0% from 2019 to 2024 and is expected to continue growing at a fast pace in the next five years. However, soft beverage products are predominantly distributed through offline channels in China, with its retail sales accounting for 90.6% of total retail sales in 2024.

The following chart sets forth the breakdown of market size of China's soft beverage industry from 2019 to 2029 by sales channel.

Market Size of China's Soft Beverage Industry in Terms of Retail Sales, Breakdown by Sales Channel, 2019–2029E



CAGR	2019-2024	2025-2029E
Offline Channel	4.0%	5.1%
Traditional Channel	*4.0%*	*4.8%*
Modern Channel	*5.8%*	*5.2%*
Catering Channel	*3.0%*	*6.6%*
Other Offline Channel	*1.9%*	*4.4%*
Online Channel	14.0%	11.1%
Total	**4.7%**	**5.8%**

Source: Frost & Sullivan, China Chain Store & Franchise Association

Industry Drivers and Future Trends

Rising Disposable Income Driving Per Capita Consumption of Soft Beverages Products. Increasing disposable income in China has enhanced consumers' purchasing power for soft beverages, fueling market growth. In 2024, China's annual per capita consumption volume of soft beverages was approximately 197.8 liters, which remained significantly lower than that of the

United States at 554.5 liters, Germany at 470.4 liters, and Japan at 355.9 liters, demonstrating substantial growth potential of China's soft beverage industry. The cultivation of consumers' soft beverage products consumption habits and their enhanced purchasing power contribute to an increase in consumption frequency. It is expected that China's annual per capita consumption volume of soft beverages will increase to 258.8 liters by 2029. Furthermore, consumption levels vary by city tier. In 2024, the annual per capita consumption volume of soft beverages in third-tier and lower cities is approximately 173.7 liters per person, compared to approximately 296.8 liters per person in first-tier cities, indicating significant regional growth potential.

Value-For-Money Trend. As their mindset evolve, consumers increasingly demand higher product quality, while still being sensitive to price. This has led soft beverage companies to consistently produce high-quality products using safe and healthy ingredients while strengthening cost control, offering value-for-money options to consumers.

Diversified Consumer Demands Driving Category Expansion. Factors such as the expansion of consumption scenarios and the diversification of consumer preferences have continued to drive product innovation, prompting soft beverage companies to refine their product development strategies. They cater to varied consumption scenarios and customer needs by launching differentiated products in packaging sizes and flavors. For example, coffee consumption in the fast-paced modern days has become an essential companion for urban dwellers. Leading soft beverage companies have established coffee beverage lines characterized by a varied flavor system encompassing both classic profiles and innovative blended flavors, effectively fulfilling individualized taste preferences. Moreover, soft beverage companies have launched products in different packaging sizes to cater to diversified consumption needs, such as small-sized formats for mobile scenarios and large-sized bottles for family gatherings. The precise market segmentation through packaging solutions maximize relevance to specific consumer groups' routines and consumption scenarios, thus increasing consumption frequency.

Increasing Sophistication of Sales Channels. China's beverage industry's strong growth is further fueled by the rise of diverse sales channels. While online channels, including integrated e-commerce and live-streaming platforms, have expanded rapidly, offline channels remain crucial, particularly, brick-and-mortar stores due to the immediate gratification they offer. Beyond traditional channels, the catering channel is emerging as beverage companies tend to place more products into restaurants and food service venues, boosting brand visibility and purchase conversion. Meanwhile, smart vending machines have gained increasing popularity as a highly accessible "last-mile" solution. Strategically located around office buildings, fitness centers, shopping centers, they offer unmatched convenience, thus extending consumer reach, enhancing the interactions between brands and consumers and creating new sales opportunities beyond traditional settings. Moreover, significant opportunities remain to deepen penetration into lower-tier markets across all these channels. Successfully tapping into these unserved markets will help to further increase the market share of industry players.

Increasing Health Awareness. Soft beverage companies have seized the opportunity of consumers' increasing health awareness to expand their portfolios, launching additive-free, low-sugar, low-calorie and low-fat soft beverage products that align with the growing demand for healthier beverages. For instance, sugar-free tea beverages not only cater to consumers' preferences for diverse tea flavors, but also align with the rising demand for healthier, sugar-free options. Moreover, the fast-paced modern lifestyle has placed considerable strain on people's physical and mental well-being, heightening awareness of the importance of maintaining good health. As a result, there is a growing demand for energy-replenishing and nutrient-enriched beverages. Functional beverages effectively address this demand by helping consumers restore energy and replenish essential nutrients lost due to fatigue or overexertion.

Third-Party Settlement Arrangements

According to Frost & Sullivan, it is a common commercial practice in the soft beverage industry in China for companies to settle payments with their customers through third-party payors to enhance convenience and operational flexibility. Customers adopt such third-party settlement arrangements primarily for the following reasons:

(i) Certain customers, particularly those operating as individual businesses or sole proprietorship enterprises, prefer to avoid the complexity of setting up or maintaining corporate bank accounts. By using third-party accounts, they are able to achieve greater flexibility in their operations;

(ii) In some cases, these arrangements are consistent with the internal financial management practices of customers. For example, some customers prefer to use the accounts of affiliated individuals or entities such as their legal representatives, ultimate controllers, or family members in order to streamline day-to-day operations; and

(iii) Certain customers may, from time to time, have financing needs that are addressed through arrangements with authorized financial institutions. Under such arrangements, it is common for the financial institutions to make payments directly to suppliers, including the Company, to ensure that the funds are used exclusively for the intended purposes in accordance with the agreed financing terms. This practice aligns with prevailing commercial norms in the soft beverage industry, serving to ensure compliance with financing terms and to mitigate the risk of fund misappropriation.

OVERVIEW OF CHINA'S FUNCTIONAL BEVERAGE INDUSTRY

Overview

Functional beverages are soft beverage products that contain certain ingredients targeting specific physiological functions. The main categories of functional beverages include: (i) energy beverages, which contain energy sources and certain nutrients or specific ingredients that replenish energy for bodies or accelerate energy release and absorption; (ii) sports beverages, which contain minerals and other nutrients to supplement hydration, electrolytes and other nutrients consumed during metabolism or physical activities, such as electrolyte beverages and nutrient beverages; and (iii) other functional beverages.

Market Size

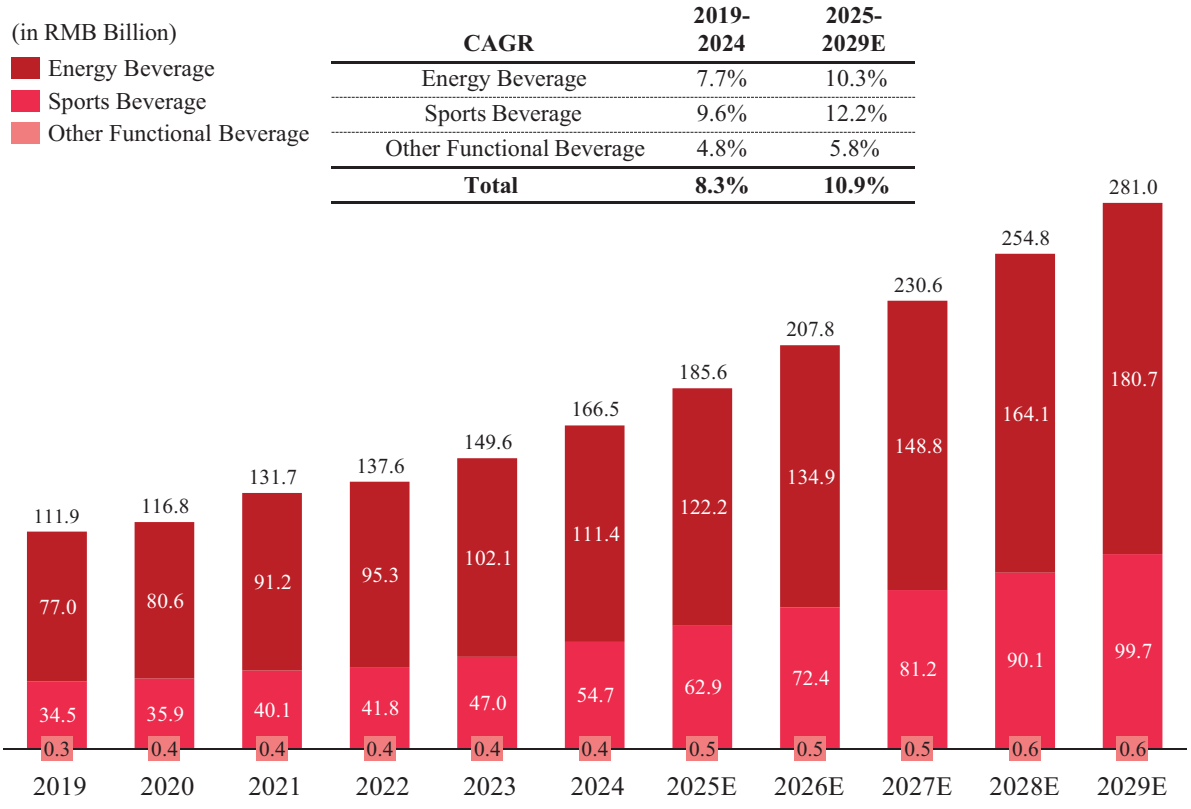
With the fast-paced modern lifestyles and consumers' increasing health awareness, the demand for energy-replenishing and nutrient-enhanced beverages continues to grow. Simultaneously, leading players' continuous efforts to promote functional beverages have enhanced consumer awareness and acceptance of functional beverages. Furthermore, diversification of consumption scenarios has further broadened customer base, driving the sales growth of functional beverages. In terms of retail sales, the market size of China's functional beverage industry increased from RMB111.9 billion in 2019 to RMB166.5 billion in 2024, with a CAGR of 8.3%. The market size is expected to further grow at a CAGR of 10.9% to reach RMB281.0 billion by 2029. In terms of sales volume, the size of China's functional beverage market increased from 8.9 billion liters in 2019 to 13.9 billion liters in 2024, with a CAGR of 9.2% and is expected to further grow at a CAGR of 10.1% to reach 22.7 billion liters by 2029.

According to Frost & Sullivan, energy beverage is the largest segment in China's functional beverage industry, with a retail sales of RMB111.4 billion in 2024, accounting for 66.9% of total retail sales of China's functional beverage industry. The market size is expected to grow at a CAGR of 10.3% to reach RMB180.7 billion by 2029.

According to Frost & Sullivan, sports beverage is the fastest-growing segment among China's functional beverage industry. According to the same source, the sports beverage industry reached retail sales of RMB54.7 billion in 2024, accounting for 32.8% of the total retail sales of China's functional beverage industry. The market size is expected to grow at a CAGR of 12.2% to reach RMB99.7 billion by 2029.

The following chart sets forth the breakdown of market size of China's functional beverage industry from 2019 to 2029 by product category.

Market Size of China's Functional Beverage Industry in Terms of Retail Sales, Breakdown by Product Category, 2019–2029E



CAGR	2019-2024	2025-2029E
Energy Beverage	7.7%	10.3%
Sports Beverage	9.6%	12.2%
Other Functional Beverage	4.8%	5.8%
Total	**8.3%**	**10.9%**

Source: Frost & Sullivan

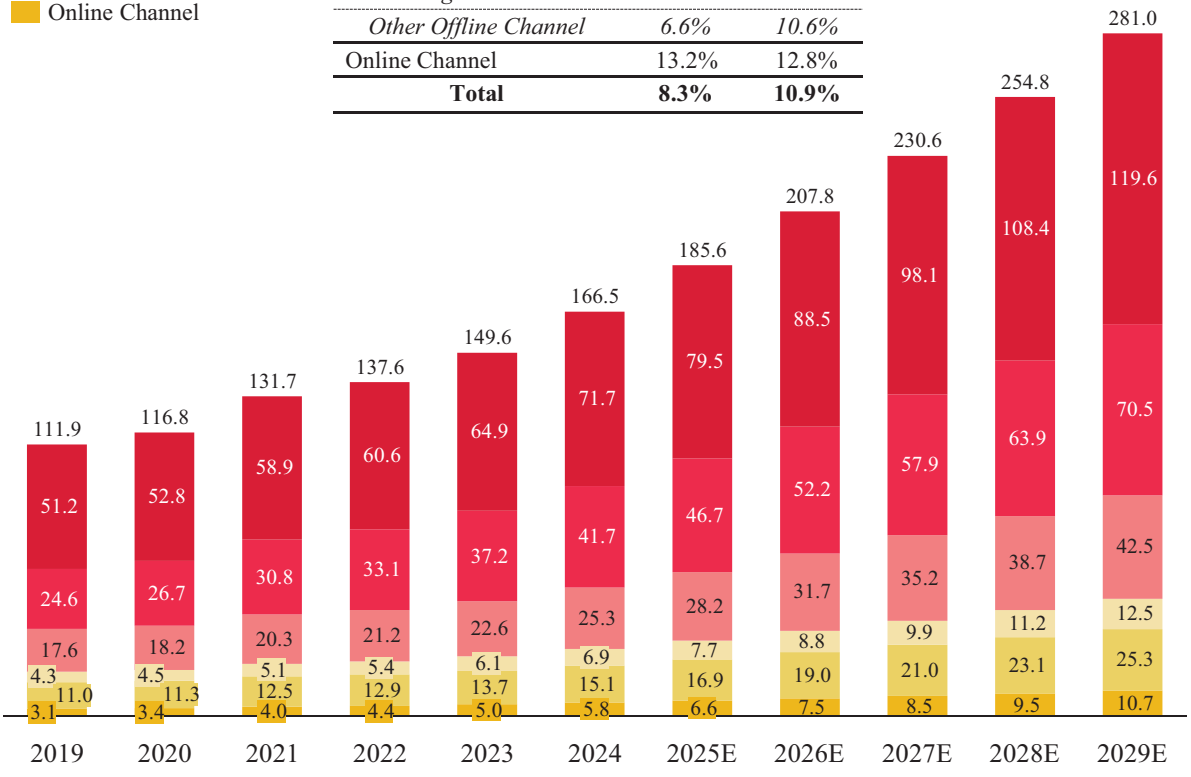
Compared to developed countries such as the United States, Germany, and Japan, China's annual per capita consumption volume of functional beverages remains relatively low. In 2024, China's annual per capita consumption volume of functional beverages was 9.9 liters, lower than that of the United States (54.9 liters), Germany (20.1 liters), and Japan (21.9 liters). Certain Southeast Asian countries, represented by Thailand and Vietnam, also have a high demand for functional beverages due to factors such as tropical climate, consumption habits, and taste preferences. In 2024, the annual per capita consumption volume of functional beverages in Thailand and Vietnam was 16.5 liters and 13.8 liters, respectively. As the awareness of functional beverages increases, consumption scenarios expand, and demand grows, China's annual per capita consumption volume of functional beverages is expected to grow at a CAGR of 10.1% to reach 16.2 liters by 2029.

Functional beverages, which are designed to quickly provide energy, hydration, electrolytes, minerals, and other nutrients, are characterized by strong immediacy in consumption, and thus are primarily sold in offline channels. Traditional channels, modern channels and gas station stores are

the main segments under offline channels, with their retail sales accounting for approximately 43.1%, 25.1% and 15.2%, respectively, of the total market size of China's functional beverage industry. Gas stations experience high foot traffic, and consumers often have a high demand for refreshing and energy-boosting beverages during long-distance driving, making gas station stores an important channel for functional beverages. Online channels have also been rising in recent years. Retail sales generated from online channels increased at a CAGR of 13.2% from 2019 to 2024, and is expected to maintain a high growth rate in the next five years.

The following chart sets forth the breakdown of market size of China's functional beverage industry from 2019 to 2029 by sales channel.

Market Size of China's Functional Beverage Industry in Terms of Retail Sales, Breakdown by Sales Channel, 2019–2029E



CAGR	2019-2024	2025-2029E
Offline Channel	8.1%	10.9%
Traditional Channel	*7.0%*	*10.8%*
Modern Channel	*11.1%*	*10.8%*
Gas Station Store Channel	*7.5%*	*10.8%*
Catering Channel	*9.8%*	*12.7%*
Other Offline Channel	*6.6%*	*10.6%*
Online Channel	13.2%	12.8%
Total	**8.3%**	**10.9%**

Sources: Frost & Sullivan, China Chain Store & Franchise Association

Industry Drivers and Future Trends

Diversified Demand Driving Market Expansion. As the tempo of modern life accelerates, the demand for energy-replenishing and nutrition-enhanced beverages continues to rise. Simultaneously, ongoing brand promotion and consumer education have enhanced consumers' awareness of the benefits of functional beverage. Consumption scenarios of functional beverage have thus extended beyond sports and fitness to include daily activities such as studying, working, staying up late, outdoor recreation, esports and casual gatherings, leading to broadened consumer base and increased purchase frequency. For instance, the mental marathon of studying or working late creates an acute need for enhanced focus, mental clarity, and sustained energy — positioning functional beverages as a direct solution that delivers rapid replenishment, fatigue resistance, and recovery support to combat brain fog and boost productivity.

Leading Brands Maintaining Market Dominance. Established market leaders have leveraged economies of scale, brand influence, and extensive sales networks to consolidate their market share. The market share of the top five players in China's functional beverage industry in terms of sales volume increased from 57.8% in 2022 to 61.6% in 2024, reflecting the further consolidation of the industry.

Rise of Domestic Brands. Domestic brands employ targeted marketing strategies utilizing the deep consumer insights that they have accumulated and leverage robust supply chains and diverse sales network to meet growing consumer demand for value-for-money products. Additionally, domestic brands tailor packaging and product design to align with the preferences of Chinese consumers, enhancing their competitiveness.

Product Portfolio Expansion. As consumers' awareness of functional beverages rises, there is an increasing demand for different flavors, functional ingredients, prices, and packaging. As a result, functional beverage companies are launching products with various flavors, health benefits, prices, and packaging to meet varying needs across different consumer groups and consumption scenarios, driving the industry sales growth and promoting product innovations.

Digitalization Driving Industry Growth. Digital tools and modern technologies are increasingly shaping the functional beverage industry. Cutting-edge technologies such as digital marketing systems, big data analytics, Internet of Things, and artificial intelligence enable companies to optimize production planning, enhancing operational efficiency. Additionally, these tools improve supply chain management capabilities through real-time sales data analysis and dynamically-adjusted marketing and sales strategies, increasing the profitability.

Entry Barriers

Brand Recognition. Leading functional beverage companies with strong brand equity have developed a competitive edge via establishing long-standing trust with consumers. Through consistent high product quality and diversified, effective marketing strategies, including memorable brand slogans, social media engagement, sponsorships of high-profile sports events, and product placements in popular television shows, they have created a deeply ingrained brand image that appeals to a wide-range of consumers, notably the young generation, New entrants face difficulties in building sophisticated branding and marketing campaigns and investing significant capital to enhance brand awareness and capture consumer mindshare within a short timeframe.

Product Quality and Efficacy. Reliable product quality and functional benefits are crucial factors influencing consumer decision when choosing functional beverage products. According to the Regulation on the Implementation of the Food Safety Law of the People's Republic of China (2019 Revision) (《中華人民共和國食品安全法實施條例 (2019修訂)》), only products that have obtained the Health Food Registration Certificate can publicly make claims regarding their anti-fatigue functions. Currently, only a limited number of functional beverage companies have obtained prerequisite registrations or filings, posing a significant entry barrier for new market participants.

Efficient Omni-Channel Sales Network. Leading functional beverage companies have established robust, omni-channel sales networks. Their experienced sales teams maintain long-term stable partnerships with distributors and POS, enhancing brand presence and sales efficiency. New entrants lack the necessary expertise and resources to build equally strong and scalable sales networks within a short period of time.

Mature Supply Chain Systems. Leading functional beverage companies invest heavily in production and warehousing facilities, utilizing digital tools and infrastructure to optimize end-to-end supply chain operations. This not only enhances cost and operational efficiency but also provides strong bargaining power with suppliers and cost advantage through economies of scale. New entrants face challenges in securing reliable upstream and downstream resources as well as making substantial capital investments to establish a fully integrated supply chain infrastructure.

OVERVIEW OF CHINA'S ENERGY BEVERAGE INDUSTRY

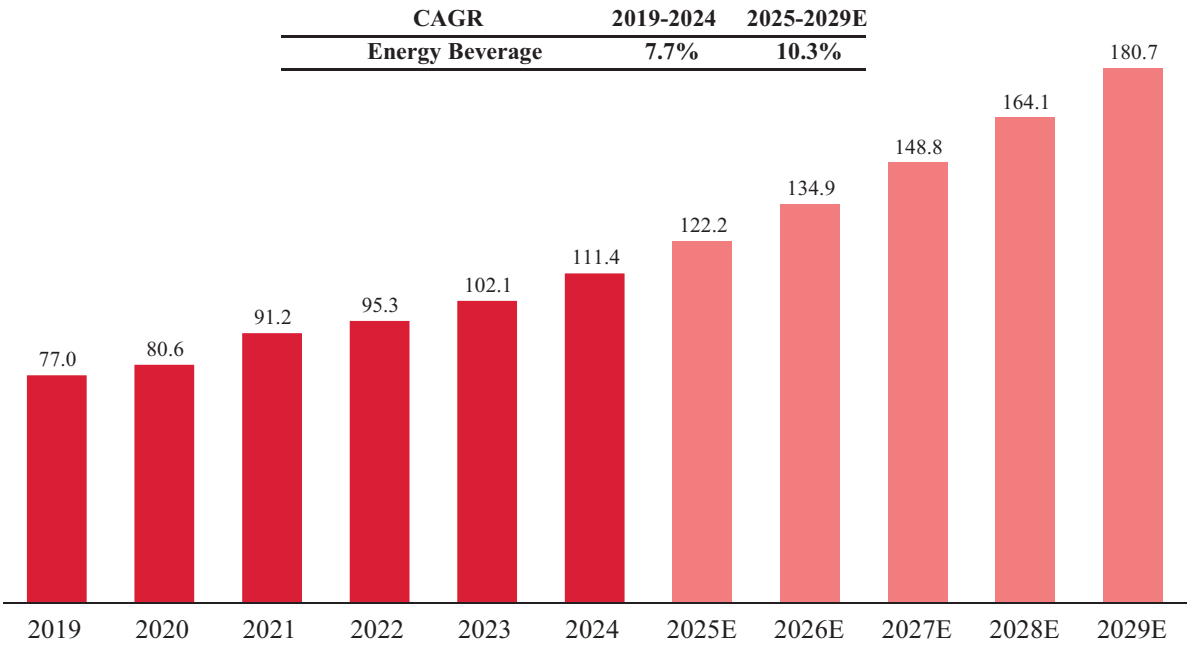
With the fast-paced lifestyle and increasing popularity of sports and exercises, more consumers are turning to energy beverages for instant energy replenishment and enhanced concentration. At the same time, young generation's demand for energy products steadily grows, making energy beverages a daily consumer product and fostering the diversification of

consumption scenarios that now encompass studying, office work, leisure activities, and outdoor activities. Such diversifications have led to increased consumption frequency, thereby driving the rapid growth of the energy beverage industry. In terms of retail sales, China's energy beverage industry grew from RMB77.0 billion in 2019 to RMB111.4 billion in 2024, representing a CAGR of approximately 7.7%. The market size is expected to continue growing at a CAGR of 10.3% to reach RMB180.7 billion by 2029. In terms of sales volume, China's energy beverage industry increased from 5.1 billion liters in 2019 to 7.5 billion liters in 2024, with a CAGR of 8.1%. The market size is expected to continue growing at a CAGR of 9.5% to reach 11.7 billion liters by 2029.

The following chart sets forth the breakdown of market size of China's energy beverage industry from 2019 to 2029.

Market Size of China's Energy Beverage Industry in Terms of Retail Sales, 2019–2029E

(in RMB Billion)



Source: Frost & Sullivan

China's annual per capita consumption volume of energy beverages in 2024 remains relatively low at 5.3 liters compared to that of developed countries, including the United States, Germany and Japan, which is 17.1 liters, 16.3 liters and 7.5 liters over the same period, respectively. Consumers in Southeast Asian countries such as Thailand and Vietnam have already

developed a strong awareness and acceptance of energy beverages. Moreover, due to factors such as the tropical climate, consumer habits, and taste preferences, the per capita consumption of energy beverages in these countries is relatively high. In 2024, the annual per capita consumption volume of energy beverages in Thailand and Vietnam is 9.4 liters and 6.1 liters, respectively. Additionally, with continuous economic development and fast-paced lifestyles, the demand for energy supplementation and anti-fatigue beverages among Chinese consumers is expected to grow. Advertising and marketing campaigns also further promote consumer acceptance and awareness, driving deeper market penetration in China. By 2029, China's annual per capita consumption volume of energy beverages is projected to increase at a CAGR of 9.6% to reach 8.4 liters.

COMPETITIVE LANDSCAPE

China's Functional Beverage Industry

According to Frost & Sullivan, we have maintained the leading position with the highest sales volume in China's functional beverage industry for four consecutive years since 2021. In terms of sales volume in 2024, we accounted for 26.3% of market share. We were the fastest-growing company among the top five functional beverage companies in China with a CAGR of 41.9% in terms of sales volume from 2022 to 2024.

Top Five Companies in China's Functional Beverage Industry, by Sales Volume (2024)

Ranking	Company Name	Market Share (%)	CAGR 2022–2024 in Terms of Sales Volume
1	**The Company**	**26.3%**	**41.9%**
2	Company A[(1)]	11.8%	3.9%
3	Company B[(2)]	8.8%	12.6%
4	Company C[(3)]	8.6%	2.7%
5	Company D[(4)]	6.1%	27.5%

Source: Frost & Sullivan, public information or filings of respective companies

Notes:

(1) Company A is a private company established in China. This Company primarily offers energy beverages.

(2) Company B is a publicly listed company established in China and listed on the Hong Kong Stock Exchange. This Company primarily offers packaged drinking water, tea beverages, energy beverages, sports beverages, and other soft beverage products.

(3) Company C is a publicly listed company established in France and listed on the Euronext Paris. This Company primarily offers packaged drinking water, protein beverages, sports beverages, and other soft beverage products.

(4) Company D is a private company established in China. This Company primarily offers carbonated beverages, sports beverages, tea beverages, protein beverages, and other soft beverage products.

According to Frost & Sullivan, in terms of retail sales in China in 2024, we ranked second in China's functional beverage industry, with a market share of 23.0%. We were the fastest-growing company among the top five functional beverage companies in China with a CAGR of 32.6% in terms of retail sales form 2022 to 2024.

Top Five Companies in China's Functional Beverage Industry, by Retail Sales (2024)

Ranking	Company Name	Market Share (%)	CAGR 2022–2024 in Terms of Retail Sales
1	Company A	24.7%	-0.4%
2	**The Company**	**23.0%**	**32.6%**
3	Company B	9.0%	19.8%
4	Company C	5.2%	3.7%
5	Company E[(5)]	5.2%	13.8%

Source: Frost & Sullivan, public information or filings of respective companies

Notes:

(5) Company E is a private company established in Thailand. This Company primarily offers energy beverages, sports beverages, juice beverages, and other soft beverage products.

China's Energy Beverage Industry

According to Frost & Sullivan, we have maintained the leading position with the highest sales volume in China's energy beverage industry for four consecutive years since 2021. In terms of sales volume in 2024, we accounted for 40.1% of market share. We were the fastest-growing company among the top five energy beverage companies in China with a CAGR of 28.5% in terms of sales volume from 2022 to 2024.

Top Five Companies in China's Energy Beverage Industry, by Sales Volume (2024)

Ranking	Company Name	Market Share (%)	CAGR 2022–2024 in Terms of Sales Volume
1	**The Company**	**40.1%**	**28.5%**
2	Company A	22.0%	3.9%
3	Company F[(6)]	7.3%	-3.3%
4	Company G[(7)]	6.8%	-3.8%
5	Company E	4.6%	18.7%

Source: Frost & Sullivan, public information or filings of respective companies

Notes:

(6) Company F is a private company established in China. This Company primarily offers energy beverages, packaged drinking water, juice beverages, protein beverages, and other soft beverage products.

(7) Company G is a private company incorporated in China. This Company primarily offers energy beverages, tea beverages, protein beverages, food products, and other soft beverage products.

According to Frost & Sullivan, in terms of retail sales in China in 2024, we ranked second in China's energy beverage industry, with a market share of 31.4%. We were the fastest-growing company among the top five energy beverage companies in China with a CAGR of 26.7% in terms of retail sales from 2022 to 2024.

Top Five Companies in China's Energy Beverage Industry, by Retail Sales (2024)

Ranking	Company Name	Market Share (%)	CAGR 2022–2024 in Terms of Retail Sales
1	Company A	36.9%	-0.4%
2	**The Company**	**31.4%**	**26.7%**
3	Company E	7.7%	13.8%
4	Company G	5.4%	-4.9%
5	Company F	4.4%	-3.2%

Source: Frost & Sullivan, public information or filings of respective companies

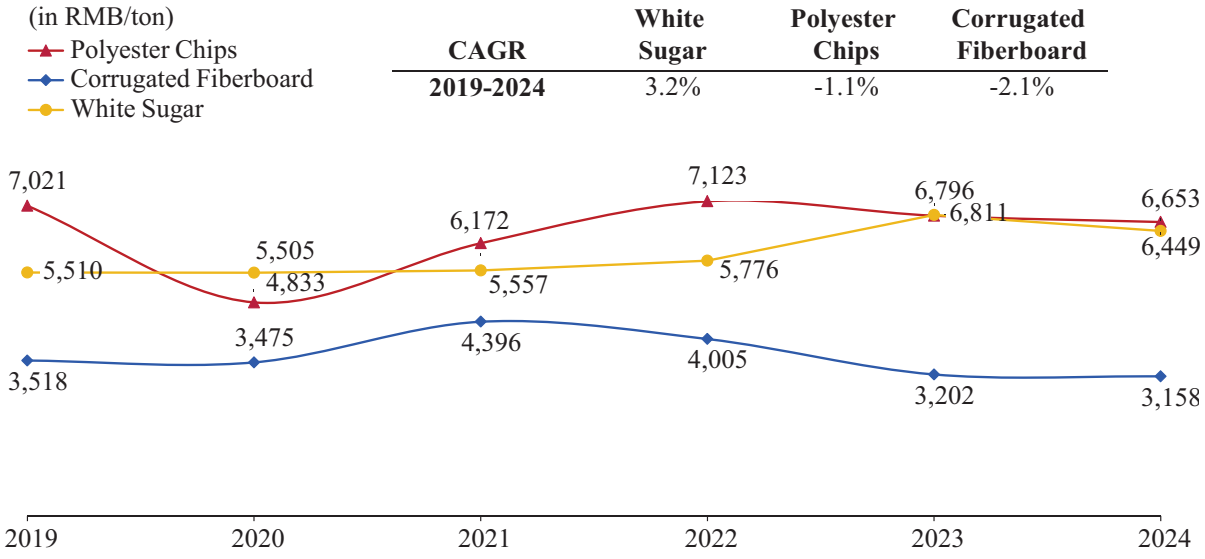
The functional and energy beverage markets in China exhibit relatively limited variation in retail pricing, with most mainstream products of leading functional beverage companies priced within a narrow range of approximately RMB1.0 to RMB3.0 per 100ml. There may be some variation in the actual retail prices among different brands across various sales channels, due to diverse sales strategies employed by retailers.

PRICE TREND OF RAW MATERIALS

Various raw materials are used for the production of functional beverages, with white sugar being one of the primary ingredients, while corrugated fiberboard and PET bottles are the main packaging materials of the products.

The following chart sets forth the price trend of major raw materials in the Chinese market for the periods indicated.

Average Prices of Major Raw Materials, 2019–2024



Source: Frost & Sullivan

The price of white sugar remained relatively stable from 2019 to 2022. In 2023, reduced production capacity led to an increase in the price of white sugar, followed by a slight decline in 2024, resulting in a CAGR of 3.2% from 2019 to 2024.

Polyester chips, the raw material for PET bottles, experienced a price decline from 2019 to 2020 due to weak downstream demand and falling raw material prices. Although the price of polyester chips rebounded afterward, it showed a downward trend again after 2022, with a CAGR of -1.1% from 2019 to 2024.

Corrugated fiberboard, the raw material for paper boxes, experienced a price decline from 2019 to 2020, mainly due to factors such as increased production capacity and weakened demand. After a brief recovery in 2021, the price of corrugated fiberboard fell again in 2022 due to a decline in raw material costs, with a CAGR of -2.1% from 2019 to 2024.

LAWS AND REGULATIONS RELATING TO FOOD SAFETY AND PRODUCTION AND TRADING LICENSE

Food Safety

According to the Food Safety Law of the PRC (《中華人民共和國食品安全法》) (the "**Food Safety Law**"), as last amended by the National People's Congress Standing Committee (the "**NPCSC**") on April 29, 2021, and the Regulation on the Implementation of the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》) (the "**Regulation on the Implementation of the Food Safety Law**"), as last amended by the State Council on October 11, 2019, food producers and business operators shall, in accordance with laws, regulations and food safety standards, engage in production and business operation activities, establish a sound food safety management system, and take effective measures to prevent and control food safety risks, thus ensuring food safety.

Pursuant to the Food Safety Law and the Regulation on the Implementation of the Food Safety Law, food safety standards are mandatory standards, and no food mandatory standard shall be formulated other than food safety standards. The health administrative department under the State Council shall, in concert with the food safety administration under the State Council, be responsible for the formulation and release of national food safety standards. The standardization administrative department under the State Council shall provide the reference codes for these national standards. The health administrative department under the State Council shall, in collaboration with the food safety supervision and management departments, the agriculture administrative departments and other departments under the State Council, develop a national standard plan on food safety and an annual plan for the implementation thereof. For local special foods without national food safety standards, the health administrative departments of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government may formulate and publish local food safety standards and submit the same to the health administrative department under the State Council for filing. After the national food safety standards are formulated, such local standards shall be nullified immediately.

The food producers shall not formulate corporate standards that are looser than the national or local food safety standards. The corporate standards formulated by such food producers that are stricter than the national or local food safety standards shall be reported to the health administrative department of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government for filing. The health administrative departments of the people's governments at the provincial level or above shall promulgate on their respective websites the national and local food safety standards and corporate standards formulated and filed for inquiry and downloading by the public free of charge.

A food recall system has been established in the PRC according to the Food Safety Law and the Regulation on the Implementation of the Food Safety Law. Upon discovery of food produced not conforming to food safety standards or if there is any evidence proving that the foods produced may harm human health, food producers and operators shall (1) immediately cease production, recall foods in the market, notify the relevant food producers, operators and consumers thereof, and keep records of the recall and notification status; and (2) immediately cease operation, notify the relevant food producers, operators and consumers thereof, and keep records of the cessation and notification status. If a food producer considers a recall as necessary, then foods in the market shall be recalled immediately.

Pursuant to the Food Safety Law and the Regulation on the Implementation of the Food Safety Law, any violation of the food safety laws may result in penalties imposed by the competent authorities, including confiscation of illegal gains, illegally produced and operated food and food additive products as well as tools, facilities and raw materials used for illegal production and operation; warnings, orders of rectification or fines; in serious cases, orders of suspension of operations until revocation of operation permits; and criminal liability in the case of a criminal offense.

Food Production and Trading License

According to the Food Safety Law and the Regulation on the Implementation of the Food Safety Law, a licensing system has been established for the food production and trading in China.

Pursuant to the Administrative Measures of Food Production Licensing (《食品生產許可管理辦法》) which was promulgated by SAMR and took effect on March 1, 2020, entities engaged in food production activities in the PRC shall legally obtain a food production license. The food production license is subject to the principle of one license for one entity and is valid for five years. The market supervision authorities shall implement classified licensing for food production. SAMR shall be responsible for formulating general rules and detailed rules on reviewing food production licensing and shall adjust food categories according to the needs of supervision and management.

Pursuant to the Administrative Measures for Food Operation Licensing and Registration (《食品經營許可和備案管理辦法》), which was promulgated by SAMR on June 15, 2023, entities engaging in food sales and catering services in the PRC shall legally obtain a food operation license, unless under circumstances otherwise stipulated by law. Entities only engaging in prepackaged food sales shall report to the local market supervision authorities at or above the county level where they are located for recordation. Food operators engaging in food operation activities at different business premises shall obtain food operation licenses or make registration

for records separately in accordance with the law. An application for a food operation license shall be filed based on the main business form of the food operators and the category of the business item. The food operation license is valid for five years.

The SAMR is responsible for supervising and guiding the administration of national food production licensing, food operation licensing and registration. The local market supervision authorities at or above the county level is responsible for the administration of food production licensing, food operation licensing and registration within the respective administrative area, and shall impose penalties for the violations of relevant regulatory requirements.

Pursuant to the Detailed Rules on Reviewing Beverage Production Licensing (2017 Version) (《飲料生產許可審查細則(2017年版)), which was issued by the China Food and Drug Administration (currently known as the SAMR) on December 26, 2017, enterprises that only have packaging sites, procedures, and equipment but have no reasonable equipment layout and process flow shall not be granted a production license. The beverage products subject to food production licensing management refer to the quantitatively packaged products which can be directly drunk or washed with water and whose ethanol content does not exceed 0.5% by mass. Beverage products refer to the products covered by the General Standard for Beverage (《飲料通則》) (GB/T 10789), including packaged drinking water, carbonated beverage (soda), tea (type) beverage, fruit and vegetable juice and drinks, protein beverage, solid beverage and other beverage. The packaged drinking water subject to food production licensing management refer to water which is sealed with packaging materials and containers that comply with food safety standards and relevant regulations and can be drunk directly. Packaged drinking water includes natural drinking mineral water, purified drinking water, natural drinking spring water, natural drinking water and other drinking water.

Food Labelling Management

According to the Food Safety Law, prepackaged food shall be labeled. The labels shall include the following items: (1) name, specification, net weight, and production date; (2) content or ingredient table; (3) name, address and contact information of the producer; (4) best before date; (5) the standards code of the product; (6) storage conditions; (7) generic names of food additives used under the national standards; (8) the production license number; (9) other items that are required by laws, regulations and food safety standards. Major nutrition facts and contents shall be specified on the labels of staple foods and supplementary foods exclusively for infants and other designated groups. Where national food safety standards have otherwise provisions on label matters, those provisions shall prevail. Food operators shall sell food in accordance with warning marks, warning specifications or cautions stated on labels thereof.

LAWS AND REGULATIONS RELATING TO HEALTH FOOD

Administrative Provisions for Health Food Registration, Filing and Labelling

Pursuant to the Food Safety Law, special foods, such as health food, formula food for special medical purpose and infant formula food, shall be under strict supervision of the State.

The Administrative Measures for Health Food (《保健食品管理辦法》), which was promulgated by the original Ministry of Health of the PRC (the Ministry of Health has ceased operation since the establishment of the National Health and Family Planning Commission in March 2013) on March 15, 1996 and took effect on June 1, 1996, and the Administrative Measures for Health Food Registration and Filing (《保健食品註冊與備案管理辦法》), as last amended by SAMR on October 23, 2020, stipulate the definition of health food, the registration and filing of health food, and the supervision and management thereof in detail.

According to the relevant provisions of the Administrative Measures for Health Food, health food refers to the food with specific health care functions, which is suitable for specific groups due to its body regulating functions and not for the purpose of disease treatment.

In pursuance of the Administrative Measures for Health Food Registration and Filing, health food using raw materials beyond the raw materials catalogue for health food products and the firstly imported health food (excluding those which provide nutrients such as vitamins and minerals) shall be registered with the food safety supervision and management department under the State Council. The firstly imported health food which provide nutrients such as vitamin and minerals shall be reported to the food safety supervision and management department under the State Council for record. Other health food products shall be filed with the food safety supervision and management departments of the people's government of the provinces, autonomous regions and municipalities directly under the Central Government.

The labels and instructions samples in respect of products applying for health food registration and filing shall include the product name, raw material, condiments, effective ingredients or iconic ingredients and respective contents, suitable or unsuitable groups, healthcare functions, consumption amount and methods, specification, storage methods, best before date, cautions and others, as well as relevant formulation basis and explanation. The main contents of labels and instructions samples of health food shall not indicate any disease-prevention or healing function, and shall state that "This product is not a substitute for drugs."

Health Food Advertisement

According to the Food Safety Law, advertisements of food shall be true and legal, and shall not contain false statements, or indicate any disease-prevention or healing function. Food producers and operators are responsible for the authenticity and legality of food advertisements. In addition to compliance with the above provisions, the statement of "This product is not a substitute for drugs" shall be included in the advertisements for health food products. Such advertisements are subject to review and approval by the food safety supervision and management departments of the people's government of the provinces, autonomous regions and municipalities directly under the Central Government where the producer is located, and the instrument of approval for health food advertisement shall be obtained. Approved health food advertising catalogues and approved advertising contents shall be published and updated by the food safety supervision and management departments of the people's government of the provinces, autonomous regions and municipalities directly under the Central Government in a timely manner.

In accordance with the Advertising Law of the PRC (《中華人民共和國廣告法》) (the "**Advertising Law**"), which was last amended by the NPCSC on April 29, 2021, advertisements shall not contain any false or misleading content, deceive or mislead consumers. An advertiser shall be responsible for the veracity of contents of advertisement. Advertisements for health food shall not contain: (1) any assertion or guarantee for efficacy and safety; (2) any statements indicating any disease-prevention or healing function; (3) any claims or implications that the advertised goods are necessary for health purposes; (4) any comparison with pharmaceuticals or other health foods; (5) use of advertising spokespersons for recommendations or testimonials; or (6) other items as prohibited by laws and administrative regulations. Advertisements for health food shall prominently state that "This product is not a substitute for drugs."

Pursuant to the Food Safety Law and the Advertisement Law, where an advertisement for health food is released without review, or a published advertisement for health food fails to comply with the laws, the market regulatory department shall order the cessation of the publishing of the advertisement, enforce remediation of impacts and impose fines. In serious cases, the business license may be revoked, the instrument of approval for health food advertisement may be withdrawn by the advertisement censorship authorities, and no application for advertisement review from such advertiser shall be accepted with one year.

LAWS AND REGULATIONS RELATING TO WATER DRAWING

The principal PRC laws and regulations relating to water drawing include (i) the Water Law of the PRC (《中華人民共和國水法》) promulgated by the NPCSC on January 21, 1988 and last amended on July 2, 2016; (ii) the Regulation on the Administration of the License for Water Drawing and the Levy of Water Resource Fees (《取水許可和水資源費徵收管理條例》) passed by

the State Council on February 21, 2006 and amended on March 1, 2017; (iii) the Administrative Measures for the License for Water Drawing (《取水許可管理辦法》) passed by the Ministry of Water Resources on April 9, 2008 and last amended on December 22, 2017; and (iv) the Implementing Measures for the Pilot Reform of Water Resources Tax promulgated by the MOF, the State Taxation Administration and the Ministry of Water Resources on October 11, 2024. According to these laws and regulations, other than those who are not required to apply for water-taking permits, any individual or entity that directly withdraws water resources from rivers, lakes and underground through the construction of water drawing projects or facilities shall apply to the water administrative departments or the water affairs bureau for a water-taking permit and pay for the water resource fees to obtain the water drawing right. The water drawing individual shall draw water according to the approved annual water drawing plan. In the case of the water drawing exceeding the quota stipulated in the plan, additional water resource fees shall be charged for the excess. For those where water resources tax has already been levied, the collection of water resource fees shall be ceased. The water resources tax shall be levied based on quantity. Under normal circumstances, the amount of tax payable = Amount of actual water withdrawal × Applicable tax rate.

A water-taking permit is generally valid for 5 years, with the maximum valid term not exceeding 10 years. If, at expiry of the valid term, the water-taking permit needs to be renewed, an application for renewal of the water-taking permit shall be submitted to the approval authority within 45 days before the expiry of the valid term.

REGULATIONS RELATING TO PRODUCT QUALITY AND PRODUCT LIABILITY

Product Quality

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), where a defect of a product causes damage to another person, the infringed person may claim compensation against the manufacturer or the seller of the product. Where a defect is caused by the manufacturer, the seller who has paid compensation has the right to indemnification against the manufacturer. Where a defect is caused by the fault of the seller, the manufacturer who has paid compensation has the right to indemnification against the seller.

In accordance with the Product Quality Law of the PRC (《中華人民共和國產品質量法》), as last amended by the NPCSC on December 29, 2018, producers and sellers shall be liable for the quality of the products they produce or sell. Anyone who produces or sells products that fails to comply with the relevant national or industrial standards for the purpose of safeguarding the human health and protecting the personal and property safety, shall be ordered by the relevant authorities to stop production and/or sale of the products, and shall be subject to confiscation of illegally produced or sold products and a fine not less than the equivalent of, but not more than

three times, the value of the products illegally produced or sold (including sold and unsold ones). Illegal gains, if any, shall be confiscated concurrently. In serious cases, the business license shall be revoked. Where a criminal offense is constituted, the offender will be pursued for criminal liabilities in accordance with the law.

Protection of Consumer Rights and Interests

Pursuant to the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) (the "**Consumer Rights and Interests Protection Law**"), as last amended by the NPCSC on October 25, 2013, operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide customers with authentic information about the commodities, and guarantee the quality, function, usage and term of validity of the commodities. Failure to comply with the Consumer Rights and Interests Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacing or repairing the commodities, mitigating the damages, compensation, and restoring the reputation, and subject the business operators or the responsible individuals to criminal penalties if business operators commit crimes by infringing the legitimate rights and interests of consumers.

The Regulation on the Implementation of the Consumer Rights and Interests Protection Law of the PRC (《中華人民共和國消費者權益保護法實施條例》), which was promulgated by the State Council on March 15, 2024, further details and supplements the obligations of operators and improves the relevant regulations on online consumption, strengthens the obligations of operators in prepaid consumption and regulates the behaviour of consumer claims.

REGULATIONS RELATING TO ONLINE RETAIL BUSINESSES

According to the Measures for the Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》) promulgated by the SAMR on March 15, 2021, operators engaging in online commodity trading and provision of related services shall go through industrial and commercial registration. Pursuant to the Electronic Commerce Law of the PRC (《中華人民共和國電子商務法》) promulgated by the NPCSC on August 31, 2018, e-commerce operators shall, in their business activities, abide by the principles of voluntariness, equality, fairness, and good faith, comply with the law and business ethics, fairly participate in market competition, fulfill responsibilities pertaining to the protection of consumer rights and interests, environment, intellectual property, cybersecurity and personal information, assume responsibility for the quality of their products and services, and accept the supervision of the government and the society. E-commerce operators shall deliver commodities or services to consumers according to their promises or the ways and time limits as agreed upon with consumers, and bear the risks and responsibilities when commodities are in transit. However, there is an exception where consumers select separate express logistics service providers.

REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), which was last amended by the NPCSC on December 30, 2022, the department in charge of foreign trade under the State Council shall be responsible for all foreign trade work throughout country, and work with other relevant departments under the State Council to formulate, adjust and issue a catalogue of goods and technologies that are restricted or prohibited from import and export. In addition, the department in charge of foreign trade under the State Council or, together with other relevant departments under the State Council, with the approval of the State Council, may make temporary decisions to restrict or prohibit the import and export of specific goods and technologies not included in the aforesaid catalogue to the extent permitted by laws. At the same time, with reference to the notice on the Unified Platform of the Business System of the Ministry of Commerce of the PRC, according to the Decision on Amending the Foreign Trade Law of the PRC (《關於修改<中華人民共和國對外貿易法>的決定》) made by the NPCSC on December 30, 2022, foreign trade operators engaged in the import and export of goods or technologies were not required to go through the filing and registration procedures from December 30, 2022.

According to the Administrative Provisions of PRC Customs on the Recordation of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021 and effective from January 1, 2022, customs declaration entities refer to the consignees or consignors of import and export goods and customs declaration enterprises that have filed record with the customs pursuant to these provisions. Consignees or consignors of imports and exports and customs declaration enterprises applying for filing shall obtain market entity qualification. The recordation of the customs declaration entities is valid for a long period of time. According to the Administrative Measures for the Safety of Imported and Exported Food of the PRC (《中華人民共和國進出口食品安全管理辦法》) which was promulgated by the General Administration of Customs of the PRC on April 12, 2021 and took effect on January 1, 2022, export food production enterprises shall file with the local customs, and ensure that the packaging and transportation methods for exported food meet the food safety requirements.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademarks

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**"), as last amended by the NPCSC on April 23, 2019, and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), as was last amended by the State Council on April 29, 2014, registered trademarks are protected under the Trademark Law and related rules and regulations. Trademarks are registered with the Trademark

Office of the National Intellectual Property Administration. A registered trademark is valid for 10 years. When it is necessary to continue using the registered trademark upon expiration of period of validity, a trademark registrant shall make an application for renewal in accordance with the requirements within twelve months before expiry, failing which a grace period of six months may be allowed. The period of validity for each renewal of registration shall be ten years commencing from the next day of the expiration of the previous period of validity. If no application for renewal is made upon expiration of period of validity, the registered trademarks shall be deregistered.

Patents

According to the Patent Law of the PRC (《中華人民共和國專利法》), as last amended by the NPCSC on October 17, 2020, and the Rules for the Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), as last amended by the State Council on December 11, 2012, an inventor, a designer, or the employer of the inventor of a service invention-creation may apply for the grant of an invention patent, a utility patent or a design patent. Assignment of the right to apply for a patent or the right of registered patent shall take effect as of the date of its registration. The patent right duration is 20 years for invention, 10 years for utility and 15 years for design, starting from the date of patent application.

Copyrights

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》), as last amended by the NPCSC on November 11, 2020, and the Regulation on the Implementation of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), as last amended by the State Council on January 30, 2013, Chinese citizens, legal persons or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art, natural sciences, social sciences, engineering or technology, and computer software. For works of legal persons or unincorporated organizations and works made for hire whose copyrights (except the right of authorship) are owned by legal persons or unincorporated organizations, the protection period of the right of publication shall be 50 years, expiring on December 31 of the fiftieth year after the creation of the works.

According to the Regulations on Protection of Computer Software (《計算機軟件保護條例》), as last amended by the State Council on January 30, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) as last amended by the National Copyright Administration on June 18, 2004, Chinese citizens, legal persons or other organizations enjoy copyright protection under the Regulations on Protection of Computer Software over the software developed by them, whether published or not. Software copyright arises from the date of

completion of software development. The protection period of the software copyrights of legal persons or other organizations shall be 50 years, ending on December 31 of the fiftieth year after the first publication of the software.

The National Copyright Administration shall be responsible for the administration of software copyright registration nationwide, and the China Copyright Protection Center is recognized as the software registration authority. The China Copyright Protection Center shall issue registration certificates to computer software copyright applicants pursuant to the provisions of the Measures for the Registration of Computer Software Copyright and the Regulations on Protection of Computer Software.

LAWS AND REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION AND PRODUCTION SAFETY

Environmental Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was last amended by the NPCSC on April 24, 2014, the competent department of environmental protection under the State Council shall conduct unified supervision and management of the environmental protection work throughout the country, while the competent departments of environmental protection of the local people's governments at or above the county level shall conduct unified supervision and management of the environmental protection work within the respective administrative area. Facilities for prevention and control of pollution in construction projects shall be designed, constructed and put into operation simultaneously with the main works. The facilities for prevention and control of pollution shall meet the requirements of the approved environmental impact assessment documents, and shall not be dismantled or placed without authorization.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), which was last amended by the NPCSC on December 29, 2018, classification-based management shall be applied to environment impact assessment of construction projects according to their degree of impact on the environment. The catalogs for the classification-based management of the environment impact assessment of the construction projects shall be determined and published by the competent department of ecological environment under the State Council. The construction entity concerned shall prepare the Environmental Impact Report or Environmental Impact Statement or fill out the Environmental Impact Registration Form. The Environmental Impact Report or Environmental Impact Statement of a construction project shall be submitted by the construction entity to the competent department of ecological environment with the approval authority for approval in accordance with the provisions of the State Council. The State shall implement a record-filing-based management on Environmental Impact Registration

Forms. If the environmental impact evaluation document of the construction project fails to be examined by the examination and approval department in accordance with the law or is not approved after examination, the construction unit may not start construction.

According to the Prevention and Control of Water Pollution Law of the PRC (《中華人民共和國水污染防治法》), which was last amended by the NPCSC on June 27, 2017, the discharge of water pollutants shall not exceed the prescribed water pollutant discharge standards and the total discharge control targets of key water pollutants. Enterprises, institutions and other production and operation units directly or indirectly discharging industrial waste water and medical sewage to waters and enterprises, institutions and other production and operation units required to obtain pollutant discharge license before discharging waste water and sewage shall obtain the pollutant discharge license. The pollutant discharge license shall specify requirements on the types, concentration, total amount and discharging direction of the water pollutants to be discharged. The specific measures for pollutant discharge licensing shall be prescribed by the State Council.

According to the Measures for Pollutant Discharge Permitting Administration (《排污許可管理辦法》) promulgated by the Ministry of Ecology and Environment on April 1, 2024, enterprises, public institutions and other producers and business operators shall, in accordance with factors such as the amount of pollutants produced, the amount of pollutants discharged and the extent of their impact on the environment, carry out the management of pollutant discharge permits with a focus, simplified management and pollutant discharge registration. The specific scope of pollutant discharging entities under priority pollutant discharge permitting administration or those under summary pollutant discharge permitting administration shall be governed by the classification administration list of pollutant discharge permitting for fixed pollution sources.

The pollutant discharging entity that implements the management of pollutant discharge permits in accordance with the law, shall apply for a pollutant discharge permit in accordance with the law and discharge pollutants accordingly. Entities failing to obtain discharge permits shall not discharge pollutants. The pollutant discharge registration entity that needs to fill out a pollutant discharge registration form shall register its pollutant discharge on the National Pollutant Discharge Permit Management Information Platform.

Production Safety

According to the Production Safety Law of the PRC (《中華人民共和國安全生產法》), as last amended by the NPCSC on June 10, 2021, production and operation units shall provide safe production conditions as required thereunder and stipulated in relevant laws, administrative rules, national standards and industrial standards, failing which no production and business operation activities shall be carried out. The person chiefly in charge of the production and operation unit shall be fully responsible for the production safety of the unit.

Failure to comply with relevant production safety laws and regulations may subject the production and operation units to administrative sanctions, such as fines, orders for rectification within a limited period or suspension of business operations. Such illegal production activities may also constitute violations of criminal statutes and be subject to criminal liabilities.

LAWS AND REGULATIONS RELATING TO EMPLOYMENT, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

General Labor Contract Rules

Enterprises or institutions shall conclude written labor contracts with employees under the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) which was last amended by the NPCSC on December 28, 2012. Labor contracts must be concluded in writing if labor relationships are to be or have been established between employers and employees. Enterprises and institutions are forbidden to force employees to work overtime or to do so in a disguised manner, and if an employer arranges overtime work for employees, employers must pay employees overtime wages in accordance with national regulations. In addition, wages may not be lower than local standards on minimum wages and must be paid to the employees timely.

According to the Labor Law of the PRC (《中華人民共和國勞動法》) as last amended by the NPCSC on December 29, 2018, the enterprises and institutions must establish and perfect a system of workplace safety and sanitation, strictly abide by national rules and standards on workplace safety and sanitation, and educate employees on workplace safety and sanitation. Workplace safety and sanitation facilities must comply with national standards. The enterprises and institutions must provide employees with a safe workplace and sanitation conditions that are in compliance with national standards and relevant labor protection regulations.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) as last amended by the NPCSC on December 29, 2018, each employer and individual in the PRC shall make social insurance contributions, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and work injury insurance. Each employer shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employees. Employers who fail to make social insurance contributions in full and on time shall be ordered by the social insurance premium collection agency to pay or supplement within a prescribed period, and an overdue payment fine at the rate of 5 per 10,000 shall be levied from the due date of payment. When the payment is not made at the expiry of the prescribed period, a fine above the overdue amount but less than its triple shall be imposed by the relevant administrative department.

According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》), as last amended by the State Council on March 24, 2019, each employer and individual in the PRC shall make housing provident fund contributions in accordance with the law. The employer shall go through the housing provident fund contribution registration with the housing provident fund management center and apply for the establishment of housing provident fund account for employees. If the employer does not register the contribution of the housing provident fund or does not establish housing provident fund account for its employees, the housing provident fund management center shall order it to be handled within a prescribed period. The employer who fails to make up the procedures within the prescribed period shall be given a fine of RMB10,000 to RMB50,000. Where the employer 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 period; where the payment and deposit have not been made after the expiration of the prescribed period, an application may be made to a people's court for compulsory enforcement.

REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PRIVACY

Cybersecurity

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), which was promulgated by the NPCSC and took effect on June 1, 2017, network operators shall comply with laws and regulations and fulfill their obligations to safeguard the security of network when conducting business activities and providing services. Network operators that provide services through the network shall take technical measures and other necessary measures in accordance with laws, regulations, and compulsory requirements of national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality, and usability of network data. In addition, network operators shall not collect the personal information irrelevant to the services they provide or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

According to the Measures for Cybersecurity Review (《網絡安全審查辦法》), which was promulgated by the Cyberspace Administration of China (CAC) and took effect on February 15, 2022, any procurement of network products and services by critical information infrastructure operators and data processing activities by network platform operators that affect or may affect national security, shall be subject to the cybersecurity review by the Cybersecurity Review Office. Besides, a network platform operator with more than one million users' personal information that seeks to list abroad must apply to the Cybersecurity Review Office for a cybersecurity review.

Where any enterprise is regarded by the relevant regulatory authorities as an entity with network products and services as well as data processing activities that affect or may affect national security, the relevant regulatory authorities shall take the initiative to carry out a cybersecurity review.

Data Security

The Data Security Law of the PRC (《中華人民共和國數據安全法》), which was promulgated by the NPCSC and took effect on September 1, 2021, sets forth specific provisions on the basic data security management systems, such as data classification and grading management system, risk assessment system, monitoring and early warning system and emergency response system. In addition, it also clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibilities.

The Administrative Regulations on Cyber Data Security (《網絡數據安全管理條例》), which was promulgated by the State Council and took effect on January 1, 2025, stipulates that network data processors engaging in network data processing activities that affect or may affect national security, shall be subject to national security review pursuant to the relevant government regulations. Moreover, the Administrative Regulations on Cyber Data Security also sets forth other specific requirements regarding data processing activities by network data processors in aspects of personal data protection, security of important data, security management of cross-border data and obligations of internet platform service providers.

The Provisions on Facilitating and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》), which was promulgated by the CAC and took effect on March 22, 2024, redefines the subjects and circumstances that require security assessment of cross-border data transfer, signing and filing standard contracts, and applying for protection certification, stipulates the conditions for data cross-border transfer that are exempted from declaring the security assessment, signing and filing standard contracts, and applying for protection certification, and establishes a negative list system for pilot free trade zones, to promote the free flow of data in an orderly manner in accordance with the law.

Personal Information Protection

The personal information of a natural person shall be protected by law pursuant to the Civil Code of the PRC (《民法典》). Any organization or individual needing to obtain the personal information of other persons shall legally obtain and ensure the security of such information, and shall not illegally collect, use, process, or transmit the personal information of other persons, nor illegally buy, sell, provide, or publish the personal information of other persons.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), which was promulgated by the NPCSC and took effect on November 1, 2021, establishes a comprehensive regulatory system for personal information processing. It includes that the personal information shall be processed for explicit and reasonable purposes, that the processing of sensitive information is subject to additional protection, that the provision of personal information to outsiders and the entrusted processing of personal information require the signing of a special agreement to ensure security, that the storage, deletion, disclosure and automated decision-making of personal information shall comply with special rules, and that processors of personal information shall have appropriate organizational, institutional and technical measures safeguards.

The Administrative Measures for the Compliance Audit of Personal Information Protection (《個人信息保護合規審計管理辦法》), which was promulgated by the CAC and will take effect on May 1, 2025, stipulates that personal information processors that process the personal information of more than 10 million individuals shall carry out the compliance audit of personal information protection at least once every two years. Personal information processors that process the personal information of more than 1 million individuals shall designate a person in charge of personal information protection to be responsible for the compliance audit of personal information protection of the personal information processor.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Regulations on the Foreign Exchange System of the PRC (《中華人民共和國外匯管理條例》), which was promulgated by the State Council on August 5, 2008, unless otherwise provided by laws and regulations, foreign currency is prohibited for circulation and shall not be quoted for pricing or settlement in the territory of the PRC. Foreign exchange can be classified into current account transactions and capital account transactions. The international payments and transfer of foreign currencies under current account transactions, such as payments of dividends or interests, shall not be restricted. Foreign currency transactions under the capital account, such as direct equity investment, are still subject to restrictions and require approvals from, or registration with, SAFE and other relevant PRC governmental authorities.

According to the Notice of the State Administration of Foreign Exchange on Relevant Issues of Foreign Exchange Control of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the SAFE and its branch offices and foreign exchange administrative offices shall oversee, regulate and inspect domestic companies regarding their business registration, accounts opening and use, cross-border payments and receipts, and exchange of funds involved in overseas listing. Domestic companies shall, within 15 working days upon the end of their public offering overseas, handle overseas listing registration with the foreign exchange authority at their place of registration with relevant materials.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (Hui Fa [2016] No. 16) (《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》(匯發[2016]16號)), which was issued by the SAFE on June 9, 2016 and partially amended on December 4, 2023, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. That the foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of domestic institutions. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. The SAFE may adjust the above proportion in due time according to the balance of payments. While being eligible for discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the fund settled in the previous transaction of such institution. The foreign exchange income of domestic institutions under capital accounts and the RMB funds obtained from foreign exchange settlement shall be used for current account expenditures within their business scope and capital account expenditures permitted by laws and regulations, but shall not be used for expenditures beyond the business scope of enterprises or prohibited by national laws and regulations.

According to the Notice of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support Foreign-related Business Growth (《關於優化外匯管理支持涉外業務發展的通知》), which was issued by the SAFE on April 10, 2020, on the premise of ensuring the authenticity and compliance of fund use and in compliance with the existing management provisions on use of receipts under capital accounts, eligible companies are allowed to use receipts under capital accounts such as foreign exchange capital, foreign debts and funds from overseas listing for domestic payments, without prior submission of authentication materials to banks on a transaction-by-transaction basis. The administering bank shall conduct spot checking afterwards in accordance with relevant requirements.

REGULATIONS RELATING TO OVERSEAS LISTING

According to the Securities Law of PRC (《中華人民共和國證券法》), which was last amended by the NPCSC on December 28, 2019, a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council. For subscription and trading of shares of domestic companies using foreign

currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner.

On February 17, 2023, the CSRC promulgated certain regulations relating to the filing and management of overseas issuance and listing by domestic companies, including 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》) and five supporting guidelines (collectively referred to as the "**Overseas Listing Regulations**"). Pursuant to the Overseas Listing Regulations, the PRC domestic companies that seek to offer and list securities in overseas markets, either directly or indirectly, must submit the required documents to the CSRC within three working days after submitting the application for overseas listing.

The Overseas Listing Regulations provides that an overseas offering and listing is prohibited, if any of the following applies: (i) the offering and listing of such securities are explicitly prohibited by laws, administrative regulations and relevant national regulations; (ii) the proposed securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (iii) the domestic company intending to be listed or offer securities, or its controlling shareholder(s) and actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of socialist market economy in the past three years; (iv) the domestic company intending to be listed or offer securities is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

In addition, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of the following circumstances upon offering securities and listing in overseas markets, pursuant to the Overseas Listing Regulations: (i) change in controlling rights; (ii) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities; (iii) change of listing status or listing segments; and (iv) voluntary or compulsory termination of listing. Domestic companies that seek to offer securities and list in overseas markets shall strictly comply with relevant laws, administrative regulations and national security regulations regarding foreign investment, cybersecurity, and data security, and earnestly fulfill their obligations to safeguard national security.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection and the National Archives Administration jointly promulgated the Provisions on Strengthening Confidentiality and Archives Administration for Overseas Securities Offering and Listing by Domestic Enterprises (《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 Regulations**"). Pursuant to the Confidentiality Regulations, a domestic enterprise that provides or publicly discloses any documents and data relating to state secrets and work secrets of state authorities to relevant securities companies, securities service agencies and overseas regulators, and individuals shall first obtain approval from competent authorities in accordance with law, and file with the confidentiality administrative department at the same level. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval procedures in accordance with relevant national regulations.

REGULATIONS RELATING TO TAX

Enterprise Income Tax

According to the EIT Law, as last amended by the NPCSC on December 29, 2018, and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), as last amended by the State Council on December 6, 2024, enterprises are classified into resident enterprises and non-resident enterprises. The PRC resident enterprises typically pay enterprise income tax at the rate of 25%. Pursuant to the EIT Law, the rate of enterprise income tax for a high-tech enterprise shall be 15%. The Administrative Measures for the Determination of High and New Technology Enterprises (《高新技術企業認定管理辦法》), as last amended by the Ministry of Science and Technology of the PRC, the MOF and the SAT on January 29, 2016, provides that the certificate for the high-tech enterprise is valid for three years.

Value-Added Tax

According to the Temporary Regulations on Value-Added Tax of the PRC (《中華人民共和國增值税暫行條例》), as last amended by the State Council on November 19, 2017, entities and individuals that sell goods or labor services of processing, repair or replacement, sell services, intangible assets, real property and import goods within the territory of the PRC are taxpayers of value-added tax, and shall pay value-added tax in accordance with these regulations.

According to the Temporary Regulations on Value-Added Tax of the PRC, the Notice of the Ministry of Finance and the STATE TAXATION ADMINISTRATION (STA) on Adjusting Value-added Tax Rates (Cai Shui [2018] No. 32) (《財政部、税務總局關於調整增值税税率的通

知》(財稅[2018]32號)) issued by the MOF and the STA on April 4, 2018 and took effect on May 1, 2018, and the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) promulgated by the MOF, the STA and the General Administration of Customs on March 20, 2019 and took effect on April 1, 2019, the applicable value-added tax rates for ordinary taxpayers are 13%, 9% and 6%, and the applicable value-added tax rate for small-scale taxpayers is 3%.

The Value-added Tax Law of the PRC (《中華人民共和國增值稅法》) promulgated by the NPCSC on December 25, 2024 will come into effect on January 1, 2026, and the Temporary Regulations on Value-Added Tax of the PRC will be abolished simultaneously.

Dividends Distribution

The principal laws and regulations governing dividend distributions by foreign-invested enterprises in the PRC are the PRC Company Law, as last amended by the NPCSC on December 29, 2023 and the Law of the PRC on Foreign Investment (《中華人民共和國外商投資法》) and its Implementing Regulations promulgated by the National People's Congress on March 15, 2019. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. When any after-tax profits for the current year are distributed, the Company shall allocate 10% of the profit as the statutory reserve fund of the Company. If aggregate amount of the statutory reserve funds exceeds 50% of the registered capital of the Company, no more allocation shall be required. If the statutory reserve fund is not sufficient to make up for the losses of the previous years, such losses shall be made up for with the profits for the current year before any statutory reserve fund shall be allocated in according with the preceding paragraph.

Pursuant to the IIT Law, as last amended on August 31, 2018, and the Regulations on 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》), as last amended on December 18, 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaties.

Pursuant to the EIT Law and the Regulations on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), an enterprise income tax rate of 10% will normally be applicable to dividends declared to a non-resident enterprises which have

not established agencies or offices in China, or which have established agencies or offices in China but whose income has no association with such agencies or offices unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaties.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC EIT imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a EIT refund in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Anti-Unfair Competition

In accordance with the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), which was last amended by the NPCSC on April 23, 2019, when carrying out production or business activities, business operators shall abide by the principles of voluntariness, equality, fairness, honesty and credibility, and abide by laws and recognized business ethics. Unfair competition refers to that the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of this law.

The supervisory and inspection authorities shall have the power to conduct investigations into suspected unfair competition and may take measures such as inspections, inquiries, searching for duplicated information, and the seizure and detention of property. Operators who engage in unfair competition in violation of the provisions of this law shall bear civil, administrative and criminal liabilities in accordance with the law.

Administrative Measures on Outbound Investments

Pursuant to the Administrative Measures on Outbound Investments (《境外投資管理辦法》) amended by the MOFCOM on September 6, 2014, the MOFCOM and provincial competent commerce authorities shall carry out administration either by record-filing or approval, depending on different circumstances of outbound investment by enterprises. Outbound investment by enterprises that involves sensitive countries and regions or sensitive industries shall be subject to administration by approval. Outbound investment by enterprises that falls in any other circumstances shall be subject to administration by record-filing.

Pursuant to the Administrative Measures for the Outbound Investments by Enterprises (《企業境外投資管理辦法》) promulgated by the National Development and Reform Commission on December 26, 2017, a domestic enterprise, or the Investor in the PRC, making an outbound investment shall obtain approval, conduct record-filing or other procedures applicable to outbound investment projects, or the Projects, report relevant information, and cooperate with the supervision and inspection. Sensitive Projects carried out by Investors directly or through overseas enterprises controlled by them shall be subject to approval; non-sensitive Projects directly carried out by Investors, namely, non-sensitive projects involving investors' direct contribution of assets or rights and interests or provision of financing or guarantee shall be subject to record-filing.

The aforementioned sensitive projects include projects involving sensitive countries or regions or sensitive industries. On January 1, 2018, the National Development and Reform Commission promulgated the Catalogue of Sensitive Sectors for Outbound Investment (2018 Edition) (《境外投資敏感行業目錄(2018年版)》), which lists the specific sensitive industries in detail.

Real Estate Management

Land

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), as last amended by the NPCSC on August 26, 2019, and the Regulations on the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》), as last amended by the State Council on July 2, 2021, the land in the PRC is either State-owned or collectively-owned. Except for land which is legally owned by the State or has been expropriated as State-owned according to law, all of the land is collectively-owned. The State-owned land use rights may be used by third parties through grant, allocation, lease, capital contribution and other forms. Third parties who have obtained the State-owned land use rights may legally use, profit from and dispose of the State-owned land use rights within the statutory term of use and scope of planned uses.

According to the Provisional Regulations of the PRC on Grant and Transfer of the Right to Use State-Owned Urban Land (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》), which was last amended by the State Council on November 29, 2020, the grant of land use rights refers to the State as the land owner assigns the land use right to land users within a certain period of time, and the land users pay the State grant fees for obtaining the land use right. The grant contract of the land use right shall be signed. The land user shall develop, use and operate the land in accordance with the grant contract of the land use right and the requirements of the urban planning. Failure to develop and use the land in accordance with the terms and conditions of the relevant contract, the land administration authority under the People's Government of the relevant

city or county, may order rectification, and according to the severity of the case, may issue warning, fines or order withdrawal of the land use right without compensation. In the event that the land user needs to change the use of the land provided for in the land use right grant contract, he/she shall obtain the consent from the grantor and approval from the land administration department and the town planning department, sign a new land use right grant contract, adjust the land use right grant premium and apply for registration.

Planning

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), which was last amended by the NPCSC on April 23, 2019, if the construction of buildings, structures, roads, pipelines and other projects is carried out in the planned area of a city or a town, the construction entity or individual shall apply to the competent authority of urban and rural planning of the people's government of the city or county or the people's government of the town as determined by the people's government of the province, autonomous region or municipality directly under the Central Government for a construction project planning permit.

Project Construction

According to the Construction Law of the PRC (《中華人民共和國建築法》), which was last amended by the NPCSC on April 23, 2019, prior to the commencement of construction work, the construction entity shall apply to the competent construction administrative authority of the people's government at or above the county level where the project is located for a construction permit in accordance with the relevant provisions of the State, except for small-scale projects under the quota as determined by the construction administrative authority under the State Council. A construction project shall be delivered for use only after it has passed the acceptance examination. A construction project shall not be delivered for use without conducting or passing the acceptance examination.

LAWS AND REGULATIONS RELATING TO PROPERTY LEASING

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. A lessee may, upon the lessor's consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee. Where a lessee subleases the leased object without the consent of the lessor, the lessor may rescind the contract.

In addition, a change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract does not affect the validity of the lease contract. Where a lessee is unable to use or to receive benefit from the leased object owing to a claim from a third person, the lessee may request for a reduction of or exemption from the rent. If the issuer is unable to continue to use the leased property due to the assertion of rights by a third party, the issuer may request the lessor for rent reduction or remission so as to minimize the loss of capital.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》), the failure to register the filing procedures shall not affect the validity of the lease contract. According to the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, the lessor and the lessee are required to complete property leasing registration and filing procedures within 30 days from execution of the property lease contract with the competent construction or real estate authorities of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed.

According to the Interpretation of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Cases about Disputes Over Lease Contracts on Urban Buildings (2020 version) (《最高人民法院關於審理城鎮房屋租賃合同糾紛案件具體應用法律若干問題的解釋(2020修正)》), which took effect on January 1, 2021, if the ownership of the leased premises changes during lessee's possession in accordance with the terms of the lease contract, and the lessee requests the assignee to continue to perform the original lease contract, the PRC court shall support it, except that the mortgage right has been established before the lease of the leased premises and the ownership changes due to the mortgagee's realization of the mortgage right.

OVERVIEW

Eastroc Industrial, our predecessor, was incorporated in June 1994. In October 2003, the interests of Eastroc Industrial were transferred to, among others, Mr. Lin and 19 other employees of Eastroc Industrial. Throughout our over three decades of development and growth leveraging on the success of our flagship energy beverage product, *Eastroc Super Drink* (東鵬特飲) and the continuous gradual expansion of our products range, we have now become the largest functional beverage company in China.

Our Company was converted into a joint stock limited company in March 2018, and subsequently listed on the Shanghai Stock Exchange (stock code: 605499) in May 2021. See "— Major Shareholding Changes of Our Company — Conversion into Joint Stock Limited Company and Listing on the Shanghai Stock Exchange" for more details. As of the Latest Practicable Date, Mr. Lin controlled, directly and indirectly through his controlled limited partnerships, 50.16% of our issued capital.

KEY DEVELOPMENT MILESTONES

The following table sets out a summary of our Group's key development milestones:

Year	Development Milestones
1994	Eastroc Industrial was established in June.
2003	The entire interests of Eastroc Industrial was transferred to Mr. Lin and 19 other employees of Eastroc Industrial, and Eastroc Industrial was converted into Eastroc Limited.
2009	We became the first in the energy beverage industry in China to introduce PET packaging.
2013	We launched initiatives to increase the "Eastroc" brand influence nationwide.
2015	We launched the "One Item, One Code (一物一碼)" system to precisely track the flow of our products from factory to consumers.
2017	We were the first in the industry to introduce a 500ml bottled version of energy beverage.
2018	Our Company was converted into a joint stock limited company in March.

Year	Development Milestones
2020	We deployed the "five-code integration (五碼關聯)" technology, which enables the assigning of unique QR codes at key stages throughout the production-to-sales process.
2021	Our Company debuted on the Shanghai Stock Exchange (stock code: 605499) in May, and we became the first energy beverage company listed in the PRC.
2023	The annual sales revenue of our *Eastroc Super Drink* (*東鵬特飲*) exceeded RMB10 billion. Our sports beverage, *Eastroc Water Boost* (*東鵬補水啦*), was launched.
2024	We achieved an annual cash inflow in excess of RMB20 billion through sale of our products. *Eastroc Water Boost (東鵬補水啦)* achieved annual sales revenue of nearly RMB1.5 billion in the second year after its launch.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Our Early History

On June 30, 1994, the unincorporated entity Shenzhen Dongfang Corporation Limited Dongpeng Beverage Factory was established as a corporate entity, Eastroc Industrial.

On September 25, 2003, Dongfang Limited entered into an interest transfer agreement with 20 employees at the time of Eastroc Industrial (including Mr. Lin), pursuant to which Dongfang Limited shall transfer to such 20 employees all interests in Eastroc Industrial. Upon completion of the aforementioned transfer on October 13, 2003, Eastroc Industrial was converted into a limited liability company, Eastroc Limited, where Mr. Lin became a 58.04% shareholder.

Conversion into Joint Stock Limited Company and Listing on the Shanghai Stock Exchange

On March 15, 2018, Eastroc Limited completed all procedures and obtained all approvals required to convert from a limited liability company to a joint stock limited company under the name of Eastroc Beverage (Group) Co., Ltd. (東鵬飲料(集團)股份有限公司).

On May 27, 2021, we completed the listing of our A Shares on the Shanghai Stock Exchange (stock code: 605499), during which our Company issued an aggregate of 40,010,000 A Shares, accounting for 10.00% of our Company's then share capital immediately following completion of our A Shares listing. Following completion of our A Shares listing, Mr. Lin held, directly and indirectly, 50.74% of our Company's Shares.

OUR MAJOR SUBSIDIARIES

The following table sets forth the principal activities, the date and place of incorporation/establishment, and the equity interest attributable to our Group in respect of each of our major subsidiaries as of the Latest Practicable Date[Note]:

Name of major subsidiary	Date of incorporation/ establishment	Place of incorporation/ establishment	Equity interest attributable to the Group	Principal activities
Guangzhou Eastroc Food and Beverage Co., Ltd.* (廣州市東鵬食品飲料有限公司)	April 5, 2006	PRC	100%	Development and manufacturing of products
Guangdong Eastroc Vitamin Beverage Co., Ltd.* (廣東東鵬維他命飲料有限公司)	November 10, 2011	PRC	100%	Manufacturing of products
Anhui Eastroc Food and Beverage Co., Ltd.* (安徽東鵬食品飲料有限公司)	August 28, 2012	PRC	100%	Manufacturing of products
Chongqing Eastroc Vitamin Beverage Co., Ltd.* (重慶東鵬維他命飲料有限公司)	February 3, 2015	PRC	100%	Manufacturing of products
Nanning Eastroc Food and Beverage Co., Ltd.* (南寧東鵬食品飲料有限公司)	March 1, 2017	PRC	100%	Manufacturing of products
Guangdong Dongpeng Beverage Co., Ltd.* (廣東東鵬飲料有限公司)	April 26, 2017	PRC	100%	Manufacturing of products
Changsha Eastroc Vitamin Beverage Co., Ltd.* (長沙東鵬維他命飲料有限公司)	August 9, 2021	PRC	100%	Manufacturing of products
Zhejiang Eastroc Vitamin Beverage Co., Ltd.* (浙江東鵬維他命飲料有限公司)	November 29, 2021	PRC	100%	Manufacturing of products

Name of major subsidiary	Date of incorporation/ establishment	Place of incorporation/ establishment	Equity interest attributable to the Group	Principal activities
Shenzhen Eastroc Jiexun Supply Chain Management Co., Ltd.* (深圳市東鵬捷迅供應鏈管理有限公司)	April 23, 2019	PRC	100%	Provision of supply chain management services
Eastroc Beverage Marketing (Shanghai) Co., Ltd.* (東鵬飲料市場營銷(上海)有限公司)	June 22, 2020	PRC	100%	Sales of products
Eastroc Beverage Marketing (Guangdong) Co., Ltd.* (東鵬飲料營銷(廣東)有限公司)	November 9, 2022	PRC	100%	Sales of products
Shenzhen Eastroc Beverage Sales Management Co., Ltd.* (深圳市東鵬飲料銷售管理有限公司)	July 14, 2023	PRC	100%	Sales of products and Group administration
Eastroc Beverage Marketing (Tianjin) Co., Ltd.* (東鵬飲料市場營銷(天津)有限公司)	January 2, 2024	PRC	100%	Sales of products
Eastroc Beverage Marketing (Zhejiang) Co., Ltd.* (東鵬飲料市場營銷(浙江)有限公司)	January 4, 2024	PRC	100%	Sales of products
Eastroc Beverage (HongKong)	November 10, 2021	Hong Kong, PRC	100%	Sales of products and international business operations

Note:

- During the Track Record Period, we also operate our businesses through two other major subsidiaries, Eastroc Beverage Marketing (Shenzhen) Co., Ltd.* (東鵬飲料市場營銷(深圳)有限公司) and Eastroc Beverage Marketing (Shanwei) Co., Ltd.* (東鵬飲料市場營銷(汕尾)有限公司), both of which were our subsidiaries performing sales function and were deregistered on January 18, 2024 and August 6, 2024, respectively. These subsidiaries were deregistered to streamline the corporate structure of our Group.

MAJOR ACQUISITIONS AND DISPOSALS

We had not conducted any major acquisition, disposal or merger during the Track Record Period and up to the Latest Practicable Date.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since May 2021, our Company has been listed on the Shanghai Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of non-compliance with the rules of the Shanghai Stock Exchange and other applicable PRC securities laws and regulations in any material respects and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the **[REDACTED]**'s attention in relation to our compliance record on the Shanghai Stock Exchange. Our PRC Legal Adviser is of the view that the confirmation of our Directors above with regard to our compliance record is accurate and reasonable. Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Adviser's view, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange in any material respect.

We seek to be **[REDACTED]** on the Stock Exchange to further enhance our capital strength and overall competitiveness, boost our international brand profile and image, satisfy our international business development needs, and continue advancing our global strategy. See "Business — Strategies" and "Future Plans and Use of **[REDACTED]**" in this Document for more details.

PREVIOUS GDR LISTING ATTEMPT

We previously considered the possibility to issue global depositary receipts and apply for the admission of the same to listing on the SIX Swiss Exchange AG (the "**GDR Listing**"). Our Board of Directors conditionally approved in July 2022, and our Shareholders approved in a general meeting in August 2022, the plan of GDR Listing. Subsequently, taking into account the external capital market environment and our strategy to focus our time and resources on expanding our sales network and strengthening our brand profile and image at the relevant time, our Board of Directors made the decision to terminate the plan for the GDR Listing in February 2024. As of the Latest Practicable Date, we had not submitted any formal listing application to any regulators with respect to the GDR Listing.

Our Directors confirm that, to their best knowledge, there are no other material matters relation to the GDR Listing that would affect the Company's suitability for **[REDACTED]** on the Stock Exchange and are necessary to be disclosed in this Document for **[REDACTED]** to form an informed assessment of our Company. Based on the due diligence conducted by the Joint Sponsors, nothing has come to their attention in relation to the GDR Listing that would cause them to disagree with our Directors' view.

PUBLIC FLOAT

Pursuant to Rule 19A.13A(2) of the Listing Rules, a new applicant which is a PRC issuer with other listed shares at the time of listing must have a portion of its H shares for which listing is sought that are held by the public at the time of listing that (a) represents at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000. Accordingly, based on the minimum **[REDACTED]** of HK$**[REDACTED]** per H Share, the portion of H Shares that must be held by the public at the time of Listing must not be less than **[REDACTED]** H Shares, representing at least **[REDACTED]**% of the total number of issued Shares (before the exercise of the **[REDACTED]**).

On the basis that no H Shares will be allocated under the **[REDACTED]** to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, it is expected that immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), all the H Shares, representing **[REDACTED]**% of the total number of issued Shares and with an expected market value of approximately HK$**[REDACTED]** (based on the minimum **[REDACTED]** of HK$**[REDACTED]**), which is in excess of HK$3,000,000,000, will be counted towards the public float, which is higher than the prescribed percentage of H Shares required to be held in public hands of **[REDACTED]**% under Rule 19A.13A(2)(b) of the Listing Rules.

FREE FLOAT

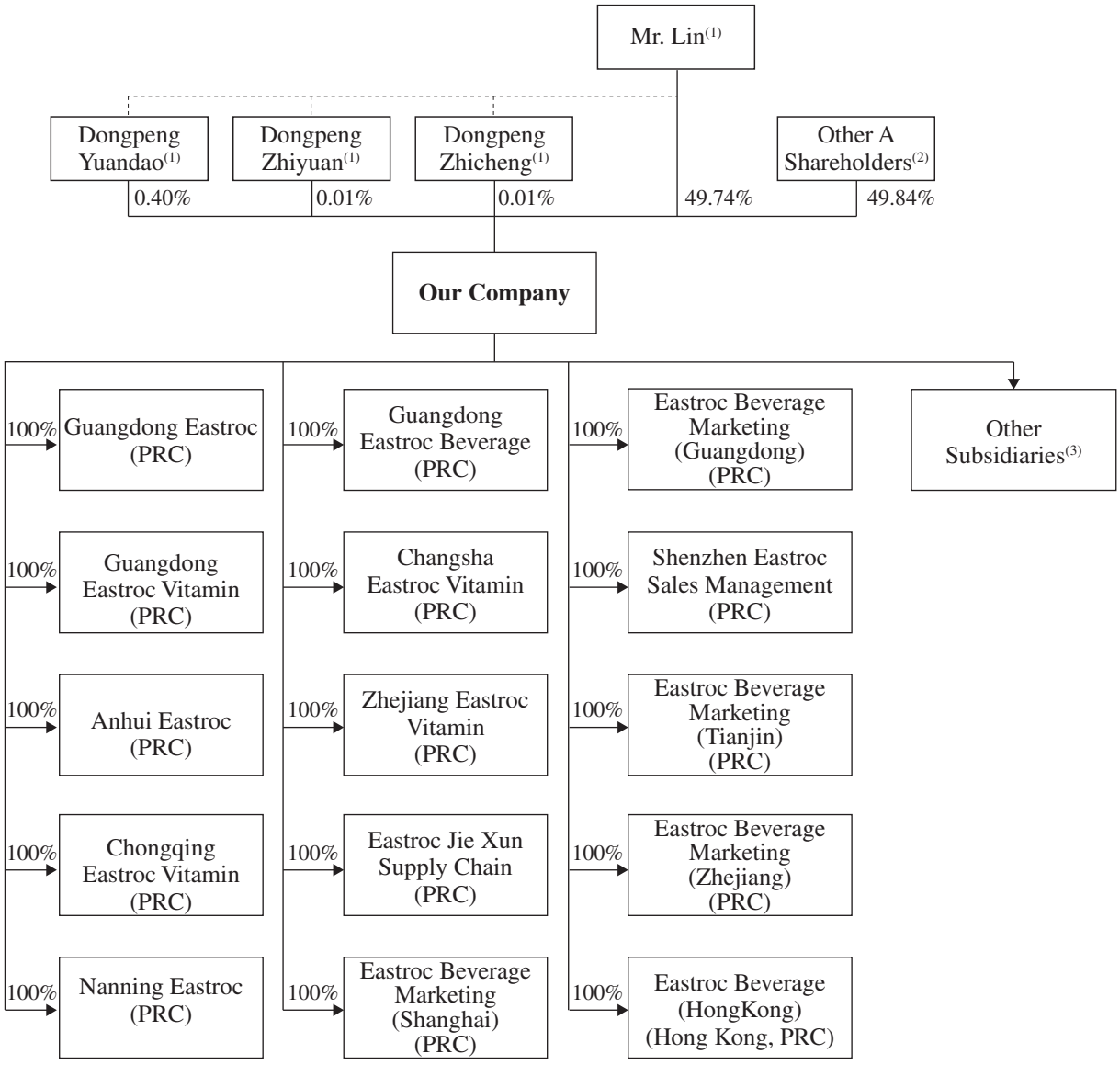
Rule 19A.13C of the Listing Rules requires that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. Where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

On the basis that no H Shares will be allocated under the **[REDACTED]** to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, assuming the **[REDACTED]** is not exercised and **[REDACTED]** of the **[REDACTED]** are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of **[REDACTED]**, based on the minimum **[REDACTED]** of HK$**[REDACTED]**, it is expected that at least **[REDACTED]** H Shares, with an expected market value of approximately HK$**[REDACTED]**, which is in excess of HK$[600,000,000], will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the **[REDACTED]**, which will satisfy the free float requirement under Rule 19A.13C(2)(b) of the Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately Before the [REDACTED]

The following chart illustrates our simplified shareholding and corporate structure immediately prior to the **[REDACTED]**:



Notes:

(1) Mr. Lin is a Controlling Shareholder, and held 99.998%, 99.89% and 99.87%, respectively, of the partnership interests Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng as a limited partner as of the Latest Practicable Date and 0.002%, 0.11% and 0.13%, respectively, of the partnership interests are held by Mr. LIN Daiyao (林戴耀), an Independent Third Party, as general partner. Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng were the Company's employee shareholding platforms established prior to the listing of the Company's A Shares on the Shanghai Stock Exchange.

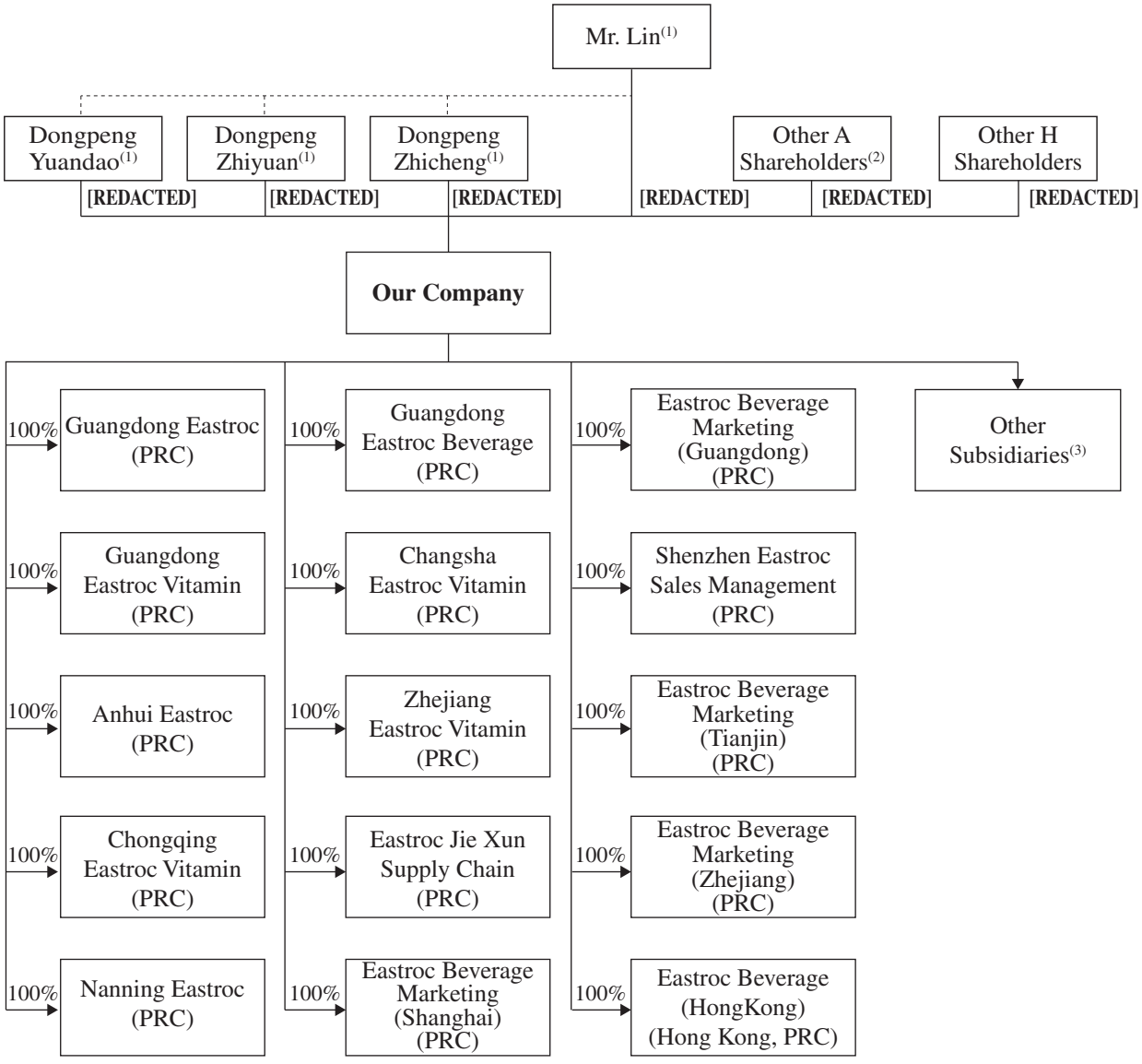
(2) Includes, as of the Latest Practicable Date, (i) Mr. LIN Mugang (林木港), an executive Director and the executive president of the Group and the brother of Mr. Lin, who held 5.22% of the A Shares; (ii) Mr. LIN Daiqin (林戴欽), the nephew of Mr. Lin and Mr. LIN Mugang, who held 5.22% of the A Shares; and (iii) Kunpeng Investment, which held 5.06% of the A Shares. The general partner of Kunpeng Investment is Mr. ZHUANG Jian'en (莊建恩), an Independent Third Party, and the limited partners of Kunpeng Investment includes Mr. LIN Yupeng (林煜鵬), the son of Mr. Lin, with 54.05% limited partnership interests, Mr. Lin with 9.01% limited partnership interests, and 15 other limited partners each with less than 5% limited partnership interests. There are no acting-in-concert arrangements among Mr. Lin, Mr. LIN Mugang, Mr. LIN Daiqin, Kunpeng Investment, Mr. ZHUANG Jian'en and Mr. LIN Yupeng in respect of their respective direct or indirect interests in our Company.

(3) Other subsidiaries include (i) thirteen other subsidiaries incorporated in the PRC; (ii) two subsidiaries incorporated in Malaysia, one subsidiary incorporated in Indonesia and one subsidiary incorporated in Vietnam, whose primary businesses were sales of products and international business operations; and (iii) three subsidiaries incorporated in the U.S., two subsidiaries incorporated in Singapore and one subsidiary incorporated in Japan, which have not yet engaged in substantive business operations and are intended in the future to engage in our international business operations.

As of the Latest Practicable Date, all of our Shares were traded on the Shanghai Stock Exchange, and our Controlling Shareholders controlled directly and indirectly 50.16% of our total issued Shares. To the best knowledge of our Directors having made all reasonable enquiries, as of the Latest Practicable Date, save as disclosed above, no other Shareholders of our A Shares were close associates of any of our Controlling Shareholders.

Shareholding and Corporate Structure upon Completion of the [REDACTED]

The following chart illustrates our simplified shareholding and corporate structure immediately following the completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised:



Notes (1) to (3): See the corresponding notes under "— Shareholding and Corporate Structure Immediately Before the **[REDACTED]**. "

OVERVIEW

Who We Are

We are the largest functional beverage company in China, with the fastest revenue growth among the world's top 20 listed soft beverage companies. According to Frost & Sullivan, we have been the largest functional beverage company in China in terms of sales volume for four consecutive years since 2021, with our market share increasing from 15.0% in 2021 to 26.3% in 2024, and the second largest functional beverage company in terms of retail sales in 2024 with a market share of 23.0%, further strengthening our market leadership. We are committed to energizing a healthier and better life for consumers worldwide. With over 30 years of industry experience, we continue to provide tasty and value-for-money beverages, establishing Eastroc as a beloved brand with nationwide consumer recognition. "Worn out? Time for Eastroc! (累了、困了、喝東鵬特飲)" has gained strong consumer recognition, making *Eastroc Super Drink* (*東鵬特飲*) a widely recognized brand associated with consumption scenarios of energy replenishment. While strengthening our leadership in the functional beverage industry, we continuously innovate and upgrade our products, expanding into a diverse range of categories to lay a solid foundation for long-term growth.

We have built a nationwide, omni-channel sales network. As of June 30, 2025, our sales network spanned over 4.2 million POS nationwide, covering nearly 100% of prefecture-level cities. Our sales team collaborates closely with distribution partners to continuously improve product placement and shelf space, enhancing visibility and penetration. By consistently expanding our omni-channel sales network, we effectively serve the diversified daily consumption scenarios of our consumers. We adhere to a sophisticated channel management strategy, integrating a unique "product + service" mode. Backed by a strong sales team of over 7,000 personnel, we provide solid support to our channel partners, fostering deep trust and mutually beneficial relationships. Through close collaboration with channel partners, such as distribution partners and POS, we can continuously strengthen market penetration and channel management, in particular enhancing POS coverage, market responsiveness, new product promotion and per-store performance.

Our digital operating system pioneers China's beverage industry. We were among the first in the industry to adopt the "One Item, One Code (一物一碼)" system, which enables precise product tracing with unique QR codes inside our beverages' bottle caps and "five-code integration (五碼關聯)" technology, which develops a proprietary product traceability network with distinctive QR codes labelling key stages throughout the production-to-sales process. We have built a full-cycle and integrated digital operating system, covering our supply chain, production bases, channel partners, and consumers. This system empowers data-driven decision-making in our key business operations, thereby driving sales growth, and improving overall cost efficiency and operational effectiveness. As of June 30, 2025, we had connected over 250 million consumers based on unique code scans, gaining real-time access to sell-through data. This enables us to accumulate deep

consumer insights thus effectively refining marketing strategies to strengthen consumer loyalty and enhance product R&D capabilities. At the same time, our collaborative supply chain planning empowers efficient procurement, production and channel management, ultimately enhancing our operational efficiency.

We strive to build a supply chain system that ensures quality, collaborative supply chain planning, and cost efficiency. We have strategically established nine production bases in operation that provide nationwide coverage. By leveraging our advanced production capabilities and real-time sell-through data, we achieve precise resource allocation and highly efficient collaborative supply chain planning. This ensures consistent product quality and strengthens our cost and operational efficiency, laying a solid foundation for our sustained growth.

Notes: (1) Top 20 ranking based on sales volume in 2024 globally, according to Frost & Sullivan; (2) Last-twelve-month year-over-year revenue growth based on the latest available financial period; (3) In terms of sales volume, according to Frost & Sullivan; and (4) As of June 30, 2025.

Our Brands and Products

Focusing on functional beverages, we have established a strong brand recognition closely associated with key consumption scenarios of energy replenishment in consumers' minds. Through differentiated product positioning, as well as targeted and innovative marketing strategies, *Eastroc Super Drink* has become a ten-billion-RMB bestseller in terms of retail sales in China. Our brand slogan "Worn out? Time for Eastroc!" has gained strong consumer recognition, making it the widely recognized choice for energy replenishment. In 2024, our revenue from energy beverages

reached RMB13,303.6 million, reflecting a CAGR of 27.3% from 2022 to 2024. In the sports beverage segment, *Eastroc Water Boost* (東鵬補水啦), launched in January 2023, quickly gained traction by establishing a strong connection with hydration and sweating-related scenarios, achieving widespread recognition with its functional claim of "Quick electrolytes, full balance (快速補充電解質)." *Eastroc Water Boost* achieved nearly RMB1.5 billion in revenue in its second year after launch, marking a 280.4% year-over-year growth.

We also strategically focus on beverage products with long lifecycle and significant market potential, steadily expanding our product portfolio in recent years to better meet consumers' diverse beverage preferences. By positioning our functional beverages as high value-for-money products, we have successfully made them appealing to the mass market. While ensuring price competitiveness, we provide consumers with high-quality products that enhance their sense of value and foster greater brand loyalty. Currently, our product portfolio includes energy beverages, sports beverages, tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages, and other beverage products. The chart below sets forth an overview of our major product categories:

Note: * Other beverage products primarily include tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages and other beverage products.

Our Market Opportunities

China has a large and growing soft beverage industry. According to Frost & Sullivan, it has become the world's second-largest soft beverage market in 2024, with retail sales reaching approximately RMB1.3 trillion. Among soft beverages, functional beverages, the soft beverage

products that contain certain ingredients targeting specific physiological functions, comprising energy beverages, sports beverages and other functional beverages, have emerged as the fastest-growing segment. Its market size achieved a CAGR of 8.3% from 2019 to 2024, surpassing the overall market's 4.7% growth over the same period. With the fast-paced lifestyles and the increasing health awareness, consumer demand for functional beverages, particularly those designed for energy replenishment and nutritional supplementation, has continued to experience steady growth. The functional beverage industry has demonstrated significant market potential, with its market size projected to reach RMB281.0 billion by 2029 in terms of retail sales, with a CAGR of 10.9% from 2025 to 2029, surpassing the projected 5.8% growth of the overall soft beverage market during the same period:

- China's energy beverage industry is still in its early stages, with its annual per capita consumption remains well below that of the developed markets, highlighting significant market potential. In 2024, China's annual per capita consumption volume of energy beverages was 5.3 liters, considerably lower than that of the United States at 17.1 liters, Germany at 16.3 liters, and Japan at 7.5 liters. It is also lower than that of certain Southeast Asian countries, such as Thailand and Vietnam, where energy beverages enjoy greater popularity, with their annual per capital consumption volume of energy beverage in 2024 at 9.4 liters and 6.1 liters, respectively. In recent years, demand for energy beverages in China has increased rapidly, with the consumer base expanding beyond conventional blue-collar workers and drivers to sports enthusiasts, esports fans, white-collars workers, and younger generations. Consumption scenarios have also evolved from traditional fatigue-fighting situations, such as work, study, and sports, to various consumption scenarios, such as gaming and social gatherings, reflecting a growing trend toward everyday consumption and a younger consumer base. At the same time, consumer preferences have become more diverse in terms of packaging, flavors, and functional benefits, creating significant opportunities for further growth. According to Frost & Sullivan, China's energy beverage industry is expected to reach RMB180.7 billion by 2029 in terms of retail sales, with a CAGR of 10.3% from 2025 to 2029.

- With rising health consciousness, sports beverages that provide hydration, electrolytes, and energy are gaining wider acceptance among consumers. Their consumption scenarios have expanded from sports and fitness to broader daily hydration needs, demonstrating strong market potential. The annual per capita consumption volume of sports beverages in China was 4.5 liters in 2024, lower than that of the United States and Japan at 37.6 and 14.2 liters, respectively, indicating the growth potential from enhanced market acceptance. According to Frost & Sullivan, China's sports beverage industry reached RMB54.7 billion in 2024 and is expected to grow to RMB99.7 billion by 2029 in terms of retail sales, with a CAGR of 12.2% from 2025 to 2029.

Our Financial Performance

During the Track Record Period, we delivered strong revenue growth, solid profitability, and robust cash flow. Our revenue grew from RMB8,500.0 million in 2022 to RMB15,830.3 million in 2024, with a CAGR of 36.5%, and grew by 36.4% from RMB7,869.5 million for the six months ended June 30, 2024 to RMB10,732.4 million for the same period in 2025. Alongside this rapid growth, we leverage our industry-leading advanced manufacturing capabilities, collaborative supply chain planning, optimized channel distribution and digital empowerment to effectively enhance our operational efficiency and profitability, achieving cost advantage. As a result, our net profit increased from RMB1,440.5 million in 2022 to RMB3,326.4 million in 2024, with a CAGR of 52.0%, and increased by 37.2% from RMB1,730.6 million for the six months ended June 30, 2024 to RMB2,374.5 million for the same period in 2025. Our net profit margin increased from 16.9% in 2022 to 18.1% in 2023, 21.0% in 2024, and further to 22.1% in the six months ended June 30, 2025.

We maintain strong cash flows and are committed to sharing profits with Shareholders. Our net cash flow from operating activities reached RMB2,026.1 million, RMB3,281.3 million, RMB5,789.4 million and RMB1,740.5 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. While maintaining a healthy cash position, we have distributed dividends annually since our listing on the Shanghai Stock Exchange in 2021. During the Track Record Period and up to the date of this Document, we declared dividends of RMB5.4 billion in total, with a cumulative payout ratio around 60%, calculated by dividing the amount of our declared dividends by the sum of profit attributable to owners of our Company during the Track Record Period reflecting our commitment to returning value to investors.

STRENGTHS

Leading Functional Beverage Company With High Growth Potential and Strong Profitability

We are a trailblazer and market leader in China's functional beverage industry. In terms of sales volume, we have been the largest functional beverage company in China for four consecutive years since 2021, according to Frost & Sullivan. According to the same source, our market share in terms of sales volume in China's functional beverage industry increased from 15.0% in 2021 to 26.3% in 2024. Our 500ml bottled *Eastroc Super Drink* ranked second among all SPUs in China's soft beverage market in terms of retail sales in 2024, underscoring our industry leadership and strong consumer recognition.

While securing a leading market position, we have maintained strong growth momentum. Our revenue grew at a CAGR of 36.5% from 2022 to 2024, outpacing the growth rates of both the global and China's functional beverage industries. It continued to grow robustly in the first half of 2025, recording a 36.4% increase as compared with the same period in 2024.

Our net profit rapidly grew at a CAGR of 52.0% from 2022 to 2024, and further increased by 37.2% in the first half of 2025 as compared with the same period in 2024. Alongside strong growth in net profit, we consistently improved our net profit margin, which increased from 16.9% in 2022 to 18.1% in 2023, 21.0% in 2024, and further to 22.1% in the six months ended June 30, 2025, reflecting our robust profitability. From 2022 to 2024, our return on equity reached 31.0%, 35.8% and 47.5%, respectively.

Differentiated, Value-For-Money Product Positioning, Driving Robust Growth and Achieving Win-Win Results With Our Channel Partners and Consumers

Leader in the Functional Beverage Industry, Well Positioned for Product Category Expansion and Scalable Growth

We remain deeply committed to functional beverages, with a primary focus on energy and sports beverages.

Among energy beverages, our flagship product, *Eastroc Super Drink*, stands out with distinct competitive advantages in certification and market positioning. The Health Food Registration Certificate (commonly referred to as the "**Blue Hat Label**") obtained by our *Eastroc Super Drink* is issued by the SAMR and only to companies and products that strictly adhere to relevant procedures and successfully complete the prerequisite registrations or filings. Such certification establishes high entry barrier for other brands attempting to enter the energy beverage market. According to Frost & Sullivan, the energy beverage industry is highly concentrated and the registration for Blue Hat Label certification requires specific qualifications and procedures that pose challenges for most small and medium-sized companies. Only eight companies among major players in the energy beverage industry in China had obtained the Blue Hat Label certification by the end of 2024, representing around 1% of the total number of energy beverage companies in China. We pioneered using PET packaging for energy beverages in China and introduced an innovative 500ml large-format bottle, offering consumers an affordable option with larger size, thereby gaining broad market acceptance. Our 500ml bottled *Eastroc Super Drink* was the top-selling SPU among all 500ml products in China's soft beverage market in terms of retail sales in 2024, reflecting its strong consumer appeal and widespread market acceptance.

Our deep expertise in the energy beverage market has allowed us to build a strong brand, solid product development capabilities, targeted marketing capabilities, a nationwide sales network, efficient digitalized operational capabilities, and a cost-efficient supply chain. These scalable and replicable capabilities lay out a solid foundation for our product category expansion, thus enabling us to successfully make a strong entry into the sports beverage segment, which is the fastest-growing segment in the functional beverage industry. Launched in 2023, *Eastroc Water Boost* quickly gained traction with its clear positioning and relatability in sweating-related scenarios and its functional claim "Quick electrolytes, full balance" achieved widespread recognition. *Eastroc Water Boost* achieved nearly RMB1.5 billion in revenue in its second year

after launch, marking a 280.4% year-over-year growth. It continued to demonstrate strong growth momentum in the first half of 2025, recording a 213.7% increase in revenue as compared with the same period in 2024.

With a thorough understanding of market trends and evolving consumer preferences, we strategically focus on beverage segments with long product lifecycles and large market potentials for our category expansion. Through differentiated innovation in flavor, packaging, and formulation, we are able to expand product categories, continuously identifying and capturing market opportunities through a pilot-first, scaled-rollout approach. To meet diversified consumption scenarios and consumer demand, we have selectively expanded into tea beverages, coffee beverages, plant-based protein beverages, and fruit and vegetable juice beverages, while simultaneously maximizing the replicable capabilities of our marketing, sales network, digitalization, and supply chain, building a solid foundation for our sustained long-term growth.

Value-for-Money Product Supported by Industry-Leading Cost Efficiency, Making Us the Go-To Brand, Consistently Creating Value for Our Channel Partners

By positioning our functional beverages as high value-for-money products, we have successfully enhanced *Eastroc Super Drink* appeal to the mass market, evolving beyond its core functional attributes of quick hydration and fatigue relief, and is now widely recognized by consumers as a popular, daily refreshment. We are committed to providing high-quality products that enhance consumer satisfaction. We recognize that long-term consumer trust is built on strong product value proposition.

We benefit from significant economies of scale with our top-ranked nationwide production and sales volume in the functional beverage industry. Leveraging extensive industry experience, collaborative supply chain planning, and advanced digitalized operations, we maintain an all-in-cost advantage. This enables us to offer competitively priced products while ensuring fair returns across the entire industry value chain, which in turn strengthens channel partner engagement and drives product sell-through. By doing so, we reinforce our commitment to sustaining appealing distributor profitability, which fosters long-term, trust-based partnerships and shared success.

Nationwide and Highly Efficient Omni-Channel Sales Network, Integrating a Unique "Product + Service" Mode

We Have Built a Robust Offline Sales Channel Network, and Continue to Strengthen Our Presence in Online, Catering and Other Emerging Channels

We tailor a market-specific approach to develop and manage our distribution network, adopting two distinct operational models: channel cultivation (渠道精耕) model and broad distribution (大流通) model. We primarily implement the channel cultivation model in mature markets where we have a strong sales presence, under which our sales team works closely with channel partners to drive market expansion and enhance service capabilities, improving POS coverage and per-store performance. We primarily adopt the broad distribution model in emerging markets, under which we fully leverage distributors' existing networks and market resources to rapidly scale nationwide and expand channel penetration.

We are committed to maintaining long-term and stable partnerships with our distributors. In 2024, distributors who had been working with us for over five years contributed more than 60% of our total revenue generated from sales to distributors, reflecting the strong trust and collaboration we have built. This deep trust enables our distributors to swiftly support new product launches and promotional activities. Leveraging our robust and highly efficient offline distribution network, *Eastroc Water Boost* achieved nearly RMB1.5 billion in revenue in its second year after launch.

We have established a highly efficient nationwide sales network. As of June 30, 2025, we had over 3,200 distribution partners and a deeply penetrated nationwide network of over 4.2 million POS, achieving nearly 100% coverage of prefecture-level cities. Our extensive and highly accessible offline sales network further improves product visibility, shelf space and per-store performance. In addition, we continue to advance our "cooler display" strategy. As of June 30, 2025, we had deployed over 400,000 beverage coolers, further enhancing product visibility and achieving improved per-store performance.

In addition, we continue to expand our omni-channel sales network. We strategically nurture and maintain relationships with key account customers and have established deep and long-standing partnerships with some major retailers. Furthermore, our presence on major e-commerce platforms has grown steadily, while we continuously enhance our exposure on new social media and live-streaming platforms to better capture younger consumers. Our revenue from online sales achieved a CAGR of 77.0% from 2022 to 2024, and further increased by 53.8% in the first half of 2025 as compared with the same period in 2024. Our *Coco Island Coconut Milk* has been a key driver in expanding our presence in the catering channels, backing the broader rollout of our beverage portfolio in catering scenarios. In addition, we have used smart vending machines in schools, sports venues, and other locations to further extend our reach.

Starting From Guangdong, We Have Expanded Our Sales Network Nationwide and are Now Gradually Extending Globally

Our brand, Eastroc, was born in Shenzhen, Guangdong, and we have established Guangdong as the stronghold for our regional expansion. According to Frost & Sullivan, we have ranked first in terms of sales volume in the functional beverage market of Guangdong province for eight consecutive years since 2017. We have been continuously deepening our nationwide expansion process, achieving significant progress in market penetration from 2017 and onwards. Our revenue contribution from regions outside Guangdong region increased from 50.1% in 2022 to 56.9% in 2024 and further to 61.9% in the six months ended June 30, 2025. We believe there remains vast potential for our nationwide expansion and deeper market penetration. In 2024, the annual per capita consumption of our functional beverage products in Guangdong province reached approximately 7.5 liters per person, while in other provinces it was approximately 2.1 liters per person.

Meanwhile, we are actively exploring overseas market opportunities, with our products now reaching consumers globally, including Vietnam and Malaysia. We tailor our branding and market positioning to cater to local preferences, refining product formulations and packaging to better resonate with consumers in different countries and regions. We also actively seek to collaborate with local partners to drive international expansion and strengthen our global presence.

Our Distinctive "Product + Service" Mode Strengthens Superior Omni-Channel Capabilities

We adopt a distinctive "product + service" mode that integrates high-quality beverage offerings with comprehensive, service-oriented support for our channel partners. This mode enables us to not only deliver products but also actively participate in downstream execution and sales through end-to-end services and on-site visits, with our services extending all the way to the point of consumer engagement. By deeply embedding our services throughout the distribution process and leveraging our digital capabilities, we have cultivated a closely connected and highly efficient sales network, allowing us to achieve deep market penetration and effective POS-level execution.

Our sales team delivers comprehensive support to our channel partners, such as distribution partners and POS, throughout the sales process. The "product + service" mode distinguishes us in the industry, providing a significant competitive advantage. Furthermore, our digitalization capabilities empower us to provide comprehensive services to our channel partners, enabling us to support them more effectively and efficiently in areas such as inventory management and marketing.

Our strong, efficient, and experienced sales team is the driving force behind the successful execution of our sales strategy and a key engine in building superior omni-channel capabilities. Centered around sell-through, we have established performance assessment metrics for our sales personnel, and our sales team actively engages with our channel partners through on-site visits and training sessions, fostering deep trust and strong collaborative relationships. For instance, our sales team regularly provides channel partners with market data and supports them in their business decisions. They also work closely with POS, offering hands-on assistance in product placement and merchandising to ensure our products are prominently displayed, thereby enhancing sell-through. As of June 30, 2025, we had a dedicated sales team of 7,475 personnel, with the average tenure of our sales management team exceeding five years within our Group.

Leveraging Targeted Marketing and the Eastroc Brand Building Methodology, We Have Built Eastroc as a Household Beverage Brand for Consumers

Our Proven Brand Building Methodology and Targeted Marketing Continuously Strengthen Our Brand's Value

With deep industry experience, we have developed an effective marketing strategy that integrates target consumers, consumption scenarios, and product attributes, allowing us to capitalize on market opportunities. We effectively combine online and offline strategies with coordinated sales promotions, executing targeted marketing initiatives around key consumer groups. Focusing on specific consumption scenarios, we continuously reinforce our brand association. For example, we pioneered voice navigation ads on commonly-used map apps in China to further penetrate driving scenarios for energy replenishment. By turning functional tools into marketing channels, we embedded our brand into real-life user scenarios, effectively promoting *Eastroc Super Drink*. We have also successfully replicated such strategy to the promotion of *Eastroc Water Boost*. For instance, targeting a broad base of fitness enthusiasts, we collaborated with fitness apps to develop a voice-guided running assistant that effectively covers running scenarios, which has reached millions of runners since its launch and has been played billions of times, reinforcing the brand's association with its functional claim "Quick electrolytes, full balance."

Beyond establishing brand recognition, we are committed to earning lasting consumer affinity. We cultivate a strong emotional connection with consumers by consistently conveying our brand spirit of positivity, perseverance, and determination, which continuously enhances our brand perception, strengthens brand equity, and solidifies our position as a beloved household brand. During the 2024 Paris Olympics, we partnered with China Central Television ("**CCTV**"), closely associating our brand with major sports events and the Olympic spirit. This collaboration led to our entitlement as a "CCTV Strong Nation Brand (央視強國品牌)" and reinforced the impression of "For the Glory of the Nation, Eastroc Energy (為國爭光，東鵬能量)." Furthermore, we

expanded our brand's appeal by sponsoring esports tournaments, street dance competitions, and music festivals, while also placing our brand into popular TV dramas and variety shows, thereby enhancing our appeal among younger consumers.

Our well-developed marketing approach, navigated by a thorough understanding of target consumers and consumption scenarios, has proven highly effective in brand building. In 2024, Brand Finance, a leading UK-based brand valuation agency, ranked Eastroc among the top 25 Global Soft Drink Brands, making it one of only two Chinese brands on the list. BrandZ™ recognized our brand as one of the Top 100 Most Valuable Chinese Brands for three consecutive years, highlighting our strong market presence and brand influence.

"Worn out? Time for Eastroc!" Has Gained Strong Consumer Recognition, Reinforcing Brand Recognition and Fuelling Our Category Expansion

Over the past 30 years, we have built and strengthened our brand, establishing it as a widely recognized household beverage associated with energy, sports, and strength. "Worn out? Time for Eastroc!" has made us a widely recognized brand associated with consumption scenarios of energy replenishment. In recent years, the functional beverage market has gained broader consumer acceptance, attracting a younger and more diverse consumer group.

Our strong brand recognition has been instrumental in expanding our product categories. With deep market insights and a thorough understanding of consumer preferences, through carefully orchestrated product launches and marketing initiatives, we have successfully extended the brand equity of *Eastroc Super Drink* into *Eastroc Water Boost* for sports beverages and *Coffee Master* for ready-to-drink coffee. In particular, the rapid rise of *Eastroc Water Boost* reflects a natural extension of our brand messaging — from addressing "fatigue" and "drowsiness" scenarios to "sweating-related" moments. Its functional claim of "Quick electrolytes, full balance" has gained widespread recognition, driving rapid revenue growth.

Continuous Innovation and Industry-Leading Digitalization Has Enhanced Our Full-Cycle Operations, Setting Industry Benchmarks

We Have Established a Comprehensive Digital Ecosystem, Enabling Full-Cycle Data-Driven Management

We have been at the forefront of technological innovation, pioneering the adoption of the "One Item, One Code" system for precise product tracking and implementing the "five-code integration" technology to establish a comprehensive product traceability network. By covering our supply chain, production bases, channel partners, and consumers, we have built a full-cycle and integrated digital operating system.

We took the lead in the beverage industry by establishing a full-cycle digital operating system, transforming traditionally fragmented upstream and downstream relationships into a highly integrated and cohesive ecosystem. As of June 30, 2025, we had engaged efficiently with over 250 million consumers based on unique code scans, over 4.2 million POS, and over 3,200 distribution partners, collectively strengthening our competitive moat.

Our digital operating system comprises sales and marketing, supply chain, and operational management digital systems, all seamlessly integrated and working in synergy.

- *Sales and Marketing Digital System.* Serving as a vital bridge connecting the market and consumers, our sales and marketing digital system connects POS and consumers through shared incentives, driving POS engagement and boosting consumer demand to increase repeat purchases. Through deep analysis of sell-through data, our system optimizes marketing strategies, ensures precise resource allocation, and enhances per-store performance.

- *Supply Chain Digital System.* The system spans the entire process from raw material procurement to product delivery. By leveraging this system, we strategically schedule production planning, optimize raw material procurement, and analyze inventory age and stock levels on a real-time basis to improve channel inventory and raw material turnover, achieving collaborative supply chain planning.

- *Operational Management Digital System.* The system streamlines collaboration across our business departments, serves as a robust foundation for our internal operations, enabling detailed performance tracking, human resource management, and real-time monitoring of work progress and outcomes. In response to an increasingly complex and dynamic market environment, the system integrates and analyzes diverse data sets to provide objective insights that support decision-making.

Digitalization is the backbone for executing our strategy, ensuring our long-term sustainable growth. Looking ahead, we will continue advancing our systems with established data collection and analytics capabilities, further deepening our competitive moat.

Our Digitalization Capabilities Fueled Sustained Sales Growth

Strengthening Growth Drivers and Boosting Repeat Purchases. Through our "Scan-to-Earn Red Packet (掃碼贏紅包)" and "One Yuan For the Second Bottle (壹元樂享第二瓶)" campaigns, we ignite consumer engagement and purchase intent while fostering stronger brand loyalty. For our channel partners, we have innovatively introduced "Box Code Red Packet (箱碼紅包)" to incentivize POS. Leveraging POS code scanning as the trigger, such initiative drives product unpacking and promotes sell-through. This innovative approach significantly boosts the sales

enthusiasm of our channel partners, creating a virtuous cycle where consumers continue to repurchase, partners benefit from shared incentives, and our sales performance steadily grows, driving sustained business expansion.

Gaining Real-time Sell-through Insights to Enable Agile Decision-Making. The data collected from QR code scans by consumers, POS and distribution partners gives us a comprehensive view of market dynamics, including product consumption, sales trends, and inventory levels across different channels. With these real-time and precise insights, we can swiftly refine our operational strategies, optimize marketing execution, and drive targeted product innovation, ensuring we stay highly responsive to shifting market demands.

Our Digitalization Capabilities Continuously Strengthen Our Cost Efficiency

Integrated Digital Systems Driving Cost Efficiency and Operational Excellence. By leveraging data analytics and forecasting across our sales and marketing, supply chain, and operational management digital systems, we accurately track market dynamics and align production planning with demand. This enables us to optimize production scheduling, formulate precise raw material procurement plans, and enhance inventory management, effectively preventing overproduction and shortages while ensuring stable and timely supply. Real-time analysis of sell-through, product shelf life, and inventory data allows us to identify and address potential channel management issues in time, mitigating risks such as cannibalization and inventory backlog through proactive measures.

Targeted Data-Driven Strategies Improving Cost Management. We analyze product sell-through across different channels and POS to identify high-potential target areas and POS for reward distribution, ensuring efficient allocation of marketing resources. We dynamically adjust the types and amounts of incentives based on real-time campaign performance, maximizing our marketing efficiency. Through our digital system, we enable direct and precisely targeted expense deployment, such as consumer incentives and in-store display costs. This ensures tighter cost control across distribution channels and improves the return on marketing expenditures.

Stable Supply Chain Integrating Rigorous Quality Control With Collaborative Supply Chain Planning, Continuously Reinforcing our Industry-Leading Cost Efficiency

Strategic Production Base Footprint Ensures Optimal Efficiency Supported by Consistently High Product Quality

We have strategically established nine production bases in operation that provide nationwide coverage. Such strategic production base footprint enables us to effectively reduce transportation distances, strengthen our supply capacity to meet dynamic sales demand, and lower logistics costs, laying a solid foundation for category expansion.

We take regional market sales performance into account when conducting our comprehensive capacity planning, ensuring a balanced and sustainable capacity utilization rate over the long term. Through such arrangement, we effectively accommodate the demands of our products across different regions, providing strong support for our nationwide expansion. Our Tianjin Base, currently under construction, is expected to meet the demand in northern China. Meanwhile, the construction and planning of our Zhongshan, Kunming, and Hainan Bases reflects our vision for the Greater Bay Area, Southwest China, and Hainan markets.

In terms of production, we are committed to enhancing automation and advancing our manufacturing capabilities. We deploy automated inspection systems on our production lines to replace manual checks to ensure accuracy. We are also piloting semi-automated ingredient dispensing robots in selected bases to further drive cost efficiency and operational improvements. While optimizing production efficiency, we uphold product quality as our top priority, leveraging our extensive manufacturing expertise to ensure stringent quality control across all processes.

Industry-Leading Cost Efficiency Throughout Our Supply Chain Backed by Collaborative Supply Chain Planning and Economies of Scale

We adopt a sell-through-driven strategy in achieving collaborative supply chain planning, leveraging real-time sales data, refined inventory management, and demand forecasting to timely align market insights with production. In executing production plans, we ensure both production continuity and flexibility, achieving a high order fulfillment rate while maintaining optimal capacity utilization and inventory levels, effectively reducing costs. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, our overall utilization rate was 73.4%, 86.3%, 89.5% and 83.5%, respectively. Over the same periods, our inventories turnover days were 27.0 days, 27.0 days, 33.8 days and 26.5 days, reflecting robust inventory management.

While achieving collaborative supply chain planning, we benefit from economies of scale to maintain industry-leading cost efficiency and operational effectiveness across our supply chain, including product development, raw material procurement, warehousing, and logistics. Approximately 50% of our suppliers of raw materials and equipment have maintained business relationships with us for over five years, demonstrating the stability of our supply chain. Our rigorous management and cost control capabilities are demonstrated through the following:

- *Product Development.* We continuously refine our production processes to enhance cost efficiency and minimize waste across our production bases. As the first in the energy beverage industry in China to introduce PET packaging, we significantly reduced costs.

- *Raw Material Procurement.* By leveraging centralized procurement, long-term partnerships, and bulk purchasing, we secure competitive pricing and terms, reinforcing our cost advantage. In addition, through proactive market forecasting and risk assessment, we enter into framework agreements with our suppliers to control procurement costs and mitigate raw material price fluctuations.

- *Warehousing and Logistics.* Our nationwide production base footprint and logistics network minimizes our transportation costs and enables efficient delivery of our products to channel partners and consumers, which enhances our operational efficiency and supports our growth.

Led by Our Seasoned and Dedicated Management Team, We Fostered a Pragmatic Corporate Culture Championing Social Responsibilities

Our Visionary and Insightful Management Team Has Been at the Forefront of the Beverage Industry for Decades, Achieving Robust Growth

With decades of deep engagement in the beverage industry, we boast a seasoned team adept in management, production, sales, R&D, and digitalization, centered around our Chairman, Mr. Lin. Our core management, with years of experience in the beverage industry and deep market insights, adeptly identify and capitalize on market opportunities, navigating us through challenges with innovations. Half of our core team have served our Company for more than 20 years. They have been deeply involved and have witnessed our business growth.

Embarked on his journey in the beverage industry in 1988, Mr. Lin has dedicated over 30 years to shaping the industry landscape in China. As a leader in the beverage industry, he has been consecutively named to Forbes China's Best CEOs List in 2023 and 2024. With his visionary strategic acumen, decisive leadership, and unwavering dedication over the decades, Mr. Lin has guided our steady growth. At the same time, we actively attract and cultivate diverse and professional talents, aligning with our business strategies and the broader industry outlook, to continuously bolster our talent pool. Through an all-rounded employee training and development system, we continuously enhance the competitiveness of our employees.

We closely align employee performance with our success, embedding an "Everything about Growth (沒有任何理由不增長)" mindset among every Eastroc member. By fostering a strong corporate culture, we empower our team with a deep sense of self-motivation, driving our sustainable and resilient growth. We uphold the core values of "Simplicity, Integrity, Collaboration, and Perseverance (簡單、誠信、協作、拼搏)". We emphasize our employees'

personal learning and growth, encourage their innovative thinking, promote knowledge sharing, and improve our team. In addition, many of our employees participated in our employee share ownership platforms prior to our A-share listing, allowing them to share in the benefits of our growth.

We Embrace Social Responsibilities and Actively Contribute to Philanthropic Initiatives

We are committed to social responsibilities, actively engaging in philanthropic initiatives to contribute to the well-being of society. Through efforts in medical aid, sports education, educational funding, poverty alleviation, and disaster relief, we provide meaningful support to those in need. We also encourage employee participation in charitable activities, fostering a culture of empathy and shared commitment and contributing to the social welfare. Furthermore, we are dedicated to agricultural development and rural revitalization, striving to create sustainable value for communities.

Since 2017, we have collaborated with the Han Hong Foundation (韓紅基金會) to enhance rural healthcare services, supporting the "Hundred-Person Medical Aid (百人醫療援助)" initiative for years and contributing to the development of grassroots healthcare infrastructure. In 2022, we founded Shenzhen Eastroc Beverage Foundation (深圳市東鵬飲料公益基金會), creating a long-term philanthropic platform to actively engage in disaster relief and poverty alleviation efforts. In the same year, we partnered with the Yao Foundation (姚基金) to launch the "Rising from the Basket (青出於籃)" Charity Program, supporting sports education in hundreds of rural primary schools annually, empowering young students to pursue their dreams with confidence and ambition. In 2024, we introduced the "Eastroc Super Drink — Truck Drivers' Children Scholarship Program (東鵬特飲 • 卡友子女助學計劃)," helping the children of truck drivers achieve their aspirations of higher education.

STRATEGIES

We remain steadfast in our commitment to staying at the forefront of evolving consumer trends, continuously fortifying our competitive edges across product innovation, omni-channel expansion, digitalization, and supply chain. By leveraging these strategic pillars, we strive to elevate our brand value and market leadership while deepening our foothold in the domestic market and steadily advancing our global expansion. We are committed to becoming a global leading beverage group, energizing consumers across the world with diversified quality products that inspire a healthier and more enriching lifestyle.

Continue to Advance our Nationwide Expansion Strategy by Broadening Our Sales Network and Enhancing Penetration

We plan to further advance our nationwide expansion strategy by extending our POS network, enhancing product placement and visibility in stores, and improving per-store performance. We have adopted a market-specific approach for network expansion. For instance, in mature markets, we will continue to optimize our existing channel cultivation model, by enhancing network penetration and improving per-store performance. In emerging markets where we currently have a comparatively limited presence but with significant market and growth potential, we will focus on cultivating high-quality channel partnerships to more efficiently expand our POS network and enhance product penetration. Our revenue contribution from regions outside Guangdong region increased from 50.1% in 2022 to 56.9% in 2024 and further to 61.9% in the six months ended June 30, 2025. We believe there remains vast potential for our nationwide expansion and deeper market penetration. In 2024, annual per capita consumption of our functional beverage products in Guangdong province reached approximately 7.5 liters per person, while in other provinces it was approximately 2.1 liters per person.

We will continue to improve our channel management. We will empower our unique "product + service" mode, providing more targeted and effective supports to channel partners to deepen collaboration and long-term engagement. Furthermore, we will continue to carry out our "cooler display" strategy by deploying more beverage coolers at POS, refining shelf displays, and improving product visibility across all categories, thereby driving stronger retail sell-through.

In addition, as part of our product category expansion strategy, we actively expand sales channels by introducing products tailored to specific channels and consumption scenarios, further enhancing our brand recognition and channel influence. For example, *Coco Island Coconut Milk*, our first key product for the catering channels, enables us to swiftly tap into this vast market while paving the way for our other products to reach a broader customer base in catering scenarios.

While strengthening our offline channels, we are also expanding into online and emerging sales channels to build an omni-channel network that keeps pace with consumer preferences and industry trends. Beyond the mainstream e-commerce platforms, we are actively growing our presence on emerging content-driven platforms, as well as community group-buying platforms. We are also exploring live-streaming sales to reach a wider consumer base.

Continue to Invest in Product Development, Drive Product Innovation, and Expand our Product Portfolio

Moving forward, we will remain focused on the soft beverage industry, expanding our product portfolio to meet diverse consumer needs across various consumption scenarios. While reinforcing our leadership in energy beverages, we will explore new product categories and growth opportunities to drive sustainable long-term development.

To achieve this, we are advancing both product innovation and product category expansion. For product iteration, we will continuously strengthen our R&D capabilities through deep consumer insights and market trend analysis. By improving product functionality, flavor, and packaging, we stay ahead of evolving consumer preferences. For product category expansion, we will continue to focus on the soft beverage products with long lifecycles and significant market potential. In recent years, our product portfolio has expanded beyond energy beverages to include sports beverages, tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages, among others. We will anchor our strategy in value-for-money positioning and strong brand equity, leveraging our nationwide distribution and efficient supply chain to offer consumers more healthy and tasty options.

Continue to Invest in Branding and Consumer Engagement to Reinforce Our Position as a Leading Household Brand

We will further leverage our expertise in targeted marketing and brand building, deepening our engagement with diverse consumer groups and consumption scenarios to enhance brand awareness and loyalty.

Take our core product, *Eastroc Super Drink*, as an example. As energy beverages become more of an everyday choice, especially among younger consumers, we plan to further cater to consumer groups, including outdoor sports enthusiasts, esports fans, streamers, internet practitioners, as well as more white-collar workers and young consumers, positioning our efforts in consumption scenarios covering esports, outdoor sports, travelling, social gatherings and daily wellness, thereby improving our brand equity.

We will further diversify our marketing strategies tailored to different target consumer groups and their key consumption scenarios. For instance, for sports enthusiasts, we are increasing sponsorships for sports events and road races, enhancing in-venue promotions, and exploring partnerships with fitness apps. These efforts will strengthen our connection with sports enthusiasts and reinforce the association of our brand with energy, resilience, and perseverance. Targeting esports groups, we are expanding our presence through tournament sponsorships, team partnerships, esports-themed ads and products, collaborations with game streaming platforms, and in-game brand collaborations, further embedding our brand within the gaming ecosystem.

We see strong potential in young consumers and are expanding our reach through a dynamic media strategy. By strategic advertisement placements in major streaming series, sponsoring street dance competitions and music festivals, and effectively leveraging outdoor, TV, social and digital media, we aim to connect with a broader young consumer base. We will continue to strengthen our brand narrative, leveraging innovative storytelling to deepen consumer engagement, enhance emotional connection, and reinforce our youthful and dynamic brand image.

Strategically Explore Overseas Markets and M&A Opportunities

We are actively exploring overseas market opportunities to apply our strong product capabilities, supply chain capabilities, digitalization capabilities, brand building and channel management expertise to broader global markets.

Before entering new markets, we will conduct comprehensive analyses of local conditions, consumer preferences, and regulatory environments. We will explore flexible operational models tailored to local markets, adapting development strategies to each region. In key markets with high growth potential, we plan to strategically increase resource allocation, establish local teams, expand local distributor resources, and invest in local supply chains to better capitalize on market opportunities. For instance, in Southeast Asia, we have established subsidiaries in Indonesia, Vietnam, and Malaysia and will gradually deploy local supply chains. We are also exploring market opportunities in the United States and other countries and regions.

With strong product capabilities and growing insights into overseas markets, we will drive the localization of our products to meet regulatory standards and local preferences and enhance consumer appeal through innovative packaging and design. We will also implement flexible pricing strategies tailored to each market to ensure competitiveness. In addition to organic growth, we will explore M&A opportunities within the industry to enhance market share and grow our business. For instance, we may invest in assets with strong R&D and manufacturing capabilities to expand our product offerings. We aim to achieve effective overseas expansion through joint ventures or acquisitions of local businesses. As of the Latest Practicable Date, we had not identified specific investment or acquisition targets or entered into any binding agreements.

Continue to Advance Digitalization Capabilities to Further Improve Quality and Efficiency

We deem our digitalization capabilities as core competitiveness. We will continue to invest in and enhance our existing digital systems, creating an integrated, transparent and full-cycle operating platform that spans the supply chain, production bases, channel partners, and consumers. Closely collaborating with all stakeholders, we aim to improve data-driven channel management and strengthen stakeholders' stickiness, thus driving significant improvements in quality and efficiency.

- *Production and Supply Chain Digitalization.* We will leverage digital systems to optimize procurement, production, quality control, and logistics. Dynamic sales management will allow us to track distributor inventory and POS sales, enabling quick adjustments to marketing, production plans, sales promotion and inventory management of each channel. Furthermore, we will enhance our data analytics capabilities, applying advanced models and algorithm to improve sales forecasting accuracy and strengthen our collaborative supply chain planning, increasing responsiveness throughout the supply chain.

- *Sales and Marketing Digitalization*. We will strengthen our sales data collection and analysis capabilities, making better use of real-time sell-through data not only to guide product distribution and marketing campaigns but also to guide product development and innovation, by leveraging which we aim to achieve precise consumer engagement and boost marketing efficiency. Furthermore, we will leverage digital tools to optimize management of POS, boosting operational efficiency and cost-effectiveness.

- *Operational Management Digitalization.* We will enhance cross-department collaboration through digital systems, driving greater efficiency and providing support for decision-making.

Further Enhance Production Capacity and Upgrade Supply Chain to Strengthen Cost Competitiveness

We will expand production capacity to support nationwide growth and sustainability. Aligning with our market penetration progress in local end markets, we will strategically position new production bases nationwide, optimizing layouts and upgrading existing facilities to streamline transportation and reduce logistics costs, thereby achieving more effective market coverage and responsive demand fulfillment. Our Tianjin Base, currently under construction, will cater to the growing demand in northern markets. In addition, we plan to invest in local supply chains in key overseas markets to accommodate their rapid expansion.

We will strengthen our cost competitiveness by leveraging economies of scale and optimizing production processes. We will also integrate digital platforms for process standardization and visualization, and seamless data flow, enabling quicker, more flexible market responses and improving overall supply chain efficiency.

Quality remains our top priority. We will continue to strengthen our quality control system. This includes implementing stricter supplier selection and evaluation processes, enhancing collaboration across the supply chain, and empowering suppliers by sharing advanced quality management practices.

In addition, we are committed to innovation and infrastructure upgrades. We will invest in advanced technologies and automation to boost production efficiency, lower costs, and improve product quality.

Continue to Attract, Develop, and Retain Top Talent to Refine Our Organizational Management

Talent is a cornerstone of our high-quality growth. We will continue to enhance our organizational structure and talent development systems, establishing a transparent talent selection process and competitive compensation and incentive structures, setting comprehensive training programs and clear career progression paths to maintain the enthusiasm and stability of our core team and create a professional and efficient management system, which lays the foundation for building a global leading beverage group.

Upholding our mission to provide a platform for career development, we offer employees numerous learning opportunities, encourage innovation, and foster mutual growth. We will refine our systematic training and job rotation mechanisms, enhancing team capabilities through internal knowledge and experience sharing, and promoting proactive learning and self-management among staff, thereby increasing job satisfaction and a sense of belonging.

We will continue to strengthen our employer brand and competitiveness in the job market to attract high-quality talent in business and management, thereby injecting new energy and supporting long-term sustainable growth. Specifically, we are committed to hiring and retaining skilled professionals in sales, R&D, supply chain, and multi-category products, which will enhance our channel capabilities, product strength, and supply chain efficiency. In targeted overseas markets, we aim to build teams that blend global perspectives with local expertise, furthering our global expansion efforts.

OUR BRANDS AND PRODUCTS

As the leader in China's functional beverage market, in terms of sales volume, we have been the top seller of functional beverage products nationwide for four consecutive years since 2021, according to Frost & Sullivan. Our functional beverage products primarily focuses on energy beverages and sports beverages. Building on our strong market position, we have closely seized industry trends and consumer needs, and have strategically expanded into beverage products with long lifecycles and significant market potential, including tea beverages, coffee beverages, plant-based protein beverages, and fruit and vegetable juice beverages, among others.

The following table sets forth a breakdown of our revenue by product category for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Sales of Beverage Products										
Functional beverage products:										
— *Energy beverages*	8,211,177	96.6	10,353,901	91.9	13,303,585	84.0	6,858,057	87.2	8,360,511	77.9
— *Sports beverages (Eastroc Water Boost)*	—	—	393,043	3.5	1,495,014	9.4	475,838	6.0	1,492,738	13.9
Other beverage products[1]	280,156	3.3	503,540	4.5	1,023,166	6.5	527,747	6.7	877,304	8.2
Subtotal	**8,491,333**	**99.9**	**11,250,484**	**99.9**	**15,821,765**	**99.9**	**7,861,642**	**99.9**	**10,730,553**	**100.0**
Others[2]	8,690	0.1	6,651	0.1	8,571	0.1	7,827	0.1	1,859	0.0
Total[3]	**8,500,023**	**100.0**	**11,257,135**	**100.0**	**15,830,336**	**100.0**	**7,869,469**	**100.0**	**10,732,412**	**100.0**

Notes:

(1) Other beverage products primarily include tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages and other beverage products.

(2) Others primarily refer to (i) sales of packaging materials, and (ii) revenue from providing advertising service and other services. For details, see "Financial Information — Description of Major Components of our Results of Operations — Revenue."

(3) Revenue generated from mainland China accounted for 100.0%, 99.8%, 99.8% and 99.8% of our total revenue in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, with the remaining revenue mainly derived from Hong Kong and Southeast Asian countries, such as Indonesia and Vietnam.

The following table sets forth a breakdown of the gross profit and gross profit margin of our beverage products for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Functional beverage products:										
— *Energy beverages*	3,485,865	42.5	4,615,514	44.6	6,325,133	47.5	3,204,103	46.7	4,173,992	49.9
— *Sports beverages (Eastroc Water Boost)*	—	—	100,964	25.7	433,677	29.0	136,387	28.7	464,943	31.1
Other beverage products	38,379	13.7	41,210	8.2	220,590	21.6	111,517	21.1	124,950	14.2
Total	**3,524,244**	**41.5**	**4,757,688**	**42.3**	**6,979,400**	**44.1**	**3,452,007**	**43.9**	**4,763,885**	**44.4**

The following table sets forth a breakdown of the sales volume and average selling price of our beverage products for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	Ton (in thousands)	*RMB/Ton*	*Ton (in thousands)*	*RMB/Ton*	*Ton (in thousands)*	*RMB/Ton*	*Ton (in thousands)*	*RMB/Ton*	*Ton (in thousands)*	*RMB/Ton*
Functional beverage products:										
— *Energy beverages*	1,867	4,399	2,388	4,336	3,083	4,315	1,605	4,272	1,966	4,252
— *Sports beverages (Eastroc Water Boost)*	—	—	174	2,259	661	2,262	209	2,271	686	2,177
Other beverage products	189	1,484	295	1,705	472	2,167	238	2,217	398	2,207
Total	**2,056**	**4,131**	**2,857**	**3,938**	**4,216**	**3,752**	**2,052**	**3,830**	**3,050**	**3,519**

Functional Beverages — Energy Beverages

Energy beverages refer to beverages that contain specific energy-boosting ingredients, supplemented with appropriate nutrients or other functional components, designed to replenish energy for the body or enhance energy release and absorption. We are one of the pioneers in China's energy beverage industry, with over 30 years of experience cultivating and expanding in the industry. We launched our flagship energy beverage product, *Eastroc Super Drink* (*東鵬特飲*), in the 1990s, and have obtained the Health Food Registration Certificate (commonly referred to as the "**Blue Hat Label**") for three of our energy beverage products, including *Eastroc Super Drink*. Such certificate is issued by the SAMR and only to companies and products that strictly adhere to relevant procedures and successfully complete the prerequisite registrations or filings. Only those products certified with the Blue Hat Labels are permitted to explicitly advertise their functional benefits, such as anti-fatigue effects. According to Frost & Sullivan, the energy beverage industry is highly concentrated and the registration for Blue Hat Label certification requires specific qualifications and procedures that pose challenges for most small and medium-sized companies. Only eight companies among major players in the energy beverage industry in China had obtained the Blue Hat Label certification by the end of 2024, representing around 1% of the total number of energy beverage companies in China.

Aligned with our core brand proposition "Worn out? Time for Eastroc! (累了、困了、喝東鵬特飲)", we are committed to providing go-to energy beverages for consumers. Our *Eastroc Super Drink* products are formulated with functional ingredients, including taurine, lysine, inositol,

caffeine, vitamin PP (niacin), vitamin B6, vitamin B12. According to Frost & Sullivan based on authoritative studies, (i) taurine, an amino acid, alleviates physical fatigue, exhibits antioxidant properties, mitigates free radical damage, and potentially delays aging as suggested in recent researches, (ii) lysine contributes to energy metabolism, (iii) inositol promotes cell growth and supports metabolic activities, (iv) vitamin PP (niacin) enhances central nervous system excitability, (v) vitamin B6 aids in amino acid, carbohydrate, and lipid metabolism, and (vi) vitamin B12 plays a vital role in maintaining normal nervous system function and oxygen transport in the blood. According to Frost & Sullivan based on authoritative studies have also shown that beverages containing these ingredients can significantly enhance athletic and mental performance and relieve fatigue.

Our energy beverages not only deliver valuable functions, but also adopt distinctive designs that cater to diverse consumer needs and consumption scenarios. We pioneered PET plastic bottle design for energy beverages in China. Unlike the widely used beverage cans, which cannot be resealed after opening and are prone to dust or hygiene concerns, our bottle design offers portability and cleanliness, ensuring a more convenient and sanitary drinking experience. The packaging design reduces costs while enhancing hygiene, portability, and versatility, effectively improving customer experience.

Furthermore, we offer a variety of packaging for *Eastroc Super Drink* products, including bottles, cans, and cartons, with sizes ranging from 250ml to 500ml to cater to diverse consumer preferences and consumption scenarios. The suggested retail price for each product unit ranges from approximately RMB2.0 to RMB6.0. Notably, we were the first in the energy beverage industry to introduce a 500ml large-sized bottle. The 500ml bottle, with its larger volume and competitive price, caters to the growing consumer demand for convenience and value-for-money. Since its launch, its sales have surged rapidly, making it our best-selling SPU for years. According to Frost & Sullivan, it was the top-selling SPU among all 500ml products in China's soft beverage market in terms of retail sales in 2024. We have also expanded our energy beverage portfolio,

including *Carbonated Eastroc Drink (東鵬加氣)* and *Eastroc Zero Sugar (東鵬0糖)*, offering more variety to meet young consumers' diverse preferences for taste and healthier beverage options. *Carbonated Eastroc Drink* products are available in 355ml bottles, while *Eastroc Zero Sugar* products are offered in 310ml and 335ml bottles. Both are priced at a suggested retail price of approximately RMB5.0 to RMB6.0 per bottle.

We are among the early pioneers and have since become the leader in China's energy beverage industry, taking the largest market share in terms of sales volume for four consecutive years since 2021, according to Frost & Sullivan. In 2022, 2023 and 2024, revenue generated from our energy beverages amounted to RMB8.2 billion, RMB10.4 billion and RMB13.3 billion, respectively, representing a CAGR of 27.3% from 2022 to 2024, and increased by 21.9% from RMB6.9 billion for the six months ended June 30, 2024 to RMB8.4 billion for the same period in 2025.

Leveraging our established brand awareness and competitive edges, we are actively seeking opportunities in overseas markets. With extensive experience and localization capabilities, we have developed customized products and marketing strategies tailored to different local markets. Each regional market varies significantly in cultural background, flavor and packaging preferences, as well as functional needs and consumption scenarios. To ensure our products align with local preferences, we conduct in-depth market research and consumer demand analysis before introducing customized products. For product packaging, we collaborate with local design firms to create packaging that reflects regional culture and aesthetics, while also selecting packaging materials that align with local drinking habits. In terms of flavor profiles, we study local dietary preferences and make adjustments to ingredients, ensuring that our products maintain their signature taste while appealing to local preferences. Additionally, we develop market-specific flavors as part of our product pipeline, laying the groundwork for future market expansion.

Functional Beverages — Sports Beverages

Sports beverages are enriched with minerals and other nutrients that are needed for human physiological activities, which provide hydration, electrolytes and other nutritional elements lost through metabolism or physical exercise. Once mainly consumed during athletic activities, sports beverages have gained increasing popularity as consumer awareness grows, with their use expanding beyond athletic activities to more everyday hydration needs. Leveraging our extensive experience and deep-rooted expertise cultivated over decades in the beverage industry, we keenly identified and seized the market opportunity in surging consumer demand for sports beverages, and efficiently mobilized supply chain resources to launch *Eastroc Water Boost (東鵬補水啦)* in January 2023. Capitalizing on this growing demand, *Eastroc Water Boost* received an enthusiastic market response upon launch, with its functional claim of "Quick electrolytes, full balance" achieving widespread recognition. As a focused entry into this segment, *Eastroc Water Boost* was

the only sports beverage product we offered during the Track Record Period. In its second year after launch, *Eastroc Water Boost* contributed nearly RMB1.5 billion in revenue, accounting for nearly 10% of our total revenue that year.

Our *Eastroc Water Boost* products are enriched with essential electrolytes such as chloride, sodium, and potassium ions, providing rapid provision of hydration and electrolytes lost through perspiration. This product supports maintaining bodily fluid balance, regulating water, electrolytes, and acid-base levels, which are crucial for sustaining body internal stability. We currently offer bottled *Eastroc Water Boost* products in 380ml, 555ml, 900ml and 1L sizes, catering to various consumption scenarios, such as daily outings and workouts. We also provide a variety of flavor options, including grapefruit, white peach, lychee, and lime, and a sugar-free version to cater to diverse consumer preferences and increasing consumer demand for healthier beverage options. The suggested retail price for each bottle of our *Eastroc Water Boost* products ranges from approximately RMB3.0 to RMB7.0.

Our *Eastroc Water Boost* has demonstrated exceptional market traction, with revenue soaring from nearly RMB0.4 billion in 2023 to nearly RMB1.5 billion in 2024, representing a 280.4% increase within one year. Its revenue continued to demonstrate strong growth momentum in the first half of 2025, recording a 213.7% increase as compared with the same period in 2024. This rapid growth also underscores the strong consumer demand for hydration and electrolyte-replenishing beverages, reinforcing our competitive edge in the high-growth sports beverage market. According to Frost & Sullivan, China's sports beverage industry is projected to expand from RMB54.7 billion in 2024 to RMB99.7 billion in 2029, at a CAGR of 12.8%.

Other Beverage Products

By analyzing market trends and evolving consumer preferences, we strategically focus on beverage products with long lifecycles and significant market potential. Through differentiated innovations in flavor, packaging, and ingredients, we continuously capitalize on new market opportunities. We have selectively expanded our product portfolio beyond energy and sports

beverages, into tea beverages, coffee beverages, plant-based protein beverages, and fruit and vegetable juice beverages, among others. This strategic diversification enables us to better align with diverse consumption patterns while expanding our market reach. Moreover, our diversifying product matrix helps to expand new sales channels such as catering channels. Through the enriched product offerings, we have strengthened our relationships with distribution partners, laying a solid foundation for our long-term growth.

Tea Beverages

We offer large-sized, cost-effective sugar-free tea beverages and sweetened tea beverages catering to the diverse preferences of tea beverage consumers. Currently, we have launched the sugar-free tea series *Shangcha Superior Tea (鵬友上茶)*, and sweetened tea beverages series, *Tea of Fruits (果之茶)* and *Quench & Nourish (多喝多潤)*:

Sugar-Free Tea Beverages

Shangcha Superior Tea. Leveraging the rising popularity of sugar-free tea beverages among Chinese consumers, particularly millennial and Gen Z consumers, we launched our first sugar-free tea beverage series, *Shangcha Superior Tea*, in 2023. This product series is crafted using premium tea leaves, employing a high-temperature, short-time extraction process to preserve the tea's rich and refreshing flavor. This product series is primarily available in a 555ml bottled format and includes a variety of flavors such as Oolong, Pu'er and Jasmine. The suggested retail price for *Shangcha Superior Tea* is approximately RMB4.0 to RMB6.0 per bottle.

Sweetened Tea Beverages

Sweetened tea beverages represent a highly competitive yet high-potential market, driven by their broad consumer appeal and substantial market demand. To capture this market opportunity while differentiating ourselves, we have strategically focused on offering large-sized, cost-effective sweetened tea products with appealing flavor and high quality, making them perfect for dining, gatherings and sharing. Currently, we have launched *Tea of Fruits* and *Quench & Nourish*.

Quench & Nourish. In 2023, we introduced our plant-based tea beverage series, *Quench & Nourish*, which combines tea bases with ingredients such as honey to create delicious, naturally flavored beverages. This product series currently consists of Preserved Mandarin Peel Beverage, Chrysanthemum Honey Beverage, and Honey Green Tea, primarily offered in 1.25L bottles. Priced at approximately RMB5.0 to RMB6.0 per bottle, the *Quench & Nourish* offers consumers beverages with rich flavors at great value.

Tea of Fruits. In 2024, we stepped up our efforts in the low-sugar tea beverage market with the launch of the *Tea of Fruits*, featuring a blend of fruit flavors and aromatic teas. By extracting flavors from tea leaves and fresh fruits, this product line delivers a refreshing taste of natural ingredients. This series currently consists of three products, Grapefruit Jasmine Tea, Peach Oolong Tea and Lemon Black Tea. The series products are offered in 1L bottles with a suggested retail price of approximately RMB5.0 to RMB6.0 per bottle.

Coffee Beverages

Catering to a broader consumer base, especially those who enjoy coffee for its flavor, we launched the *Coffee Master (東鵬大咖)* in 2021. As a ready-to-drink coffee, the series emphasizes convenience and accessibility, making it an ideal choice for modern, on-the-go lifestyles. The debut product, low-sugar Classic Latte, gained increasing popularity among consumers for its smooth and palatable flavor profile. Building on its success, we introduced the low-sugar Coconut Latte, offering a healthier option with a richer and creamier taste that aligns more closely with the latest coffee market trends and meets the preferences of a wider range of target consumers in China. We offer 330ml and 500ml bottled options, with suggested retail prices ranging from approximately RMB5.0 to RMB9.0 per bottle.

Plant-Based Protein Beverages

In 2023, we introduced our *Coco Island Coconut Milk (海島椰)* products, crafted with freshly squeezed coconut milk that preserves the authentic coconut flavor. We strategically launch our *Coco Island Coconut Milk* products to capture the robust growth momentum of the catering channels. With its health-conscious and natural qualities, our *Coco Island Coconut Milk* appeals to consumers of all ages and offers a competitive edge as a complementary beverage in banquet and catering scenarios. Through collaborations with various restaurant brands, we have strengthened our market presence and created entry points for our other products in the catering industry, unlocking new growth opportunities. We offer a variety of packaging options for *Coco Island Coconut Milk* products, including bottles and cartons, with sizes ranging from 250ml, 330ml to 1.25L, and the suggested retail prices ranging from approximately RMB2.5 to RMB15.0 per bottle/carton.

Fruit and Vegetable Juice Beverages

As part of our commitment to social responsibility, we actively collaborate with fruit growers and farmers producing agricultural by-products, transforming produce like amla into marketable beverages. We have introduced two *Amla Juice* products: (i) *Freshly Squeezed Amla Juice (生榨油柑汁)*, processed using low-temperature high-pressure processing technology to preserve freshness of fruits without additives, and refrigerated to maintain a refreshing taste; and (ii) *Room-Temperature Preserved Amla Juice (常溫油柑汁)*, which is easy to store and highly convenient for consumption. Our *Amla Juice* products have gained popularity among consumers for their light, refreshing flavor, which pairs perfectly with meals, making them a great complement to dining tables. We offer 350ml and 1L bottled options for *Freshly Squeezed Amla Juice* products, with suggested retail prices ranging from approximately RMB9.0 to RMB28.0 per bottle; and offer 300ml and 1L bottled options for *Room-Temperature Preserved Amla Juice*, with suggested retail prices ranging from approximately RMB5.0 to RMB15.0 per bottle.

BRAND BUILDING

After decades of development and growth, Eastroc has become a widely popular beverage brand in China, establishing a strong brand presence and influence in the functional beverage market. We have been recognized by Brand Finance as one of the top 25 Global Soft Drink Brands in 2023 and 2024, and by BrandZ™ as one of the Top 100 Most Valuable Chinese Brands for multiple consecutive years. In particular, our *Eastroc Super Drink* has now been firmly established as a symbol of energy, sports, and strength in the minds of consumers. Our slogan "Worn out? Time for Eastroc! (累了、困了、喝東鵬特飲)" has positioned the product as a trusted choice for consumers seeking a boost during moments of fatigue. Furthermore, in recent years, consumers have shown an increasingly favorable attitude towards functional beverages, with the consumer base becoming younger and more diverse. *Eastroc Super Drink* has evolved beyond being just a thirst-quenching, energizing, and fatigue-relieving beverage, but a popular beverage choice for a wider consumer group.

Our established brand identity has played a crucial role in our product portfolio expansion. Through partnerships with sports events and athletes, we consistently convey a brand spirit of positivity and perseverance, deepening emotional connections with consumers. For example, at The 19th Asian Games and 2024 Paris Olympic Games, we supported athletes by raising "For the Glory of the Nation, Eastroc Energy (為國爭光，東鵬能量)," reinforcing our brand's positive energy and deepening its impact among consumers. By integrating our slogan into campaigns across multiple platforms, whether in advertisements showing athletes recovering after intense competition or in social media interactions where users share their experiences with Eastroc products, we further establish Eastroc as a leading household beverage brand. Through a series of well-planned product launches and marketing campaigns, we have successfully extended our brand strengths to our other products. Furthermore, the rapid rise of *Eastroc Water Boost* reflects a natural extension of our brand messaging from addressing "fatigue" and "drowsiness" scenarios to "sweating-related" moments. Its functional claim of "Quick electrolytes, full balance" has gained widespread recognition, driving rapid revenue growth. Our new offerings, such as coffee beverages and tea beverages, also naturally align with our brand ethos of energy and revitalization. These innovations remain true to our core values and seamlessly extend consumer perceptions of our brand.

In addition, we continuously explore innovative products that align with our positioning of high quality at affordable prices, and endeavor to build brands such as *Tea of Fruits*, *Coffee Master* and *Coco Island Coconut Milk*, creating new growth opportunities and a solid foundation for our long-term sustainable development. Guided by deep consumer insights and robust product development capabilities, we strategically focus on beverage products with long product lifecycles, large market potential, and strong growth prospects. By capitalizing on our brand recognition, extensive and efficient sales network and supply chain, we aim to deliver a wide range of healthy, flavorful, high-quality, and affordable products to meet the diverse consumers needs.

MARKETING

We have established a unique targeted marketing approach built on our deep consumer insights. With decades of market expertise and accumulated experience, we precisely identify and categorize different consumer groups, conducting in-depth analyses of their consumption needs and scenarios. Based on these insights, we design targeted marketing models and formulate market promotion strategies to effectively engage each specific consumer group, build strong connections, and foster resonance. This approach enables highly effective, penetrative targeted marketing that maximizes consumer impact. As advised by our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable PRC laws and regulations in relation to food advertisement.

Integration of Target Consumers, Consumption Scenarios and Product Offerings

We strategically categorize our consumers into different groups based on various demographic characteristics, and customize our marketing campaigns accordingly for each consumer group. This approach organically connects consumer groups with their specific consumption scenarios and needs, aligning them with our suitable product offerings. We classify our target consumers into specified groups, which currently primarily cover driver groups, blue-collar workers, new blue-collar workers, entertainment audiences, white-collar workers, students, and sports enthusiasts. These groups are further divided into various sub-categories, enabling targeted marketing and personalized engagement. By anchoring our campaigns around this target consumer framework, we design bespoke marketing initiatives that not only align with specific consumer needs but also expand product consumption scenarios and reinforce our brand philosophy.

For instance, to engage driver groups such as rideshare drivers and long-distance driving groups, we pioneered the use of navigation voice ads on commonly-used map apps in China, creating a memorable brand presence in driving scenarios. We embedded our product advertising into the voice prompts at the start of voice navigation and for service area notifications in map apps, effectively leveraging one of the most valuable voice advertising resources. As the first soft beverage brand to explore this advertising format, we pioneered an innovative approach to consumer engagement, and our voice advertisements have already reached millions of users.

For new blue-collar workers, such as riders, we partnered with leading delivery platforms, leveraging targeted promotions such as giveaways, prizes, and platform-based advertisements to directly connect with this target group. Furthermore, we tailor advertising and promotional campaigns for the courier group during the peak shopping season to pay tribute to their hard work. This initiative effectively strengthened our brand's resonance with this demographic, enhancing both product recognition and emotional connection.

For sports enthusiasts, we have carefully designed and launched a series of interactive marketing initiatives. In addition to sponsoring top-tier professional sporting events, we have innovatively collaborated with fitness apps to develop a voice-guided running assistant, which has reached millions of runners since its launch and has been played billions of times. Furthermore, we actively engage in high-participation grassroots sports events, such as marathons, by organizing or sponsoring races to further expand our brand influence and market penetration. We also sponsor China's largest youth basketball league to increase our brand exposure among young generations. For our sports beverages, *Eastroc Water Boost*, we strategically target advertising placements in sports venues with a strong community presence, particularly badminton and basketball courts, to enhance visibility among consumers. To engage esports fans, we sponsor top-tier professional gaming tournaments, seamlessly integrating our brand into immersive entertainment environments.

To engage white-collar workers and graduating students, our *Coffee Master* has partnered with leading online recruitment and career development platforms to seamlessly embed our brand spirit into real workplace scenarios. By deepening our connection with individuals at pivotal career and growth stages, we reinforce our brand's influence as a trusted companion for professional success.

Multi-Dimensional Marketing Campaigns

We adopt a comprehensive and multi-dimensional marketing strategy, seamlessly combining traditional and innovative approaches to build an effective and impactful brand communication framework. Leveraging both online and offline channels, we employ saturation-based tactics to significantly enhance brand recognition and reputation, reinforcing our strong market position.

Digitalized and Innovative Marketing. Our industry-leading digital marketing capabilities precisely empower our product sales activation. Leveraging our advanced digital systems and the "five-code integration" technology, we have launched a series of effective digital marketing campaigns that efficiently reach consumers. For details of the "five-code integration" technology, see "— Full-Cycle Digital Operating System." Our digital promotions link both POS and consumers: consumers can participate in promotional activities by scanning bottle cap codes, while POS can engage by scanning box codes. By providing incentives, we have accelerated the flow of products from distribution partners to POS and ultimately to consumers. At the same time, we enable full online verification of promotional activities through QR codes and our online systems, eliminating the inefficiencies and complexities of manual offline verification. See "— Marketing — Case Study — Digitalized Promotional Campaign" for more details.

Sports Marketing. We actively sponsor and otherwise engage in major national and international sporting events, such as the Olympic Games, Asian Games, and European Cup, to cultivate a vibrant and inspiring national brand image. In 2024, we partnered with CCTV for the

Paris Olympics, closely associating our brand with the Olympic spirit. This collaboration led to our selection as a "CCTV Strong Nation Brand (央視強國品牌)" and earned us the honor of Top Marketing Partner of 2024 Paris Olympics of CCTV. By partnering with athletes as brand ambassadors and employing a well-structured sports marketing strategy, we effectively reach a broad spectrum of sports enthusiasts, further strengthening our brand presence. We have also garnered increased attention from young consumers through our sponsorship of emerging sports events, including esports and street dance competitions. Through these collaborations, we convey a brand ethos centered on positivity, perseverance, and resilience, resonating deeply with the spirit of sports. This approach not only reinforces the emotional connection between our brand and consumers but also demonstrates our commitment to delivering products that inspire and uplift.

Online and Offline Marketing. We deem advertising as one of our key branding and marketing initiatives, with a strong emphasis on its extensive reach and high impact. We execute targeted online advertising campaigns, such as airing targeted advertisements on CCTV and other media channels during large sports events, which has helped us establish a deeply ingrained positive brand image. We also partner with popular video platforms to insert advertisements during hit dramas and trending online variety shows, further expanding our brand exposure. Furthermore, by building a presence on emerging video platforms, we effectively engage younger generations and reinforcing the emotional connection between our brand and consumers. On the ground level, we strategically place offline advertisements in high-traffic locations such as sports arenas and highways, where our target customers are concentrated, enriching efficient and precise reach to our customers.

Case Study — Digitalized Promotional Campaign

We continue to increase our investments in our digital marketing efforts. For instance, in 2024 we launched a nationwide digitalized promotional campaign across offline POS, leveraging our advanced digitalized marketing and sales system to enhance consumer engagement, campaign tracking, and return of marketing investments. Running offline promotions has traditionally posed challenges in stimulating participation and measuring effectiveness, but by integrating digital tools, we made it more interactive, data-driven, and impactful. Throughout the year, we executed several targeted promotional events, adapting our campaign themes, regions, and target audiences based on seasonal trends. Our campaign moved away from traditional broad-based strategies, focusing instead on precise resource allocation based on key channels, store sales, and product information. We carefully selected high-traffic locations, such as campuses, industrial parks, and amusement parks, where our target customers are concentrated. In each market, we tailored the product selection to fit local demand, promoting the most relevant offerings based on the market's development level. Furthermore, we adapted our promotional tactics to each setting, ensuring the right type of staff and promotional activities to match the specific characteristics of each location.

Our digitalized promotional campaign combined our "Scan-to-Earn Red Packet" and "One Yuan For the Second Bottle," inviting both offline POS and consumers to participate and creating a seamless link between distribution and sales activation. Leveraging our advanced "five-code integration" technology, we ensured that reward redemption is fully digitized, eliminating the inefficiencies and errors associated with offline processes and greatly improving campaign efficiency. Moreover, we developed a tailored strategy for different regions, adjusting reward types and amounts in real-time based on campaign progress. This approach maximized the effectiveness of our marketing resources and boosted participant engagement by dynamically optimizing incentives.

By distributing promotional benefits among merchants, consumers and us, this campaign fostered a mutually beneficial dynamic, significantly boosting participation, consumer satisfaction, and overall campaign effectiveness. During the 2024 campaign period, more than 4.1 million consumers participated in the code scanning, including numerous new participants. In particular, the repurchase rate among consumers (namely the percentage of consumers who purchased our products and scanned the respective QR codes twice or more during the campaign period) reached an impressive 47.5%, with 19.6% of participants scanning codes for five times or more, showcasing the effectiveness of this project in driving repeat purchases and achieving the goal of "encouraging consumers to drink more." Furthermore, this campaign generated significant attention on social media platforms, gaining traction as a trending topic and reinforcing our brand's market presence.

FULL-CYCLE DIGITAL OPERATING SYSTEM

We have pioneered the digital operating system in China's soft beverage industry, establishing a comprehensive, full-cycle digital operation. On the digital technology front, we have innovated the "One Item, One Code (一物一碼)" system (the "**Code System**"), precisely tracking the flow of our products from the factory to consumers. By leveraging "five-code integration (五碼關聯)" technology, the Code System assigns QR codes at key stages throughout the production-to-sales process — including inner cap codes, outer cap codes, inner box codes, outer box codes, and pallet codes. This enables a complete and traceable network, allowing for real-time tracking and full lifecycle management of each product.

On the business operational side, we maintain a data-driven, sophisticated management approach, utilizing our digital operating system to support decision-making across all areas, including product development, procurement, production, channel inventory management, marketing, resource allocation, and sales personnel management. Through seamless integration between digitalized sales and marketing, supply chain management, and operational management, we have built a self-reinforcing digital operating system that drives efficiency, reduces costs, and strengthens our market position.

Sales and Marketing Digitalization

We continuously strive to enhance the effectiveness of our digital tools to optimize sales and marketing operations. Acting as the vital link between us, the sales channels and consumers, our digital marketing system fosters a seamless connection, driving enthusiasm of POS and consumers through shared benefits across the supply chain. By leveraging data generated from sales activities, we fine-tune our marketing strategies, enabling us to allocate resources with precision and enhance the effectiveness of our promotional efforts.

- ***Development and Application of Digital Technologies.*** Leveraging our "five-code integration" technology, the Code System accurately captures and records the movement of products across production, storage, transportation, and distribution, ensuring tracking of sell-through, effectively achieving anti-counterfeiting and preventing unauthorized distribution, efficient sales channel management and real-time inventory tracking. Furthermore, the Code System fosters direct engagement between POS, consumers and us, significantly enhancing the communication and management efficiency. Furthermore, our digital sales and marketing systems also include the proprietary sales force automation system, database management system, mini programs for both POS and consumers, deliverer management platform, and sales force management system, all of which foster direct engagement between POS, consumers, and us, significantly enhancing communication and operational efficiency.

- ***Innovation in Digital Marketing Campaigns.*** Our digital marketing campaigns break through the limitations of traditional promotions, achieving precise targeting, efficient execution, and seamless integration of distribution and sales activation, effectively mobilizing both POS and consumers. By leveraging our digital systems' real-time tracking of sales data, we can accurately analyze performance at various POS and quickly implement targeted marketing activities. In terms of execution efficiency, our "five-code integration" technology, combined with dedicated mini programs for both consumers and POS, enables fully online reward redemption, eliminating inefficiencies and errors associated with manual processing. This streamlined process also boosts participation in the campaigns. Furthermore, our digital system connects the entire product flow from distribution partners to POS and ultimately to consumers, ensuring alignment between distribution and sales activation. Our digital promotions engage both consumers and POS, stimulating POS stock purchases and driving consumer demand, ultimately enhancing sales performance and fostering stronger brand loyalty. For details of our digitalized marketing campaign, see "— Marketing — Case Study — Digitalized Promotional Campaign."

- ***Digitalized Channel Partners Services Management.*** We have established efficient digitalized management systems for our channel partners services, which provide standardized workflows and process guidelines for our sales personnel, along with scientifically designed performance evaluation metrics tailored to different roles. This ensures objective and timely monitoring of employee performance, fostering structured and efficient sales management. In distribution partner management, we have implemented digital tools to enable online contract signing, team onboarding, and order processing, ensuring real-time oversight, traceability, and improved operational efficiency while reducing administrative costs. In addition, our data analytics tools provide deep, real-time analyses of product sales, channel inventory, promotional campaign progress, and regional market performance. By visualizing key performance indicators, we can monitor progress effectively and optimize sales management efficiency.

Supply Chain and Operational Digitalization

We have realized fully digitalized supply chain management, covering procurement and supplier management, order management, production planning, warehousing, logistics, and sales tracking. Leveraging our advanced digital platforms, we effectively conduct collaborative supply chain planning, ensuring a dynamic balance between supply and market needs. Our supply chain department closely monitors sell-through to respond swiftly to shifting consumer preferences, avoid excessive inventory buildup, optimize resource utilization, and improve inventory and raw material turnover efficiency across all channels, thereby achieving collaborative supply chain planning, and sustain reasonable capacity utilization, thereby solidifying our cost leadership advantage over the long term.

- ***Procurement.*** Our Supplier Relationship Management ("**SRM**") system efficiently oversees the procurement process, from recording and managing supplier information, generating procurement plans based on our production demand, selecting qualified suppliers from our supplier pool to placing and tracking orders, thus ensuring the compliance and transparency of the procurement process. Materials procured are assigned unique codes to ensure traceability, improving procurement accuracy, efficiency, and transparency while maintaining high standards for material quality.

- ***Production.*** Production orders are issued through the System, Applications and Products ("**SAP**") and integrated with the Warehouse Management System ("**WMS**") to create task-specific production plans. These plans are executed based on standardized

processes. All aspects of production, including material issuance, and status tracking, are automated and well managed through our systems. The production batch traceability system ensures full traceability and robust quality control throughout our manufacturing process.

- ***Warehousing and Logistics.*** For warehousing management, our WMS and Warehouse Control System ("**WCS**") ensure full material traceability through item coding and enable streamlined goods storage and retrieval process by monitoring and controlling automated warehouse equipment. In terms of logistics and distribution, we employ a logistics reservation system to optimize inventory planning and vehicle dispatch based on real-time requests, ensuring timely and efficient deliveries.

- ***Order Life-Cycle Management.*** Our Order Management System ("**OMS**") manages the entire order lifecycle, from order receipt and processing to tracking and fulfillment. The OMS system integrates with our SAP's financial module to ensure efficient payment processing and subsequent order handling. By coordinating with the WMS and logistics reservation systems, the OMS system facilitates a smooth workflow from order placement to warehousing and final delivery. The automated interaction between management systems enables real-time order tracking, efficient workflows, and ensures precise management of order fulfillment.

We have established a cross-departmental digital platform across our internal functional teams that enables efficient coordination across various business functions. In research and development management, we have digitalized the R&D process and formulation, establishing a comprehensive intellectual property protection system to ensure secure and compliant product development. Through our digitalized operational systems, our departments — including R&D, supply chain, quality management, marketing, finance, and information management — collaborate efficiently, ensuring real-time coordination across all business operations. This significantly reduces our operating costs, enhances operational efficiency, and lays a solid foundation for our sustainable growth. We leverage real-time operational data from various systems to build an efficient and scalable data repository. Through the integration of management module and business intelligence analytics tools therein, we provide management across all business units with clear visibility into operational progress, performance metrics, and risk alerts. This system supports decision-making through all levels within our organization, from the chief executive officer to sales management and production management personnel, by delivering timely, data-driven insights. This system plays a pivotal role in ensuring effective management and operational agility across our organization of over ten thousand employees.

OUR SALES NETWORK

Our Sales Force

We have established a comprehensive and multi-tiered sales management system. As of June 30, 2025, we had 7,475 sales personnel. Our sales management team has an average tenure of over five years within our Group. Each department is designed to cater to the specific management needs of our extensive nationwide sales network. They are able to facilitate brand management, customer acquisition, marketing promotion, sales support, client services and other key functions, while operating through regionally organized business units for precise sales management. In particular, we have established an industry-leading "product + service" mode. Our sales staff keeps abreast of market trends, continuously nurturing and maintaining relationships with distributors, key account customers, and POS through on-site visits, training, and sales support. They accurately monitor and provide timely feedback on evolving consumer preferences, market competition dynamics, and channel inventory level. They also oversee and manage product return and exchange by distribution partners, inventory control, and the compliance of distribution partners during their sales activities, to maintain a timely sales network management.

To further enhance our business performance, we have developed an industry-leading digital marketing platform that integrates a wide range of advanced features, including sales activity analysis, inventory tracking, customer engagement, sales and marketing management, and POS service optimization. These digital solutions improve the accuracy and efficiency of our marketing strategies, standardize the workflows of sales personnel, and streamline operations, making our sales process more efficient, intelligent, and user-friendly. For details, see "— Marketing" and "— Full-Cycle Digital Operating System" in this section.

Our Sales Channels

We have established a comprehensive and integrated sales network that spans both online and offline channels. By partnering with distributors and key account customers that meet our operational standards, we have built a widespread and deeply penetrated sales network capable of reaching our target consumers through omni-channels. We strategically expand our sales through continuously advancing our nationwide expansion strategy, deploying more beverage coolers at POS, and exploring emerging channels including catering, social commerce, and live-streaming. The table below sets forth our revenue breakdown by sales channels in the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Sales of Beverage Products										
Distribution partners:	8,352,622	98.3	10,934,175	97.2	15,260,947	96.4	7,542,449	95.8	10,238,414	95.4
— *Distributors*	7,581,023	89.2	9,911,898	88.0	13,606,586	85.9	6,919,112	87.9	9,349,664	87.1
— *Key account customers through distributors*	669,144	7.9	866,537	7.7	1,297,091	8.2	471,545	6.0	642,349	6.0
— *Online sales*	102,455	1.2	155,740	1.5	357,270	2.3	151,792	1.9	246,401	2.3
Direct sales to key account customers	66,100	0.8	239,841	2.1	446,437	2.8	269,263	3.4	446,955	4.2
Self-operated online stores	39,643	0.5	49,568	0.4	88,148	0.6	36,865	0.5	43,760	0.4
Other channels[(1)]	32,968	0.4	26,900	0.2	26,233	0.1	13,065	0.2	1,424	0.0
Subtotal	**8,491,333**	**99.9**	**11,250,484**	**99.9**	**15,821,765**	**99.9**	**7,861,642**	**99.9**	**10,730,553**	**100.0**
Others[(2)]	8,690	0.1	6,651	0.1	8,571	0.1	7,827	0.1	1,859	0.0
Total	**8,500,023**	**100.0**	**11,257,135**	**100.0**	**15,830,336**	**100.0**	**7,869,469**	**100.0**	**10,732,412**	**100.0**

Notes:

(1) Other channels primarily refer to revenue derived from the production of contract-manufactured beverage products, mainly tea beverages and juice beverages, on behalf of a customer.

(2) Others primarily refer to (i) sales of packaging materials, and (ii) revenue from providing advertising service and other services. For details, see "Financial Information — Description of Major Components of our Results of Operations — Revenue."

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our nationwide sales network comprised 2,779, 2,981, 3,193 and 3,279 distribution partners, which resell our products, respectively, reaching over 4.2 million POS and 250 million consumers based on unique code scans as of June 30, 2025. The following table sets forth a breakdown of the number of our distribution partners by geographical regions in the periods indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
Guangdong region[(1)]	265	288	264	260
East China region[(2)]	313	299	303	299
Central China region[(3)]	454	409	429	426
Guangxi region	154	132	126	120
Southwest China region[(4)]	463	458	487	502
North China region[(5)]	744	899	927	951
Key account customers and others[(6)]	386	496	657	721
Total	**2,779**	**2,981**	**3,193**	**3,279**

Notes:

(1) Guangdong region includes Guangdong and Hainan.

(2) East China region includes Anhui, Jiangsu, Zhejiang and Shanghai.

(3) Central China region includes Hunan, Hubei, Jiangxi and Fujian.

(4) Southwest China region includes Sichuan, Chongqing, Yunnan, Guizhou and Xizang.

(5) North China region includes Shandong, Hebei, Shanxi, Henan, Beijing, Tianjin, Inner Mongolia, Heilongjiang, Jilin, Liaoning, Shaanxi, Gansu, Xinjiang, Qinghai and Ningxia.

(6) Key account customers and others refer to our customers that resell our products, whose sales areas are usually segmented by specific channels, such as restaurants, online sales and overseas, and therefore cannot be assigned to specific geographical regions.

The following table sets forth total number of these distribution partners and their movements for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
As of the beginning of the period	2,312	2,779	2,981	3,193
— Number increased in the period[(1)]	875	771	669	310
— Number decreased in the period[(2)]	(408)	(569)	(457)	(224)
As of the end of the period	**2,779**	**2,981**	**3,193**	**3,279**

Notes:

(1) Number increased in the period is calculated based on the number of distribution partners who entered into an agreement with us and/or created new accounts in our system during a particular period.

(2) Number decreased in the period is calculated based on the number of distribution partners that no longer enter into an agreement with us and/or closed their accounts in our system during a particular period.

Given the market dynamics of the beverage industry, the high turnover nature of beverage products, and our extensive sales network coverage, we work with a large number of distribution partners. According to Frost & Sullivan, this approach aligns with the market practice of beverage companies of comparable scale. The number of our distribution partners increased from 2,779 as of the end of 2022 to 2,981 as of the end of 2023, 3,193 as of the end of 2024 and further to 3,279 as of June 30, 2025. During the Track Record Period, our pace of enrolling new distribution partners gradually slowed, primarily due to our increasingly mature sales network management and continuous shift towards the channel cultivation model, strengthening our partner selection criteria and oversight to enhance overall network quality and efficiency. In 2022, 2023 and 2024 and the six months ended June 30, 2025, our partnership with 408, 569, 457 and 224 distribution partners was terminated, which reflected our regular performance-based optimization as part of our channel management strategy. None of these terminations were due to any material breach of the terms of the sales agreements by the relevant distributors. To ensure effective management, we conduct periodic performance reviews of our distribution partners. We believe our performance-driven selection mechanism motivates our partners to improve their sales performance by fostering a competitive environment. Furthermore, according to Frost & Sullivan, our management model is both feasible and sustainable as there are over 70 thousand soft beverage distributors across China and we, as a market leader in the functional beverage industry, are well-positioned to selectively engage distributors that meet our performance standards. We can therefore maintain a competitive approach without compromising our market coverage.

During the Track Record Period and up to the Latest Practicable Date, we had no material disputes or lawsuits with these terminated distribution partners. For distribution partners that have terminated their business relationship with us, if they still have remaining inventory, we will not accept their product return (except for quality issues) as stipulated in the agreement. For unsold products that are not returned, we will coordinate the transfer of such products to other nearby distribution partners to facilitate continued market circulation.

Furthermore, we have been rapidly expanding our beverage cooler deployment at POS, which is a key sales strategy in the beverage industry that enhances product visibility, accessibility, and impulse purchases, ultimately driving sales performance. We have deployed over 100,000 beverage coolers in 2024 alone, doubling the number from 2023 and significantly expanded our market presence. Our extensive beverage cooler network strengthens brand presence at POS. As of June 30, 2025, we had deployed over 400,000 beverage coolers across POS. We have entered into written agreements with POS in connection with the deployment of beverage coolers and the use of smart vending machines. Pursuant to the terms of such agreements, the POS, as the counterparty, shall bear full responsibility for any personal injury or property damage caused to itself or any third party during the use of the beverage coolers and smart vending machines. As advised by our PRC Legal Adviser, in line with the terms of such agreement, the POS is contractually responsible for any potential legal liabilities arising from the usage of beverage coolers and smart vending machines.

Distributors

Our revenue generated from sales to distributors amounted to RMB7,581.0 million, RMB9,911.9 million, RMB13,606.6 million and RMB9,349.7 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing 89.2%, 88.0%, 85.9% and 87.2% of our revenue in each of the corresponding period. To effectively manage this network, we tailored our operations to fit regional market dynamics, employing either channel cultivation (渠道精耕) model or broad distribution (大流通) model. We typically implement channel cultivation model in mature markets, while adopting broad distribution model in emerging markets during the initial stages of our business development. To enhance network efficiency, we have gradually transitioned from broad distribution model to channel cultivation model in emerging markets, progressively achieving a comprehensive focus on channel cultivation.

Currently, in mature markets, such as Guangdong and Guangxi, we adopt channel cultivation model. We primarily collaborate with distributors that have strong capital resources, warehousing capabilities, and sufficient staffing. We work closely with distributors and POS to enhance product penetration, optimize product visibility, and strengthen brand recognition. Our sales team takes an active role in day-to-day operations and marketing activities, including inventory management, price supervision, product assortment, and marketing execution. We not only ensure the efficient

implementation of our sales strategies, but also maintain robust oversight of our distribution network to drive deeper channel penetration. By focusing on direct customer engagement and responsive interactions, we deepen channel services management and strengthen our influence across these key regions.

In certain emerging markets where we currently have a comparatively limited presence but with significant market and growth potential, such as North China region, we leverage broad distribution model at the initial stage for our market development taking into account of operational efficiency. We primarily collaborate with thoughtfully selected distributors with strong market expertise, established sales teams and network, and strong local market expertise and connections in their respective regions. These distributors take the lead in product distribution, channel maintenance, and market execution within their regions. We supervise them by setting general performance standards and monitoring their compliance with our distributor management policies. To support them, we provide marketing campaigns, training, and promotional assistance, enabling them to expand market reach while maintaining high standards of service and brand representation.

Our Arrangements With Distributors

We typically enter into distribution agreements with our distributors, which are sales and purchase agreements in nature. In general, the salient terms of our standard distribution agreements used during the Track Record Period are set out below:

- ***Duration***. The duration of the distribution agreements is typically one year.

- ***Distribution Territory***. Distributors are only permitted to sell our products within their designated regions.

- ***Sales and Performance Target***. We set annual sales targets, specifying product categories, specifications and quantities. Distributors are required to submit a written request for any target adjustments. We do not set minimum purchase requirements.

- ***Pricing and Rebate***. The purchase prices charged to our distributors are based on our pricing and rebate policies and are subject to adjustments with reference to, among others, production costs, logistics, brand positionings, channel profit levels and market competition. We have adopted a sales rebate policy for our distributors to incentivize sales performance and promote compliance with our distribution agreements. Pursuant to this policy, we conduct regular assessments of our distributors' sales performance against pre-agreed sales targets. Distributors who achieve the relevant sales targets and comply with our distribution requirements (such as refraining from cross-territory sales

and engaging in prohibited price dumping) are eligible to receive rebates calculated on a fixed amount per unit, which are granted in the form of commercial discount quotas and may be used to offset a portion of the purchase price in their subsequent procurements from us.

- ***Payment***. We generally require our distributors to make payment before product shipment.

- ***Logistics***. Our distributors can pick up the products by themselves or request us to arrange delivery of the products to locations agreed between distributors and us.

- ***Inventory and Storage***. Distributors are required to keep a reasonable inventory level of our products in accordance with our guidelines to avoid stock shortage. We require distributors to provide proper storage warehouses and sites to properly protect our products, and ensure that our products are in compliance with the Food Safety Law and relevant regulations.

- ***Change and Return Policy***. We typically do not allow distributors to change or return products for any reason other than product quality defects. According to Frost & Sullivan, our product return arrangements are in line with the industry norm.

- ***Termination***. We stipulate in the distribution agreement the conditions under which distributors may be deemed in breach of their obligations, granting us the right to unilaterally terminate or rescind the agreement without compensation.

In addition, we generally do not prohibit our distributors to sell their products to sub-distributors based on business needs. See "— Our Sales Network — Distributors — Management of Sub-Distributors" in the below section.

Management of Distributors

We have formulated a comprehensive framework to regulate distributor management, including policies such as the Management Measures for Distributor Establishment, Termination, and Changes (《經銷商設立終止變更管理辦法》), Broad Distribution Customer Management Guidelines (《大流通客戶管理辦法》), Distributor Contract Management Guidelines (《經銷商合同管理細則》), and All-Channel Inventory Management Guidelines (《全渠道庫存管理辦法》). These policies ensure standardized practices in areas such as distributor admission, daily operations, pricing mechanisms, logistics, returns and exchanges, and inventory management through well-defined distributor agreements. To maintain effective oversight, our staff conduct regular visits to distributors, providing support and monitoring operations. Our internal audit department

performs spot checks to verify qualifications and channel management capabilities, while our sales support team follows up to track sales performance and inventory levels. These efforts are underpinned by a robust and effectively implemented internal control system, ensuring operational efficiency and compliance.

- ***Selection of Distributors.*** We have established rigorous screening process for distributor candidates based on several key factors: (i) the market size and competitive landscape of their operational region; (ii) the distributor's resources, including financial strength, storage capacity, and staffing; (iii) their industry experience, management capabilities, channel network, and reputation; and (iv) ensuring exclusive distribution rights for designated regions and channels to optimize distributor placement and prevent internal competition or resource overlap. Our screening process involves collecting and reviewing qualification documents, on-site inspections by regional managers, secondary reviews by business division leaders, and final approval by the head of the marketing department, supported by a thorough document review conducted by our sales support team.

- ***Performance Review***. Our distributor performance review includes both quantitative and contractual performance assessments. Quantitative assessments primarily focus on sales metrics such as the cumulative achievement rate of annual contract targets and the periodic targets over the past three months. Contractual performance assessments examine factors such as whether the distributor engages in competing products, disrupts market order, complies with promotional plans, supports the development of untapped markets, and effectively utilizes our systems and mini programs. For distributors who fail to meet our performance review and do not take timely corrective measures, we reserve the right to terminate the partnership.

- ***Distributor Maintenance and Support.*** We have established a mutually beneficial partnership mechanism with our distributors, creating a strong foundation for brand promotion, channel expansion, market influence, and sales growth. To support and maintain these relationships, we provide comprehensive measures, including marketing and promotional assistance, rebate and subsidy programs, as well as training and guidance on sales strategies.

- ***Distributor Inventory Management and Prevention of Channel Stuffing.*** We have implemented a comprehensive Inventory Management Policy (《庫存管理辦法》), under which our sales personnel conduct on-site inventory checks at the end of each month. Furthermore, we typically prohibit distributors from returning or exchanging products for reasons other than quality defects, thereby significantly reducing the risk of channel stuffing. Having considered the foregoing, our Directors believe that the risk exposure

of channel stuffing is limited. Based on the due diligence works performed, nothing has come to the Joint Sponsors' attention that would cause them to cast doubt on the Directors' view.

- ***Anti-Cannibalization.*** Our distribution agreements explicitly define the authorized territory and/or the designated sales channels, such as regional channels, online or offline channels. All distributors are required to sell products only within the designated regions and channels. Distributors are strictly prohibited from engaging in cross-territory or cross-channel sales without prior approval. Such approvals are granted only under exceptional circumstances, subject to our internal review, including factors such as unmet customer demand within the designated region or channel, the distributor's logistical advantages or customer relationships in an adjacent territory or different channel, and the absence of any material adverse impact on other distributors. Approved cross-territory or cross-channel sales are typically limited in scope, duration and subject to conditions to protect the integrity of our distribution network. Furthermore, distributors are not allowed to sell products that are similar to or in direct competition with ours. Should any such violations occur, we reserve the right to unilaterally terminate the agreement and claim liquidated damages from the distributor.

- ***Product Change or Return.*** Our relationship with distributors operates on a seller/buyer basis rather than a principal/agent arrangement, with risks and rewards of ownership transferring to the purchaser upon delivery and receipt confirmation. Generally, we do not accept returns or exchanges except in cases of product quality defects.

Management of Sub-Distributors

In order to better penetrate local markets, we do not prohibit our distributors to engage sub-distributors to help them market and sell our products. The sub-distributor arrangement enables us to extend our market presence by deepening market penetration into lower tier cities and towns, capitalizing on their understanding of local markets, strategically decrease operational expenses and enhance product sales by expanding sales territories.

We do not enter into agreements with sub-distributors, relying instead on our distributors to manage and supervise the sub-distributors they engage. As a result, we do not directly manage the sub-distributors, including (i) supplying products directly to sub-distributors, (ii) imposing any mandates regarding the selling prices to sub-distributors, or (iii) setting sales targets for sub-distributors, all of which are governed by the arrangements between the distributors and the sub-distributors. According to Frost & Sullivan, this approach aligns with common industry practices, where beverage companies rely on third-party distributors to sell their products through sub-distributors without establishing direct contractual relationships. Given our robust channel

management and traceability systems for end-product sales, we believe our sales accurately reflect actual end-customer demand, mitigating risks of channel stuffing and cannibalization. For details, see "— Our Sales Network — Distributors — Management of Distributors" in this section. We have implemented the following measures to facilitate our distributors to better manage their sub-distributors:

- ***Distributor Oversight***. We require our distributors to manage and oversee the behavior of their engaged sub-distributors, ensuring alignment with the distributors' contractual obligations. We regularly communicate with distributors to monitor compliance and address any non-compliance issues from sub-distributors. In case of any identified non-compliance or irregularities by sub-distributors, we require our distributors to take timely remedial actions, including warning, rectification, suspension of cooperation or replacement of the sub-distributors.

- ***Restricted Sales Regions***. Sub-distributors are only authorized to operate within designated regions or institutions as specified by our distributors. We require our distributors to impose corresponding territorial and/or institutional restrictions on their engaged sub-distributors, consistent with the territorial scope granted to the distributors by us. Distributors are responsible for monitoring and ensuring that their sub-distributors comply with the designated sales regions and do not engage in unauthorized cross-region sales. This arrangement minimizes the risk of cannibalization between distributors and their sub-distributors, helps maintain the orderly operation of the distribution network, and protects the interests of distributors at all levels. In the event of any breach of restricted sales regions by sub-distributors, the relevant distributors are obliged to take corrective actions.

- ***Guidelines and Training***. We provide our distributors with guidelines, policies and training covering key aspects of compliance, brand protection, marketing standards and operational requirements. Distributors are responsible for cascading such guidelines to their sub-distributors and ensuring adherence. This approach helps maintain the consistency and quality of brand representation and sales practices throughout the distribution network, including at the sub-distributor level.

- ***Contractual Enforcement***. Although we do not enter into contracts directly with sub-distributors, the agreements we enter into with our distributors impose obligations on distributors to ensure that their sub-distributors comply with certain requirements, including compliance with applicable laws and regulations, adherence to brand guidelines, and observance of territorial restrictions. Failure of a distributor to properly manage its sub-distributors may constitute a breach of contract, entitling us to terminate or take other contractual remedies against the distributor.

Key Account Customers

Our key account customers are strategic partners with whom we cultivate long-term, customized business relationships, and they are typically designated with specific sales channels of strategic importance to us, rather than being confined to specific geographical regions. We classify key account customers primarily based on the connections with end consumers, the consumption scenarios of their respective sales channels, geographical coverage and strategic values. These customers support the development of a multi-layered distribution network, enabling comprehensive brand penetration across various market tiers in the long term. Our key account customers typically include gas stations, supermarkets and convenience store chains, restaurants and other new retail channels with broad terminal coverage. Many of them are embedded in high-frequency consumption scenarios that serve as strategic touchpoints in consumers' daily routines. Through scenario-based operations, our products can be seamlessly integrated into consumers' purchasing habits, reinforcing the association between our brand and specific consumption needs. The channels we usually designated to our key account customers include, among others, the following:

- ***Transportation Channels***. We actively collaborate with gas stations and other transportation hubs to provide convenient access to our products for consumers on the go.

- ***Supermarkets and Other Retail Channels***. We maintain a strong presence in both national and regional supermarkets and convenience store chains, ensuring consistent availability of our products.

- ***Catering Channels***. Bringing our beverage products to consumers' tables is a key sales strategy in recent years, and we actively establish partnerships with restaurants and other catering channels.

- ***New Retail Channels***. We also diversify our offline retail network through new retail channels, such as snack discount retailers.

In our collaborations with key account customers, tailored to the characteristics of their sales channels and the management models developed through our long-term partnerships, we typically implement additional customized support and management measures. Such support and management measures primarily include the following:

- ***Tailored Management Framework***. Key account customers are overseen through a tailored management framework, reflecting their strategic importance and operational differences compared to distributors. This is to ensure sufficient resources are being allocated internally, and services tailored to the needs of each key account customer and their POS will be managed and provided in a consistent manner.

- ***Scope of Authorization Under Agreements***. The sales authorization granted under agreements with key account customers differ from those applicable to distributors. The agreements with key account customers generally designate their authorized sales channels, such as transportation channels or catering channels, effectively determining their downstream end customers. Such arrangement often rooted in longstanding relationships and business practices with both key account customers and their sales endpoints, promotes stability in business operations. It also enables us to transcend geographical limitations and rapidly expand our channels through more diverse channel dimensions.

- ***Management and Maintenance of POS***. Beyond product sales, we take an active role in supporting their POS management, especially by leveraging our "product + service" mode, ensuring deeper integration and stronger market execution.

- ***Logistics and Transportation***. We typically arrange transportation to designated locations, which are often designated POS, in accordance with our arrangements with key account customers, while under distribution arrangements, if we are responsible for the shipment of goods, we typically deliver our products to locations agreed between distributors and us.

- ***Product Change and Return, and Termination Policy***. We stipulate relatively flexible product change, return and termination policy in our agreements with certain key account customers.

In addition, revenue generated from sales to key account customers through distributors amounted to RMB669.1 million, RMB866.5 million, RMB1,297.1 million and RMB642.0 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

Online Sales

We have established strong partnerships with major e-commerce platforms, including Tmall, JD.com and Pinduoduo, among others. We leverage these channels to operate brand flagship stores and directly engage with end customers. We sell our products through self-operated flagship stores as well as through third parties online, ensuring widespread availability and customer access to our products. In addition, recognizing the growing influence of social commerce, we have strategically expanded our presence on rising e-platforms, such as Douyin and Xiaohongshu, and actively exploring new sales models such as live-streaming e-commerce. These platforms not only serve as additional sales channels but also enable us to engage with younger, digitally native consumers through interactive and personalized marketing. The social commerce platforms enable direct interaction with consumers through live-streaming and targeted marketing. Live-streaming offers an interactive platform for real-time communication, where our consumers can ask questions and share opinions on our products, further strengthening their connection with our brand. Additionally, by leveraging user-generated content and feedback, we can strengthen our brand presence, enhance customer loyalty, and gather valuable insights into consumer preferences and behaviors, enabling more informed product development and marketing strategies.

During the Track Record Period, revenue generated from our online sales experienced rapid growth, with a CAGR of 77.0% from 2022 to 2024. Our revenue generated from online sales amounted to RMB142.1 million, RMB205.3 million, RMB445.4 million and RMB290.2 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing 1.7%, 1.8%, 2.8% and 2.7% in each of the corresponding period. Among them, revenue generated from sales through third parties, which are our distribution partners, amounted to RMB102.5 million, RMB155.7 million, RMB357.3 million and RMB246.4 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

We have achieved seamless integration across platforms. Our e-commerce strategy integrates traditional and social commerce platforms to provide a consistent brand experience across all digital touchpoints. By doing so, we maximize our reach, enhance customer engagement, and capture a significant share of the rapidly growing online market.

Independence of Distribution Partners

We have established a dedicated division responsible for reviewing the qualifications and independence of our distribution partners. During the distribution partners onboarding process, the review involves multiple levels of management, including regional heads, and relevant personnel from the business units. Furthermore, we conduct internal independence checks to ensure that the qualifications and independence of our distribution partners meet our standards and requirements. To the best of our knowledge, during the Track Record Period and as of the Latest Practicable Date, except for (i) five individuals, each of whom being a business operator or shareholder of our distribution partner(s) (or a relative to the business operator or shareholder) who held partnership interests of less than 5% in Kunpeng Investment, as defined in "History, Development and Corporate Structure" section of this Document, and (ii) two individuals who were our former employees, all our distribution partners were Independent Third Parties as none of our distribution partners were controlled by any of our employees, and none of our distribution partners had any business, employment, family or financing relationships with any of our Directors substantial shareholders, senior management and employees. The terms of the agreements entered into by the distribution partners affiliated with the seven individuals were consistent with normal commercial terms and were generally in line with our standard form. As the corresponding engagements took place prior to when the relevant individuals became indirect Shareholders of us, there was no different rationale for engaging such distribution partners which were Independent Third Parties at the point of engagement. None of the distribution partners affiliated with the seven individuals made any material contribution to our revenue or received any material advances or financial assistance from us during the Track Record Period.

Coordination Between Sales Channels

We normally take an overall perspective to manage our operation and optimize our resource investments in different sales channels, including regional, online and offline channels. Any sales carried out outside designated channels, or any sales across different sales channels without our prior authorization, will be deemed as cannibalization. To minimize cannibalization among sales channels, we typically adopt the following measures:

- We designate authorized territories and/or sales channels for each distribution partner through expressed terms as in the agreements. We reserve the right to unilaterally terminate the agreement and claim liquidated damages if any distribution partner breaches such terms.

- We establish effective management over and enhance our regular communication with our distribution partners. Our "One Item, One Code" system tracks the movement of products across production, storage, transportation, and distribution via QR code

scanning, enabling precise monitoring of product flows. Instances of channel stuffing or unauthorized cross-regional sales can be promptly identified and addressed through this system. Our Directors are of the view that the foregoing internal control measures are effective and adequate in managing cannibalization.

- We require our distribution partners to manage and oversee their downstream channels, ensuring alignment with their contractual obligations. Such downstream channels are only authorized to operate within designated regions or channels designed to the respective distribution partners by us. This restriction minimizes risks of cannibalization.

- We manage the pricing policy and provide suggested retail prices for products across different sales channels.

- We create differentiated product categories in terms of price, design and specification in consideration of different channels and the needs of different target consumers. In addition, we offer promotional activities tailored to specific channels with the aim of boosting overall sales within those channels.

- Given the nature of e-commerce where strict territorial restrictions are generally difficult to impose, we manage cannibalization risks for online sales primarily through centralized platform management and pricing control. For self-operated flagship stores, we directly control sales activities, pricing and promotional strategies. For sales through distribution partners, we require them to operate only on approved e-commerce platforms under our supervision and they should follow our marketing guidelines. In addition, we strategically differentiate promotional activities across online and offline channels to further mitigate potential cannibalization risks.

During the Track Record Period and up to the Latest Practicable Date, we did not identify any material incidents of cross-regional or cross-channel sales, underscoring the effectiveness of our approach to minimize cannibalization among different sales channels and different geographical regions.

Overseas Sales

We are actively exploring opportunities in overseas markets. As of June 30, 2025, our products had entered various overseas markets, including Vietnam and Malaysia. During the Track Record Period, our overseas sales were primarily conducted through distributors serving overseas markets. For domestic distributors involved in our overseas sales, we typically enter into standard distribution agreements, terms of which are set out in "— Our Arrangements with Distributors."

For overseas distributors, we stipulate separate transportation terms, pursuant to which we are generally responsible for delivering the goods to the port designated by the distributor, after which the distributor handles unloading, customs clearance, subsequent logistics, and associated costs.

We are also actively exploring flexible and diversified business models tailored to different regional markets while seeking local partnerships to strengthen our global presence. To ensure our products align with local preferences, we conduct in-depth market research and consumer demand analysis before introducing customized products. For product packaging, we create packaging that reflects regional culture and aesthetics, while also selecting packaging materials that align with local drinking habits. In terms of flavor profiles, we study local dietary preferences and make adjustments to sweetness levels and ingredients, ensuring that our products maintain their signature taste while appealing to local preferences. Additionally, we develop market-specific flavors as part of our product pipeline, laying the groundwork for future market expansion.

PRICING

We price our products based on various factors, primarily including production costs, product positioning, market competition and reasonable profit level of customers in our sales network. We outline the product pricing mechanisms in our agreements with distribution partners and provide pricing guidelines for promotional activities to ensure consistency and alignment in pricing practices. Our distribution partners shall follow the suggested prices as stipulated in the agreements and not take any actions that may disrupt the retail prices. Our sales management team periodically review their resale prices and the retail prices. For details of the suggested retail price ranges of our major products, see "— Our Brands and Products."

Our robust control over production and supply chain management, supported by our efficient full-cycle digital management systems, enables us to fully leverage our scale advantages and reasonable production capacity utilization to achieve effective cost management. This, in turn, provides us with the flexibility to maintain a competitive pricing strategy that ensures both high product quality and strong value for consumers.

SEASONALITY

The consumption of soft beverages is subject to seasonal fluctuations, with demand typically peaking during warmer months. Our sales are generally higher in the second and third quarters of each year due to increased consumption driven by warmer weather. See "Financial Information — Major Factors Affecting Our Results of Operations — Seasonality and Weather Condition." For related risks, see "Risk Factors — Risks Relating to Our Business and Industry — Seasonal consumption cycles and changes in weather may cause fluctuations in demand for our products."

RESEARCH AND DEVELOPMENT

R&D Force

We have established a dedicated R&D management center responsible for overseeing all aspects of new product and process development. This center is organized into specialized teams focusing on R&D management, product development, and packaging development. We have implemented a comprehensive system of standardized R&D processes that spans product planning and budgeting, market research, selection of raw materials, development of formulation and production processes, packaging and design, evaluation and pilot testing, product launches, lifecycle management, and upgrades. This framework ensures the efficient and precise execution of R&D projects, providing a strong foundation for sustained innovation and growth.

Product R&D

Our robust R&D framework and independent innovation capabilities enable us to drive new product development effectively. We actively collaborate with universities and research institutions, which enhances our efficiency in studying new beverage processes and formulations. These partnerships have allowed us to explore consumer preferences in niche markets, incorporate diverse ingredients into our beverages, enrich flavor profiles, and develop proprietary formulations that set our products apart in the market. Furthermore, we maintain a strong reserve of new product formulations and corresponding raw materials, allowing us to promptly capitalize on emerging industry trends and bring new products to market.

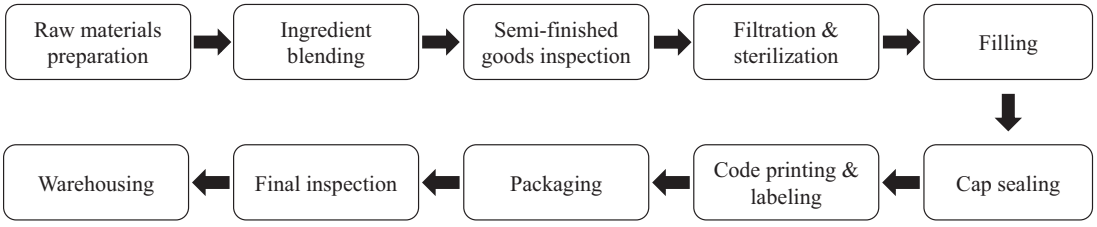
We carefully select new product categories by leveraging the strong brand perception we have built among consumers. New products such as coffee beverages, and tea beverages also embrace energy-boosting and revitalizing qualities, resonating with consumers' expectations of our brand. This strategy ensures a smooth transition from brand recognition to category expansion and product adoption, guiding consumers from initial curiosity to trial, and, ultimately, to long-term preference. During the Track Record Period, our R&D efforts resulted in significant achievements, including the launch of product lines including, among others, *Tea of Fruits, Coffee Master* and *Coco Island Coconut Milk*. These additions to our portfolio have diversified our product offerings, expanded our target consumer base, and created new consumption scenarios. Accordingly, our research and development expenses amounted to RMB43.8 million, RMB54.4 million, RMB62.7 million and RMB32.9 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

Furthermore, we have actively contributed to the development and revision of industry standards, reflecting our leadership in product and process innovation. As of June 30, 2025, we had participated in the formulation of 32 standards, including 20 national standards, three industry standards, and nine industry association standards, further solidifying our commitment to industry advancement and excellence.

OUR PRODUCTION

Production Process

The diagram below summarizes the key steps of our production process for beverage products.



We produce beverage products through procedures including raw materials preparation and inspection, weighing, ingredient blending, semi-finished goods inspection, filtration and sterilization, filling and cap sealing, code printing and labeling, packaging and boxing, palletizing, final inspection and warehousing.

- ***Raw Materials Preparation***. When preparing raw materials, we inspect and weigh the necessary raw materials. For certain beverages, such as tea beverages, the preparation process also includes steps like extracting tea leaves.

- ***Ingredients Blending***. Raw materials are blended according to the specific formula and process requirements of each beverage product. After mixing, the formulation is filtered as needed to produce a semi-finished beverage, which then undergoes inspection.

- ***Filtration and Sterilization***. At this stage, semi-finished beverages that have passed preliminary inspection undergo further filtration and sterilization. This ensures food safety while preserving the flavor and functional properties of the beverages.

- ***Filling and Cap Sealing***. The beverages are filled into containers such as bottles, cans, or cartons, and sealed with caps to ensure airtightness and product integrity.

- ***Code Printing, Labeling and Packaging***. Production dates are printed on the containers, labels are applied, and the products are packaged. Finished products then undergo a final inspection to ensure the products with quality standards.

- ***Warehousing***. Beverages that pass the final inspection are transported to warehouses and stored under strict conditions to preserve their quality.

Production Bases

As of June 30, 2025, we operated nine production bases strategically located across key regions, including Zengcheng Base, Dongguan Base, South China Base, Anhui Base, Nanning Base, Chongqing Base, Haifeng Base, Zhejiang Base and Changsha Base. These bases enhance our geographical market coverage, reduce logistics and transportation costs, and ensure timely delivery and efficient distribution across our nationwide market channels. The following table sets forth the designed production capacity, actual output, and utilization rate of our nine production bases for the periods indicated:

	For the year ended December 31,									For the six months ended June 30,		
	2022			2023			2024			2025		
Production base	Designed capacity[1]	Actual output	Utilization rate[2]	Designed capacity[1]	Actual output	Utilization rate[2]	Designed capacity[1]	Actual output	Utilization rate[2]	Designed capacity[1]	Actual output	Utilization rate[2]
	(thousand tons)		*(%)*	*(thousand tons)*		*(%)*	*(thousand tons)*		*(%)*	*(thousand tons)*		*(%)*
Zengcheng	350.8	240.4	68.5	457.5	332.0	72.6	528.1	454.2	86.0	271.2	223.4	82.4
Dongguan	431.4	381.7	88.5	461.4	452.8	98.1	556.8	572.0	102.7[3]	277.8	275.1	99.0
South China	523.1	435.5	83.3	610.4	599.9	98.3	704.8	643.8	91.3	343.1	300.5	87.6
Anhui	629.8	400.0	63.5	646.5	589.4	91.2	885.2	767.8	86.7	673.3	521.5	77.5
Nanning	502.7	288.6	57.4	492.5	348.7	70.8	568.0	495.5	87.2	463.5	349.9	75.5
Chongqing	215.9	194.3	90.0	402.4	373.6	92.8	475.5	472.0	99.3	371.5	343.5	92.5
Haifeng[4]	150.5	118.1	78.5	238.8	156.0	65.3	336.9	201.1	59.7	166.9	99.9	59.9
Zhejiang	—	—	—	42.4	39.9	94.1	448.5	433.4	96.6	420.3	374.4	89.1
Changsha	—	—	—	—	—	—	370.2	323.5	87.4	400.4	339.8	84.9
Total/Overall[5]	**2,804.2**	**2,058.6**	**73.4**	**3,351.9**	**2,892.3**	**86.3**	**4,874.0**	**4,363.3**	**89.5**	**3,388.0**	**2,828.0**	**83.5**

Notes:

(1) The designed capacity for the year/period is calculated based on the assumption that all production lines are operated at a practicable high utilization level, with allowances for reasonable factors such as routine maintenance, public holidays, among others. According to Frost & Sullivan, our capacity calculation method, including the assumptions used therein, is in line with the standard of the relevant industry in China.

(2) The utilization rate equals actual output divided by the designed capacity in the respective period.

(3) The utilization rate of certain production bases exceeded 100% due to our response to temporary market demand by optimizing shift arrangements and adjusting production schedules.

(4) The utilization rate of Haifeng Base recorded a slight decrease from 2022 to 2024, primarily due to the addition of production lines and the expansion of production capacity. Nevertheless, the actual output of Haifeng Base recorded an increase during the same period. We primarily produce bottled drinking water at our Haifeng Base and the expanded production capacity is progressively utilized.

(5) The overall utilization rate recorded a slight decrease in the first half of 2025 as compared with 2024, primarily because we successively completed the construction of several additional production lines at four of our production bases in the first half of 2025.

During the Track Record Period, we adopted a demand-based production model, aligning our sales targets and forecasts, actual sales trends, and production capacity. Annual production plans were established as a framework and further refined into monthly production schedules based on weekly sales forecasts, inventory levels, order status, and promotional activities anticipated for the following two months. Monthly plans were then distributed across our production bases, taking into account regional sales distribution, logistics status, production capacity, and safety stock levels at each base. Throughout the production process, we monitor and adjust progress to ensure timely delivery, minimize inventory, and optimize overall supply chain efficiency.

Adhering to our demand-based production model and to address the rapidly growing demand for our products, we strategically enhanced and expanded the capacity of our production bases during the Track Record Period. As a result, our overall designed production capacity increased from 2.8 million tons in 2022 to 3.4 million tons in 2023, and further to 4.9 million tons in 2024. During the Track Record Period and up to the Latest Practicable Date, we did not fail to fulfill any orders due to limitations in production capacity. Looking ahead, we plan to continue scaling up our production capacity to support future growth and strengthen our market presence.

Production Capacity Expansion Plan

To ensure our production network remains aligned with regional market demands and supports our continued growth, we are strategically expanding our existing production bases while also planning new facilities to enhance capacity and optimize our nationwide production and sales footprint. As of June 30, 2025, we had commenced the production capacity expansion of four of our existing production bases, as well as the construction of three new production bases, and one new production base was under planning. Upon completion of such production capacity expansion plan, our total designed annual production capacity is expected to reach approximately 12.0 million tons.

The table below sets outs details of our production capacity expansion plan:

Production base	Planned use and products to be manufactured[1]	Increased annual production capacity	Designed annual production capacity upon completion	Status as of the Latest Practicable Date	Expected completion time	Total estimated investment[2]
		(thousand tons)	*(thousand tons)*			*(RMB in millions)*
Anhui (expansion). .	Beverage production lines	461.5	1,346.7	The new production lines commenced operation; technical upgrade in progress; warehouse expansion project under construction.	Fourth quarter, 2026	471.0
Nanning (expansion). .	Beverage production lines	359.0	927.0	The new production lines commenced operation; technical upgrade in progress.	Fourth quarter, 2025	245.2
Chongqing (expansion). .	Beverage production lines	267.5	743.0	The new production line commenced operation; technical upgrade in progress.	Fourth quarter, 2025	295.2
Changsha (expansion). .	Beverage production lines	430.7	800.9	The new production line commenced operation; technical upgrade in progress.	Fourth quarter, 2025	440.2
Tianjin	Beverage production lines	1,155.8	1,155.8	The infrastructure of the production base was under construction.	First quarter, 2026	1,212.0
Kunming	Beverage production lines	1,155.8	1,155.8	The infrastructure of the production base was under construction.	Third quarter, 2026	1,000.0
Zhongshan . . .	Beverage production lines	1,493.2	1,493.2	The infrastructure of the production base was under construction.	Second quarter, 2026	1,080.0
Hainan	Beverage production lines	1,155.8	1,155.8	Under planning	Fourth quarter, 2027	1,200.0

Notes:

(1) We plan to produce functional beverage products and other beverage products at each of the production bases as set out in the table above.

(2) For the expansion or construction of each of the aforementioned production bases, we plan to use **[REDACTED]** from the **[REDACTED]** and internal funding. For details, see "Future Plans and Use of **[REDACTED]**."

Equipment and Machinery

Our production equipment primarily include water treatment systems, sterile water systems, sterilization systems, bottle blowing machines, filling machines, and wrapping machines, among others. The typical useful life of our major production equipment and machinery is typically five years. We conduct regular inspections and maintenance of our production equipment to ensure their optimal operating condition and safety. In addition, we have established comprehensive protocols for equipment usage, inspection, and maintenance.

Collaborated Production

During the Track Record Period, the vast majority of our production processes were independently carried out at our own manufacturing facilities. To expand our output in meeting the increasing market demand, we also collaborated with selected third-party manufacturing partners to conduct a small portion of non-core production steps during the production process, such as sterilization and filling, for a limited types of products. These products primarily include coffee beverages and fruit and vegetable juice beverages. The revenue generated from the sales of products involving collaborated production was RMB48.2 million, RMB184.9 million, RMB398.9 million and RMB159.2 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. We collaborate with third-party manufacturing partners to leverage their flexibility in managing production capacity fluctuations, responding rapidly to market demand changes, and offering diversified product packaging options. During the Track Record Period, all of our manufacturing partners were Independent Third Parties. The subcontracting fees paid to these partners amounted to approximately RMB5.5 million, RMB79.6 million, RMB127.4 million and RMB37.3 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, accounting for 0.1%, 1.2%, 1.4% and 0.6% of our total cost of sales for each corresponding period.

We select our manufacturing partners based on several key factors, including their production capacity and quality, manufacturing experience, location, and credentials. We typically screen multiple qualified candidates before finalizing our manufacturing partners. Our collaboration agreements with manufacturing partners are generally set for a term of one to two years, with renewal decisions contingent on their performance. Under these agreements, we supply the raw materials and/or beverage fillings for further processing, such as sterilization or filling, while packaging materials are either provided by us or the manufacturing partners, as stipulated in the agreements.

During the Track Record Period, we did not experience any difficulties in procuring services from manufacturing partners, nor have we encountered any material disputes or delay in delivery of products by our partners which caused material disruption to our operations.

QUALITY CONTROL

Our Quality Control System

We strictly adhere to the Food Safety Law and other relevant regulations of the PRC, establishing relevant measures in compliance with the requirements of food safety management system. We have established a quality management center responsible for developing our quality management and supervision systems, overseeing the operation of quality management systems across all production facilities, and ensuring product quality compliance. As of December 31, 2024, our quality management center comprised 406 experienced employees. Through the collaboration of our quality management center, supply chain management center, and production division, we ensure our products meet both national and in-house standards. Drawing on advanced domestic and international food safety control systems, we integrate quality management into the product design phase as our R&D management center provides technical guidance to enhance product safety and quality. Our production bases have obtained Food Safety Management System Certification under ISO22000 and HACCP international standards.

Over years of quality management practice, we have developed a comprehensive management framework "Three Inspections, Three Controls, Three Traceability Measures, and Three Guarantees" ("三把關、三控制、三追溯、三保障") to ensure stringent product quality control:

- ***Three Inspections***. Inspections of raw materials, semi-finished goods and finished goods.

- ***Three Controls***. Controls over high-temperature instant sterilization for materials to ensure sterility, cleaning of packaging containers to maintain packaging sterility, and the air cleanliness of the filling environment.

- ***Three Traceability Measures***. Codes to each batch of incoming raw materials, every bottle of product, and every box of finished goods, ensuring full traceability of our products.

- ***Three Guarantees***. Guarantees of regular employee trainings to improve quality control awareness, highly-automated production lines to ensure equipment reliability, and facility layouts adhering to applicable standards.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any investigation regarding any of our product quality or production facilities by any regulatory authority, nor had we encountered any material product safety incident. During the Track Record Period and up to the Latest Practicable Date, we did not have any material product recalls or returns, product liability claims, or customer complaints.

Below are our management practices regarding key aspects spanning raw material quality control, supply chain management, production process management and quality control, logistics and warehousing management, and product return and recall policies.

Raw Material Quality Control

We strictly follow internal policies, such as the Procurement Management Policy (《採購管理制度》), to oversee the procurement process and ensure all raw materials meet national, industry and our in-house food safety standards. In compliance with our detailed Raw Material Inspection and Acceptance Policy (《原材料進貨查驗管理制度》) and the Raw Material Storage Policy (《原材料儲存管理制度》), our raw materials are sourced only from approved suppliers, with thorough checks on specifications, quality, and supplier documentation. Quality inspectors conduct sampling tests before materials are stored, and only those meeting our standards are accepted. Each batch is assigned a unique code for full traceability, ensuring tight control over the supply chain.

Supplier Management

We have established a comprehensive supplier admission, evaluation, and management system in compliance with relevant administrative regulations to ensure dynamic oversight of both existing and new suppliers. We implement a stringent selection process outlined in our Supplier Management Policy (《供應商管理制度》), which includes evaluating business philosophy, reviewing licensing qualifications, conducting sample testing, and on-site assessments. During the supply process, our supply chain management center and quality management center conduct annual inspections, while collaborating with our R&D management center and production department for annual supplier evaluations and rankings. These measures further reinforce product quality control and enable dynamic supplier management based on evaluation results.

Production Process and Finished Products Quality Control

During the production process, we strictly adhere to national standards such as the Good Manufacturing Practices for Health Food (《保健食品良好生產規範》) (GB17405-1998) and Food Safety National Standard Hygienic Practices for Beverage Production (《食品安全國家標準飲料生產衛生規範》) (GB12695-2016). In line with these standards, we have established a comprehensive internal production management system and quality control framework. If potential risks during

production are identified, critical control points will be implemented. Detailed operating procedures and quality standards are outlined in operation manuals for each production step, ensuring that product quality is consistently maintained. Our on-site quality inspectors monitor personnel hygiene, operational practices, production environments, equipment cleanliness, and in-process product quality. Any issues identified will be promptly rectified to guarantee quality and safety during production. In addition, we monitor production and warehousing processes, enabling full traceability for individual products through production base codes, production line numbers, batch numbers, production dates, records, and material balances. For our energy beverage products certified with Health Food Registration Certificates, we strictly follow the approved formulation for active ingredients and their concentrations to ensure compliance with relevant laws and regulations.

We maintain a stringent pre-shipment inspection system, with final product testing conducted by our quality management center. Only products that pass inspection and receive a finished product inspection report are clear for shipment or pick-up. During the Track Record Period, our product testing coverage reached 100%.

Logistics and Warehousing

Our warehouse and logistics department oversees the storage, dispatch and transportation of finished products. To ensure proper inventory management, we have established protocols such as the Warehouse Management Guidelines (《倉庫管理制度》), laying out standards for product storage, placement, and warehouse maintenance to safeguard product quality. For product transportation, we adhere to policies including the Finished Product Dispatch Management Guidelines (《成品出庫管理制度》) and the Logistics Management Guidelines (《物流管理制度等制度》), which ensure the quality of outbound products, cleanliness of transportation vehicles, and real-time tracking of goods in transit, thereby maintaining high standards throughout the logistics process.

We have implemented a warehouse management system that assigns a unique code to each product, ensuring a full-cycle tracking during storage, dispatch, and transportation, providing comprehensive oversight of every step in the supply chain and preventing product cannibalization.

Product Return and Recalls

We have established product recall control procedures and corresponding management measures to address non-conforming products promptly. The procedure includes identifying the root cause of quality issues, discussing and determining solutions with relevant departments, and implementing preventive measures under close supervision to avoid recurrence of similar incidents. Our products are generally non-returnable or non-exchangeable except for

quality-related issues. During the Track Record Period and up to the Latest Practicable Date, we did not (i) receive any material complaints on product quality from the consumers, (ii) experience any material product recalls or material product returns, or (iii) encounter any material food or product safety incidents.

LOGISTICS AND WAREHOUSING

With respect to raw materials and packaging materials we procure, the third-party suppliers are responsible for transportation and delivery of the products to us. Pursuant to the agreements we enter into with these suppliers, they are contractually required to take necessary measures to make sure the products in transit will not be damaged or contaminated. We are entitled under the agreements to decline products under certain circumstances.

For product transportation, some distribution partners within Guangdong region are responsible for arranging and covering transportation costs as stipulated in the agreements. For other customers, we are primarily responsible for the shipment of products to designated locations within the agreed timeline, with transportation and unloading costs shared according to the terms of the respective agreements. We primarily engage reliable local logistics partners for product transportation. Under our agreements with these logistics partners, we require their vehicles and personnel to hold the necessary qualifications and experience as mandated by laws and regulations, and for the transportation conditions to meet our specified standards. Our logistics partners are also required to deliver products in accordance with our instructions and schedules and bear the risks of loss during transit. Delivery costs are generally settled every 30 days.

INVENTORY MANAGEMENT

Our inventories consist of raw materials and consumables, finished goods, and goods in transit. Our raw materials and packaging materials primarily include sugar, PET and paper boxes.

We follow a demand-driven approach to production and procurement, aligning our operations with sales forecasts and market needs. Annual production plans are developed based on sales plans and targets, actual sales trends, and available production capacity. These plans are then refined into monthly production schedules, which take into account weekly sales projections, inventory levels, orders, and promotional activities for the next few months. Factors such as regional sales and distribution, logistics efficiency, production capacity utilization, and safety stock requirements are also incorporated. For raw material inventories, our procurement team carefully considers production needs, current inventory levels, product quality, market supply conditions, and price trends. To ensure uninterrupted production, we maintain adequate raw material reserves while optimizing inventory levels.

We conduct regular inventory checks, including monthly, quarterly, and annual audits. We generate inventory reports from the system on a daily basis, perform on-site physical counts, and reconcile results. Annual audits involve comprehensive inventory reviews, with any discrepancies analyzed and addressed in detailed inventory reports submitted to management for approval.

With a strict and effective inventory management system in place, our inventory turnover days were 27.0 days, 27.0 days, 33.8 days and 26.5 days in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. For further details, see "Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Inventories."

CUSTOMERS

During the Track Record Period, our customers were primarily our distribution partners, who purchase and resell our products. See "— Our Sales Network." In 2022, 2023, 2024 and the six months ended June 30, 2025, the aggregate sales to our five largest customers in each period during the Track Record Period amounted to RMB582.1 million, RMB594.8 million, RMB804.8 million and RMB477.7 million, respectively, representing 6.8%, 5.3%, 5.1% and 4.5% of our revenue for the same periods, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2025, the sales to our largest customer in each period during the Track Record Period amounted to RMB145.0 million, RMB164.2 million, RMB233.7 million and RMB130.9 million, respectively, representing 1.7%, 1.5%, 1.5% and 1.2% of our revenue for the same periods, respectively. The following tables set out details of our five largest customers in each period during the Track Record Period:

For the year ended December 31, 2022

Customer	Products purchased	Background	Length of relationship	Credit term	Revenue	Percentage of revenue
					RMB'000	*%*
Dongguan Dongrui Trading Co., Ltd. (東莞市東瑞商貿有限公司)	Beverages	A company specialized in wholesale business	Since 2014	N/A	145,027	1.7%
Dongguan Jinyu Food Co., Ltd. (東莞市金愉食品有限公司) and its related parties	Beverages	A company specialized in wholesale business	Since 2014	N/A	130,937	1.5%
Shenzhen Longgang District Jiafutong Trading Co. (深圳市龍崗區佳福通商行) and its related parties	Beverages	A company specialized in wholesale business	Since 2013	N/A	119,280	1.4%
Dongguan Zhuolin Trading Co., Ltd. (東莞市卓林貿易有限公司) and its related parties	Beverages	A company specialized in wholesale business	Since 2012	N/A	94,230	1.1%
Dongguan Lianyi Trading Co., Ltd. (東莞市聯逸貿易有限公司) and its related parties	Beverages	A company specialized in wholesale business	Since 2013	N/A	92,663	1.1%
Total					**582,137**	**6.8%**

For the year ended December 31, 2023

Customer	Products purchased	Background	Length of relationship	Credit term	Revenue	Percentage of revenue
					RMB'000	*%*
Dongguan Jinyu Food Co., Ltd. (東莞市金愉食品有限公司) and its related parties	Beverages	A company specialized in wholesale business	Since 2014	N/A	164,227	1.5%
Shenzhen Longgang District Jiafutong Trading Co. (深圳市龍崗區佳福通商行) and its related parties	Beverages	A company specialized in wholesale business	Since 2013	N/A	117,773	1.0%
Dongguan Lianyi Trading Co., Ltd. (東莞市聯逸貿易有限公司) and its related parties	Beverages	A company specialized in wholesale business	Since 2013	N/A	110,231	1.0%
Guangdong Meiyijia Convenience Store Co., Ltd. (廣東美宜佳便利店有限公司)	Beverages	A company specialized in wholesale business	Since 2023	15 days	107,921	1.0%
Shenzhen Hengjiuyuan Trading Co., Ltd. (深圳市恆久緣貿易有限公司) and its related parties	Beverages	A company specialized in wholesale business	Since 2015	N/A	94,642	0.8%
Total					**594,794**	**5.3%**

For the year ended December 31, 2024

Customer	Products purchased	Background	Length of relationship	Credit term	Revenue	Percentage of revenue
					RMB'000	*%*
Guangdong Meiyijia Convenience Store Co., Ltd. (廣東美宜佳便利店有限公司)	Beverages	A company specialized in wholesale business	Since 2023	15 days	233,693	1.5%
Dongguan Jinyu Food Co., Ltd. (東莞市金愉食品有限公司) and its related parties . . .	Beverages	A company specialized in wholesale business	Since 2014	N/A	179,641	1.1%
Shenzhen Longgang District Jiafutong Trading Co. (深圳市龍崗區佳福通商行) and its related parties.	Beverages	A company specialized in wholesale business	Since 2013	N/A	151,050	1.0%
Dongguan Lianyi Trading Co., Ltd. (東莞市聯逸貿易有限公司) and its related parties . . .	Beverages	A company specialized in wholesale business	Since 2013	N/A	125,632	0.8%
Shenzhen Hengjiuyuan Trading Co., Ltd. (深圳市恆久緣貿易有限公司) and its related parties .	Beverages	A company specialized in wholesale business	Since 2015	N/A	114,817	0.7%
Total					**804,833**	**5.1%**

For the six months ended June 30, 2025

Customer	Products purchased	Background	Length of relationship	Credit term	Revenue	Percentage of revenue
					RMB'000	*%*
Guangdong Meiyijia Convenience Store Co., Ltd. (廣東美宜佳便利店有限公司)	Beverages	A company specialized in wholesale business	Since 2023	15 days	130,944	1.2%
Customer A*	Beverages	A company specialized in wholesale business	Since 2024	N/A	94,835	0.9%
Dongguan Jinyu Food Co., Ltd. (東莞市金愉食品有限公司) and its related parties . . .	Beverages	A company specialized in wholesale business	Since 2014	N/A	93,152	0.9%
Shenzhen Longgang District Jiafutong Trading Co. (深圳市龍崗區佳福通商行) and its related parties.	Beverages	A company specialized in wholesale business	Since 2013	N/A	88,288	0.8%
Shenzhen Hengjiuyuan Trading Co., Ltd. (深圳市恆久緣貿易有限公司) and its related parties .	Beverages	A company specialized in wholesale business	Since 2015	N/A	70,464	0.7%
Total					**477,683**	**4.5%**

Note:

* Customer A is a company incorporated in Hunan specialized in food and beverage sales business.

One of our five largest customers in 2022, which is our distribution partner, started to provide logistics services to us as well in 2023. The revenue from such customer in 2022, 2023, 2024 and the six months ended June 30, 2025 was RMB145.0 million, RMB77.9 million, RMB14.0 million and RMB5.3 million, respectively, representing 1.7%, 0.7%, 0.1% and 0.05% of our total revenue for the same periods, respectively. The gross profit margin of such customer in 2022, 2023, 2024 and the six months ended June 30, 2025 was 47.1%, 46.3%, 51.0% and 48.6%, respectively. The purchase amount attributable to such customer in 2022, 2023, 2024 and the six months ended June 30, 2025 was nil, RMB5.5 million, RMB10.8 million and RMB6.6 million, respectively, representing nil, 0.1%, 0.1% and 0.1% of our total purchase amount for the same periods, respectively. During the Track Record Period, save for the aforementioned customer and supplier, all of our top five customers did not provide services to us.

As of the Latest Practicable Date, except as mentioned above and to the best of our knowledge, save for two individuals, each of whom being a business operator or shareholder of our distributor(s) (or a relative to the business operator or shareholder) who held partnership interests of less than 5% in Kunpeng Investment, as defined in "History, Development and Corporate Structure" section of this Document, (i) none of our Directors, their associates or any other Shareholder which, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our top five customers; and (ii) none of our five largest customers, including their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

We value our customers' feedback and we strive for customer satisfaction. To this end, we have established dedicated customer service teams primarily responsible for answering customers' queries, coordinating product logistics and delivery, collecting customers' feedback and handling customer complaints. We operate customer hotlines to address customers' needs, and actively communicate with our customers on social media platforms. In addition, our customer service staff proactively conduct customer surveys to better understand our customers' feedback and needs. In addressing the consumers' complaints, specifically, we undertake to communicate and liaise with the consumers through a variety of feedback mechanisms in a timely manner and to commence the quality investigation procedures if necessary. Our customer service team also keeps records of all complaints and the results of any investigation or resolution measures in order to track the progress of customer complaint handling. During the Track Record Period, we did not receive any material complaints from consumers in connection with product quality.

Third-Party Settlement Arrangements

Background and Reasons for the Arrangements

Historically, certain of our customers in the PRC (individually or collectively, the "**Relevant Counterparty(ies)**") settled transactions through the accounts of third parties other than the contractual counterparties under the corresponding sales and purchase agreements or relevant parties who assumed unlimited personal liabilities for the payment obligations thereunder (the "**Arrangements**"). In 2022, 2023 and 2024 and the six months ended June 30, 2025, the number of Relevant Counterparties was 188, 248, 418 and 126, respectively, and the aggregate amount of payment made under the Arrangements was RMB365.0 million, RMB600.4 million, RMB1,033.9 million and RMB125.3 million, respectively, representing approximately 3.6%, 4.2%, 4.9% and 1.1% of the total payments received from all customers, respectively. No individual Relevant Counterparty had made material contribution to our revenue during the Track Record Period.

The Relevant Counterparties during the Track Record Period primarily consisted of our customers in the form of individual businesses or sole proprietorships and corporate entities. During the Track Record Period, the third parties designated by Relevant Counterparties under the Arrangements primarily consisted of the following: persons affiliated with the Relevant Counterparties, such as relatives of business operators other than their spouses, affiliated entities of the Relevant Counterparties, or, in few cases, financial institutions which made payments to us pursuant to the financing arrangements with the Relevant Counterparties. Our Directors have confirmed that, to the best of their knowledge, save for three designated third parties who fell among the seven individuals who held partnership interests in Kunpeng Investment or served as our employees previously as mentioned under "— Independence of Distributors", none of the designated third parties of any customers during the Track Record Period is a connected person of our Group and such designated third parties are independent from each of our Directors, senior management and Shareholders.

The Arrangements occurred primarily due to business convenience and/or temporary centralized payment arrangement. According to Frost & Sullivan, it is a common commercial practice in the soft beverage industry in China to settle transactions by such Arrangements for convenience and flexibility. See "Industry Overview — Overview of China's Soft Beverage Industry — Third-Party Settlement Arrangements" for details.

During the Track Record Period, (i) we had not proactively initiated any Arrangements or participated in other forms in any of such Arrangements; (ii) we had not provided any discount, commission, rebate or other benefit to any of the Relevant Counterparties to facilitate or incentivize the Arrangements; and (iii) the pricing and payment terms of the agreements we entered into with the Relevant Counterparties were generally in line with those of customers not

involved in the Arrangements. During the Track Record Period and up to the Latest Practicable Date, we had not received any material claims against us in relation to the Arrangements, nor had we encountered any material refund, actual or pending dispute or disagreement due to the Arrangements.

As of March 6, 2025, we had ceased all Arrangements, and all payments made thereunder had been fully settled. Our Directors are of the view that the cessation of the Arrangements did not have, nor will have, any material adverse effect on the business, operations and financial results of our Group as (i) since the cessation of the Arrangements and up to the Latest Practicable Date, none of the Relevant Counterparties have expressed unwillingness to cooperate with our rectification process or continue to be our customers, and no payment has been made on behalf of our distributors that could be deemed as an Arrangement; (ii) our business continued to grow before and after the cessation of the Arrangements as evidenced by the increase in the monthly revenue and profit from March 2025 to April 2025; (iii) the cessation of the Arrangements did not affect the payment settlement from our Relevant Counterparties to us, as the Relevant Counterparties duly completed payment through their proper accounts after receiving refunds processed via our OA system after the cessation of the Arrangements; and (iv) we continued to generate positive net cash from our operating activities before and after the cessation of the Arrangements from March 2025 to April 2025. Based on the independent due diligence work performed by the Joint Sponsors, nothing material has come to the attention of the Joint Sponsors that would cause the Joint Sponsors to disagree with the aforementioned view of our Directors in any material respect. As advised by our PRC Legal Adviser, the Arrangements are not in breach of mandatory requirements of current PRC laws and regulations.

Implications of the Arrangements

The Arrangement existed during the Track Record Period, to the best of our knowledge, has been recorded completely and accurately in our accounting books and records in all material respects and we have in place certain measures to manage the Arrangement as following during the Track Record Period:

- ***Prevention of Fraud or Money Laundering***. We have conducted periodic review over our transactions with customers to prevent fraud or money laundering activities, based on which we has no grounds to believe that the Relevant Counterparties are involved in fraud or money laundering, nor would we have reason to believe that the relevant settlement involves proceeds or gains from fraud or money laundering.

- ***KYC Procedures***. We have stringent screening procedures before entering into collaboration with our distribution partners, including collection of payment accounts for the Arrangements during KYC and subsequent updates.

- ***Genuine Underlying Transactions***. The customers who made payments via the Arrangement shall submit the payor account, payment information and we would check the authenticity of the information provided to ensure the Arrangements are supported by genuine transactions.

- ***Confirmation From Relevant Counterparties***. When entering into agreements with relevant customers, we stipulate in the agreements that relevant customers can designate a third-party payor on behalf of the relevant customer to settle their payment with us through the designated account of the third-party payor. In addition, we require the Relevant Counterparties to provide, the relationship between the designated third-party payors and the Relevant Counterparties, and to obtain confirmation from the counterparties regarding the amounts and payment actions.

- ***No Preferential Terms or Benefits to Incentivize the Arrangements***. The terms of the agreements entered into by customers involved in the Arrangements were generally in line with our standard form.

Furthermore, during the Track Record Period and up to the Latest Practicable Date, (i) we were not the subject of any investigations, enquiries, penalties, or surcharges as a result of our involvement in the Arrangements, (ii) we had received duly signed confirmation letters from the Relevant Counterparties, the aggregate amount of payment made by whom under the Arrangements accounted for a majority of the aggregate amount of payment made under the Arrangements during the Track Record Period, confirming that we shall not be involved in any risks or disputes arising from the payment arrangements between the Relevant Counterparties and their designated third parties, and that we are under no obligation to return any payments received from the designated third parties, regardless of any such disputes, and (iii) we had not encountered any actual or pending dispute or disagreement due to the Arrangements.

As advised by our PRC Legal Adviser, (i) the Arrangements are not in breach of mandatory requirements of applicable laws or regulations in China; and (ii) as to the involved customers who have provided duly signed confirmation letters mentioned above, the risks are remote for us to be found obligated to return funds to the customers or their designated third parties, and/or their respective liquidators under the Arrangements. Based on the above, and having considered that (i) we had not been subject to any penalties, sanctions, or investigations related to money laundering due to the Arrangements during the Track Record Period and up to the Latest Practicable Date; and (ii) financial institutions that processed settlements under the Arrangements are required to assume the anti-money laundering obligations of assessing the overall status and transaction situations of their clients and understanding the money laundering risks of clients according to the Anti-Money Laundering

Law of the PRC (《中華人民共和國反洗錢法》); and that through the supervision of financial institutions, the associated risks can be reduced, our PRC Legal Adviser is of the view that the risk of the Arrangements being deemed as constituting the crime of money laundering under the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of covering up or concealing the source and nature of proceeds or gains is remote. In addition, based on the credit reference reports issued in relation to our Company, no administrative penalties were imposed by tax management authorities for violation of tax laws, regulations and rules due to the Arrangements during the Track Record Period.

Based on the foregoing, our Directors confirm that, to the best of their knowledge and based on the internal control measures implemented, (i) during the Track Record Period, the relevant payments were based on *bona fide* underlying transactions and valid contracts, and (ii) the risk of the Arrangements being deemed as constituting the crimes such as fraud or money laundering crime is remote. Based on the aforesaid views of our PRC Legal Adviser and the independent due diligence work performed by the Joint Sponsors, nothing material has come to the attention of the Joint Sponsors that would reasonably cause them to disagree with the aforementioned view of our Directors in any material aspect. Our Directors consider that the use of the Arrangement did not have any material adverse impact on our business operations, taking into account that such payments constituted an immaterial portion of the total payments we received from our customers.

Enhanced Internal Control Measures

Since the first quarter of 2025, we have implemented enhanced internal control measures against re-occurrence of and risks arising from the Arrangements, including but not limited to the following:

- Our customers have signed supplementary payment confirmation, pursuant to which payments are only allowed in the following ways: (a) directly from the customers' accounts, unless the agreement specifies the shared payment obligation with justified grounds (such as the third-party payor being a designated payment entity within the customer's group), in which case the potential third-party payor must also confirm their payment obligations as a signatory to the agreement; (b) through the accounts of the operators (the owner of an individual business or the investor of a sole proprietorship who is responsible for the management and control of the relevant entity) or their spouses in the case of individual businesses or sole proprietorships; or (c) if the customer needs to make a payment through a financial institution, we require the customers and the financial institutions to strictly follow relevant financing

arrangements and provide clear payment instructions. Staff from our finance department will only accept payments from financial institutions with such clear payment instructions.

- We updated the system settings for our OA payment automation process to record, identify, and maintain a list of authorized third-party payors, while strictly rejecting payments from entities outside this approved scope.

- We implemented enhanced internal control measures, including refining the relevant process documents for third-party payments in our Cash Management Policy by clarifying the scope of allowed third-party payments and related reporting procedures, so as to ensure the integrity of our system settings.

- Our employees are required to reject and/or return all payments made by third-party payers that failed to satisfy the above-mentioned requirements.

- We have notified the above policies and measures to all the distribution partners.

As of the Latest Practicable Date, we had ceased all Arrangements. We intend to continuously monitor the effectiveness of our internal control measures to prevent third-party payments and promptly address any identified deficiencies.

Our Directors believe that the rectification of the Arrangements did not have, nor will have any material adverse effect on the Group, taking into account our relationship with our customers, business operation and financial performance, and that (i) such payments constituted an immaterial portion of the total payments we received from our customers, and (ii) the majority of the Relevant Counterparties cooperated with our rectification process, which did not affect the payment settlement arrangement from the Relevant Counterparties to us.

Based on the follow-up review on the implementation of measures, our Directors are of the view that the above measures are effective and adequate in preventing unauthorized Arrangements and its associated risks, and our Directors will oversee the effectiveness of the aforementioned enhanced internal controls on the Arrangements in the future. Based on the independent due diligence work performed by the Joint Sponsors, nothing material has come to the attention of the Joint Sponsors that would cause the Joint Sponsors to disagree with the aforementioned view of our Directors in any material respect.

SUPPLIERS AND RAW MATERIALS

We have established a comprehensive procurement management system and maintain strong partnerships with leading suppliers in the industry, ensuring a stable supply of high-quality production materials and services. Our well-developed Supplier Management Policy includes maintaining an approved supplier list and conducting annual evaluations to ensure our suppliers consistently meet our standards in terms of product quality and pricing. For details, see "— Quality Control — Supply Chain Management." Our suppliers primarily include raw material suppliers, advertising service suppliers, logistics service providers, beverage cooler suppliers, manufacturing service suppliers and equipment suppliers. We use municipal water supply and do not extract water directly for the production of the vast majority of our beverage products. We are not required to obtain water-taking permits when using water from municipal water supply systems. The costs related to our water consumption are primarily included in our utility expenses. For the production of our bottled drinking water, the revenue of which accounted for an immaterial portion of our total revenue during the Track Record Period, we directly source spring water from mountain springs in Haifeng, Guangdong Province, at our Haifeng Base. We have obtained the requisite water-taking permit for our Haifeng Base in accordance with applicable laws and regulations. As advised by our PRC Legal Adviser, as of the Latest Practicable Date, we had obtained all necessary permits for access to water resources in connection with our business operations.

In 2022, 2023, 2024 and the six months ended June 30, 2025, the aggregate purchases from our top five suppliers in each period during the Track Record Period amounted to RMB1,574.6 million, RMB2,168.8 million, RMB2,757.6 million and RMB1,818.4 million, respectively, which accounted for 26.2%, 27.9%, 24.6% and 25.4% of our total purchases for the same periods, respectively. In 2022, 2023, 2024 and the six months ended June 30, 2025, purchases from our largest supplier in each period during the Track Record Period amounted to RMB460.1 million, RMB619.8 million, RMB914.4 million and RMB566.4 million, respectively, which accounted for 7.7%, 8.0%, 8.2% and 7.9% of our total purchases for the same periods, respectively. During the Track Record Period, our top five suppliers were primarily suppliers of raw materials and packaging materials. The following tables set out details of our five largest suppliers in each period during the Track Record Period:

For the year ended December 31, 2022

Supplier	Products/services provided	Background	Length of relationship	Credit term	Purchase amount	Percentage of total purchase
					RMB'000	*%*
Dongfang Pioneer (Shanghai) Sugar and Wine Co., Ltd. (東方先導(上海)糖酒有限公司).	Sugar	A company specialized in wholesale food products	Since 2019	15 days	460,064	7.7%
Taiwan Hon Chuan Enterprise Co., Ltd. (宏全國際股份有限公司)	Packaging materials and other auxiliaries	A Taiwan-listed public company specialized in rubber and plastic hoses and belts	Since 2012	45 days	425,561	7.1%
Supplier A [*].	Infrastructure services	A company specialized in construction services	Since 2017	10 days	248,383	4.1%
Hainan YISHENG Petrochemical Co., Ltd. (海南逸盛石化有限公司)	Packaging materials	A company specialized in production of chemical materials and products	Since 2020	N/A	232,490	3.9%
ORG Technology Co., Ltd. (奧瑞金科技股份有限公司).	Packaging materials and other auxiliaries	An A-share public company specialized in metal packaging products and services	Since 2017	30 days	208,062	3.5%
Total					**1,574,560**	**26.2%**

For the year ended December 31, 2023

Supplier	Products provided	Background	Length of relationship	Credit term	Purchase amount	Percentage of total purchase
					RMB'000	*%*
Taiwan Hon Chuan Enterprise Co., Ltd. (宏全國際股份有限公司)	Packaging materials and other auxiliaries	A Taiwan-listed public company specialized in rubber and plastic hoses and belts	Since 2012	45 days	619,789	8.0%
MITR SIAM GLOBAL HOLDINGS PTE. LTD..	Sugar	A company specialized in food manufacturing	Since 2017	10 days	418,273	5.4%
Guangdong Jinling Sugar Industrial Group Co., Ltd. (廣東金嶺糖業集團有限公司)	Sugar	A company specialized in processing of food from agriculture products	Since 2022	N/A	387,230	5.0%
Hainan YISHENG Petrochemical Co., Ltd. (海南逸盛石化有限公司)	Packaging materials	A company specialized in production of chemical materials and products	Since 2020	N/A	382,510	4.9%
C.Czarnikow Sugar (Guangzhou) Co., Ltd. (廣州嘉利高糖業有限公司). . .	Sugar	A company specialized in wholesale business	Since 2018	15 days	360,992	4.6%
Total					**2,168,794**	**27.9%**

For the year ended December 31, 2024

Supplier	Products provided	Background	Length of relationship	Credit term	Purchase amount	Percentage of total purchase
					RMB'000	*%*
Taiwan Hon Chuan Enterprise Co., Ltd. (宏全國際股份有限公司)	Packaging materials and other auxiliaries	A Taiwan-listed public company specialized in rubber and plastic hoses and belts	Since 2012	45 days	914,402	8.2%
Hainan YISHENG Petrochemical Co., Ltd. (海南逸盛石化有限公司)	Packaging materials	A company specialized in production of chemical materials and products	Since 2020	N/A	626,104	5.6%
MITR SIAM GLOBAL HOLDINGS PTE. LTD..	Sugar	A company specialized in food manufacturing	Since 2017	15 days	493,714	4.4%
Qingdao Hisense Commercial Cold Chain Co., Ltd. (青島海信商用冷鏈股份有限公司) .	Beverage cooler	A company specialized in general equipment manufacturing	Since 2011	N/A	368,305	3.3%
Guangdong Jinling Sugar Industrial Group Co., Ltd. (廣東金嶺糖業集團有限公司)	Sugar	A company specialized in processing of food from agriculture products	Since 2022	N/A	355,034	3.2%
Total					**2,757,559**	**24.6%**

For the six months ended June 30, 2025

Supplier	Products/services provided	Background	Length of relationship	Credit term	Purchase amount	Percentage of total purchase
					RMB'000	*%*
Taiwan Hon Chuan Enterprise Co., Ltd. (宏全國際股份有限公司)	Packaging materials and other auxiliaries	A Taiwan-listed public company specialized in rubber and plastic hoses and belts	Since 2012	45 days	566,352	7.9%
Guangdong Jinling Sugar Industrial Group Co., Ltd. (廣東金嶺糖業集團有限公司)	Sugar	A company specialized in processing of food from agriculture products	Since 2022	N/A	383,807	5.4%
MITR SIAM GLOBAL HOLDINGS PTE. LTD..	Sugar	A company specialized in food manufacturing	Since 2017	15 days	303,970	4.2%
Qingdao Hisense Commercial Cold Chain Co., Ltd. (青島海信商用冷鏈股份有限公司) .	Beverage cooler	A company specialized in general equipment manufacturing	Since 2011	N/A	292,639	4.1%
Hainan YISHENG Petrochemical Co., Ltd. (海南逸盛石化有限公司)	Packaging materials	A company specialized in production of chemical materials and products	Since 2020	N/A	271,587	3.8%
Total					**1,818,355**	**25.4%**

Note:

* Supplier A is a private company incorporated in Hunan that primarily provides infrastructure services.

As of the Latest Practicable Date, to the best of our knowledge, none of our Directors, their associates or any other Shareholder which, to the knowledge of our Directors, owned more than 5% of our share capital had any interest in any of our five largest suppliers. None of our five largest suppliers, including their shareholders, directors, senior management or any of their respective associates, have any past or present relationship (family, employment, trust, financing or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management or any of their respective associates.

Raw Materials

Raw materials and packaging materials we procured mainly include sugar, PET and paper boxes. We source the majority of our raw materials in China. Our cost of raw materials and packaging materials amounted to RMB4,018.9 million, RMB5,259.1 million, RMB7,001.3 million and RMB4,752.8 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing 80.9%, 81.0%, 79.1% and 79.6% of our cost of sales in each of the corresponding period, respectively. During the Track Record Period, we did not experience any material increase in costs or any significant shortage of raw material and packaging material supplies.

Salient terms of the supply agreements with our suppliers for key raw materials typically include:

- ***Term.*** The term of the agreement is typically three years for existing suppliers and one year for new suppliers.

- ***Pricing Policy.*** The price of the procured goods is set forth in the supply agreements or price sheets.

- ***Delivery.*** The suppliers are required to deliver the procured goods to our designated place pursuant to the supply agreements and shall bear any related logistics costs.

- ***Payment.*** We typically are required to settle the payment between 30 and 45 days upon the receipt of invoice.

- ***Quality.*** The procured goods should meet national and/or our inspection standards. The suppliers shall be liable for compensation if we are subject to penalties imposed by the relevant administrative authorities or if our consumers suffer personal injuries or property damages due to quality deficiencies of products sold by the suppliers.

- ***Inspection and Acceptance.*** The procured goods are subject to our inspection upon arrival at our designated place, and we may refuse acceptance of any defective products.

COMPETITION

We operate in a rapidly evolving soft beverage industry. According to Frost & Sullivan, as the world's second-largest soft beverage market, the market size of China's soft beverage industry reached RMB1,250.2 billion in terms of retail sales in 2024, accounting for approximately 12.7% of the global soft beverage industry. Functional beverage is the fastest-growing segment within China's soft beverage industry. In terms of retail sales, the market size of China's functional beverage industry increased from RMB111.9 billion in 2019 to RMB166.5 billion in 2024, with a CAGR of 8.3%. We face competition from various beverage brands, competing across factors such as brand recognition, product quality and efficacy, sales and distribution network and supply chain systems. Comprehensive business capabilities are essential for nationwide and overseas expansion, while consumer recognition and targeted marketing play a critical role in successfully penetrating regional markets. Established market leaders have leveraged economies of scale, brand influence, and extensive sales networks to consolidate their market share. The market share of the top five players in China's functional beverage industry in terms of sales volume increased from 57.8% in 2022 to 61.6% in 2024, reflecting the further consolidation of the industry.

According to Frost & Sullivan, we have been the largest functional beverage company in China in terms of sales volume for four consecutive years since 2021, with our market share increasing from 15.0% in 2021 to 26.3% in 2024, and the second largest functional beverage company in terms of retail sales in 2024 with a market share of 23.0%. We believe that we are well-positioned to compete effectively given our competitive strengths and strategies. Nevertheless, our competitors may have longer operating histories, greater brand recognition, larger consumer bases, more established local presence as well as greater financial, technical and other resources. See "Risk Factors — Risks Relating to Our Business and Industry — We operate in a highly competitive and evolving market. Failure to compete effectively may adversely affect our market share and profitability." For more information on the competitive landscape of our industry, see "Industry Overview."

DATA SECURITY AND PRIVACY

We process data from our customers only to the extent necessary for the sale, delivery, and after-sale services of our products. Our digital management platform functions as our comprehensive sales and marketing management system. For sales conducted through third-party e-commerce platforms, we collaborate with these platforms for store operations and product sales, while the platforms handle product delivery. When operating self-owned online stores on certain e-commerce platforms, we have limited access to customers' order information through the

platforms' store management systems, which is strictly used for product delivery. We also process customer data through the WeChat platform for the following purposes: (i) to distribute red packet benefits to consumers and analyze product demand in their regions; (ii) to authenticate merchant registrations and understand product demand in their respective areas, allowing us to optimize product supply and service; and (iii) to schedule and arrange the shipment of goods, supporting our product sales.

We have formulated and implemented Full-Cycle Data Security Management Policy (《全流程數據安全管理制度》) that governs our data management, including, but not limited to collection, storage, and deletion. It sets down internal data security and protection protocols, which provide detailed provisions on data security organization and management personnel, data classification and grading, whole-life process management and data protection, data emergency complaint response, review of the platform's content release, and confidentiality procedures, among others. Under this framework, we apply a classification approach to data management, supported by a structured data categorization mechanism. In addition, we fulfil our obligations under a multi-level protection scheme for cybersecurity compliance. We have established an internal structure to lead the implementation and review of internal data privacy protection policies and practice and have appointed dedicated personnel responsible for data protection.

We have also implemented several detailed measures with respect to cybersecurity and personal data protection. Before gaining access to or processing any personal information, our privacy policy or that of the ecommerce platforms will prompt to our customers which states that we will follow the principles of legality, legitimacy and necessity in collecting and processing the necessary personal information of our customers and ensure that we have a legitimate reason for processing the personal information of our customers when we collect and process it. We only store customers' personal information for as long as is necessary for the purposes stated in the privacy policy (unless there is a mandatory storage requirement under applicable regulations) and will anonymize or delete customers' personal information at the end of the storage period. We highly value the protection of the privacy and personal information of our customers, and also treat and process customers' personal information with high prudence. We have institutional and technical safeguards, in place to ensure the security of information so that our processing of customers' personal information complies with the requirements of the applicable data protection regulations and our privacy policy.

We have established an information security management system in accordance with the requirements of ISO/IEC 27001:2013 Information Security Management Standards and GB/T 22239-2019 Information Security Technology Cybersecurity Grading Standards, upholding high standards of information security management. Our governance framework includes a defined reporting and response process for information security incidents, regular training programs to enhance employee awareness, and comprehensive information security protocols. Furthermore, we

set clear information security requirements for suppliers, encouraging them to improve their internal policies and enhance management standards. We also conduct regular information security audits covering compliance and system account safety reviews to ensure the robustness of our practices. As of June 30, 2025, no major data breach incidents had been identified.

During the Track Record Period and up to the Latest Practicable Date, we have not identified material data breach incidents, received any claim from any third party against us on the ground of infringement of such party's right to data and privacy protection as provided by any applicable laws and regulations in the PRC or other jurisdictions. As advised by our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable PRC laws and regulations in relation to data privacy and data management.

INSURANCE

Pursuant to PRC regulations, we provide social insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees based in China. In addition, we are covered by employer's liability insurance. We also maintain insurance policies to cover potential safety issues relating to our production. We currently do not maintain product liability insurance for our products. We believe our existing insurance coverage is adequate for our existing operations and is in line with industry practices in China. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. Please refer to the section headed "Risk Factors — Risks Related to Our Business and Industry — Our insurance coverage may be insufficient to cover our potential liabilities or losses" for further details. During the Track Record Period and up to the Latest Practicable Date, we had not made, neither had we been the subject of, any insurance claims which are of a material nature to us.

IMPACT OF COVID-19

The COVID-19 pandemic, which began in early 2020, continued to spread worldwide through 2022, including in regions where we have business operations and where our customers, suppliers and business partners are located. To contain the virus spread within our office premises and production facilities and protect the well-being of our employees, we adopted various mitigation measures, such as remote working, social distancing and mask wearing, and other site-specific precautionary measures. Our production, supply chain, daily operations and financial results had not been materially adversely affected during the Track Record Period. As the COVID-19 pandemic has since subsided, we do not anticipate further adverse impact by the pandemic on our business and financial performance. See "Risk Factors — Our financial and operating performance may be adversely affected by epidemics, adverse weather conditions, natural disasters and other catastrophes" for details.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Structure

We strictly comply with environmental laws and regulations, striving to minimize the ecological impact of our production and operations. Internally, we have established and refined environmental protection and sustainable development management systems, which guide our production in formulating appropriate environmental management policies and emergency response plans. We have implemented a Health, Safety, and Environment ("**HSE**") management system across our production, integrating the framework and pathways of HSE management into daily environmental practices. This system enables comprehensive management of water resources, energy usage, and waste emissions, enhancing overall environmental performance and evaluation. In 2022, 2023, 2024 and the six months ended June 30, 2025, our environmental protection expenses amounted to RMB38.6 million, RMB31.9 million, RMB21.5 million and RMB7.2 million, respectively.

We are aware of the impact that ESG-related risks can have on our business. Therefore, in order to better manage ESG-related issues, we establish a Board-centered ESG structure to be responsible for overseeing our sustainability practices, covering the following dimensions: (i) appropriate risk governance for ESG matters, including climate-related risks and materiality analysis; (ii) identification of key stakeholders and the communication channels to engage them; (iii) an ESG strategy development process; and (iv) identification of key performance indicators, related measurements and mitigations. We are committed to complying with all the code provisions under the Corporate Governance Code upon **[REDACTED]** and we believe our policies on ESG-related matters were established in accordance with the standards set out in Appendix C2 to the Listing Rules.

The key responsibilities and divisions of our existing ESG structure are as follows:

- ***Decision-making***. The Board of Directors assumes oversight responsibility, reviews the ESG materiality and prioritization as well as key performance indicators, supervises and evaluates the progress of our ESG efforts and provides recommendations to ensure that we have established and maintains effective risk management on ESG matters.

- ***Supervision***. The office of the Board of Directors is responsible for formulating ESG strategies, coordinating and overseeing the implementation of ESG-related work; setting forward-looking goals, regularly reviewing the achievement of goals and reporting to the Board of Directors; and coordinating the preparation of ESG reports, reviewing the ESG reports annually and reporting to the Board of Directors.

- ***Execution.*** Executives comprise functional departments and business centers and are responsible for the promotion and implementation of ESG work.

Materiality Assessment

A comprehensive materiality assessment has been conducted to better understand the needs and expectations of our stakeholders. We have engaged an independent ESG consultant to conduct a comprehensive assessment of our performance across relevant ESG topics. The assessment focused on evaluating the extent to which each topic may have a significant impact on the economy, society and the environment, which is referred to as impact materiality. It also examined how these topics could materially affect our business model, operations, development strategy, financial performance, cash flow, financing arrangements and costs, as well as our value chain, which is referred to as financial materiality. The materiality assessment process is outlined as follows:

- Identify potentially material ESG topics that may have an impact on our business or related parties based on our development;

- For the impact materiality assessment, we invite stakeholders (consumers, investors, government and regulatory authorities, suppliers and partners, employees and public media) to participate in the questionnaire to express their concerns on each potentially material issue. For the financial materiality assessment, our internal departments are required to complete a risk identification and assessment checklist;

- Analyze the results from the questionnaire or checklist, combined with expert judgment, to prioritize potential material issues; and

- Review and confirm the material issues by management for further actions and disclosures.

Based on the results of the materiality assessment, we have identified ESG topics that demonstrate both impact materiality and financial materiality, including: energy utilization, pollutant emissions, water resource utilization, climate change response, occupational health and safety, innovation drive, product and service safety and quality, and supply chain security.

Environmental Protection

We comply with 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 related environmental protection laws and regulations, as well as other regulatory requirements in our business operations. We have formulated the Environmental Factor Identification and Control Procedures (《環境因素識別與控制程序》) and a series of management policies to strengthen our environmental protection work.

During the Track Record Period, we have not (i) violated any laws or regulations regarding the emission of exhaust and greenhouse gases, the discharge of pollutants into water and land, and the generation of hazardous and non-hazardous waste in all material aspects; (ii) experienced any significant events affecting the environment and natural resources; or (iii) received any notices of environmental fines or litigation.

Water Resource Management

We recognize the critical role of water resources in sustainable development and are committed to conserving water resources and improving water use efficiency. We continuously strengthen water pollution prevention management, monitoring, and control. We have adopted multiple water resource management measures and implemented full lifecycle management for water resources, including:

- Standardizing water source management and water intake procedures to enhance water source protection;
- Adopting water-saving technologies and equipment, and optimizing production processes to reduce water resource wastage; and
- Strengthening wastewater recycling.

Waste Management

We are committed to comprehensive pollution control throughout our operational processes, minimizing pollutant generation at the source and strictly managing emissions to ensure compliance with regulatory standards. Our operation generates both non-hazardous and hazardous wastes. For non-hazardous waste, we strictly implement waste classification management. For recyclable materials, such as used cardboard boxes and plastic films, we centralize recovery and recycling efforts to maximize resource utilization and reduce waste generation. For hazardous waste, we have established and strictly adhere to policies such as the Hazardous Waste Management Regulations to ensure the proper handling of hazardous waste. Measures include:

- Classifying and securely storing hazardous waste in designated storage areas, with inventory records maintained by warehouse staff;

- Entrusting the disposal and transportation of hazardous waste exclusively to licensed service providers; and

- Actively optimizing production processes at all manufacturing sites to reduce hazardous waste generation.

Energy and Greenhouse Gas Emissions Management

We are committed to energy conservation and greenhouse gas ("**GHG**") emission reduction, adopting a series of energy-saving and GHG emission reduction measures. Our measures include but not limited to:

- ***Energy Efficiency Upgrades***. Optimizing production equipment and processes to improve energy utilization and reduce energy consumption during manufacturing.

- ***Energy-Efficient Building Design***. Strategically determining building orientation, layout, spatial arrangements, exterior form, spacing, and floor heights while utilizing energy-efficient construction materials. These measures, combined with the comprehensive application of energy-saving technologies, aim to reduce overall building energy consumption during construction and maintenance.

- ***Solar Energy Integration***. Installing photovoltaic solar systems at newly constructed production bases and gradually implementing similar systems at existing operational bases based on feasibility, replacing traditional fossil fuels with clean energy.

- ***Process Optimization***. Upgrading production techniques to reduce steam usage during manufacturing processes.

Green Business Operation Process

We implement green measures across all stages of production, packaging, warehousing, and logistics, including among others:

- ***Packaging Management***. Using more environmentally friendly and recyclable PET materials and exploring lightweight packaging solutions.

- ***Warehousing Management***. Enhancing operational efficiency through smart warehousing systems, adopting energy-efficient equipment, and utilizing clean energy batteries and eco-friendly tires.

- ***Logistics***. Optimizing pallet-based transportation to improve its efficiency, thereby reducing carbon emissions during logistics operations.

- ***Office Practices***. Promoting environmental awareness among employees, encouraging paperless office practices, implementing waste sorting initiatives, and discouraging the use of disposable tableware.

In particular, we continue to practice green packaging on the premise of ensuring product safety and consumer experience, actively promote new materials, new designs, new technologies, new equipment and new processes and implement the application of material-saving and energy-saving transformation technologies. We minimize the impact of packaging materials and minimize disposable packaging waste through material procurement, reduced use and design changes. Plastic and paper are the main packaging materials for our products at present. Considering that plastic is difficult to decompose naturally, we promote reducing the use of PVC materials, including adopting PET labels for selected beverage product labels, which are safer, environmentally friendly and easy to recycle. Meanwhile, we optimize the packaging design of bottles to minimize the total amount of plastic packaging materials. For example, for our 500ml bottled *Eastroc Super Drink*, we have been able to reduce the use of raw materials by one gram per bottle since October 2024. Moreover, we actively promote packaging recycling and we have set up dedicated packaging recycling points at our production facilities. The collected packaging materials are primarily processed through two channels: a portion is directly reintegrated into the production process for reuse, while the remainder is processed through cooperation with professional recycling companies for resource recovery, thereby contributing to the reduction and reutilization of packaging waste.

Environmental Metrics

We prepare our greenhouse gas inventory based on the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development, as well as How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs developed by the Stock Exchange. Set forth below are the environmental quantitative indicators for our offices and production facilities during the Track Record Period.

		For the year ended December 31,		
Indicator	**Unit**	**2022**	**2023**	**2024**
Total greenhouse gas emissions	*(tCO_2e)*	112,547.8	139,966.1	181,803.3
Greenhouse gas emissions — scope 1[(1)]	*(tCO_2e)*	41,531.5	46,674.1	60,322.5
Greenhouse gas emissions — scope 2[(2)]	*(tCO_2e)*	71,016.2	93,292.0	121,480.8
Purchased electricity consumption	*(MWh)*	128,153.6	158,762.7	216,586.3
Purchased steam consumption	*(tons)*	61,214.0	87,347.0	143,184.0
Natural gas consumption	*('000 m^3)*	19,208.1	21,586.5	27,898.8
Water consumption	*('000 tons)*	5,226.4	7,365.6	9,797.0
Total wastewater emissions	*(million tons)*	3.2	3.5	5.0
Total amount of general solid waste generated	*(tons)*	183.2	265.7	607.8
Total amount of hazardous waste generated	*(tons)*	6.0	10.3	16.2

Notes:

(1) Scope 1 emissions refer to direct GHG emissions primarily from the direct energy consumed in our operations (including GHG from the combustion of fossil fuels from stationary and mobile sources, and fugitive gas emissions from refrigerants).

(2) Scope 2 emissions refer to indirect GHG emissions mainly from purchased electricity consumption.

The increases in the environmental quantitative indicators during the Track Record Period were primarily attributable to our business growth and the expansion of our production capacity. We plan to actively engage in data collection and disclosure process for Scope 3 greenhouse gas emissions in future following the Greenhouse Gas Protocol. We aim to initiate the assessment of our Scope 3 greenhouse gas emissions in 2025. We plan to reduce Scope 3 greenhouse gas emissions through the following key measures, among others: (i) to collaborate with suppliers who

have lower carbon emissions per unit while maintaining the same product or service standards, (ii) to encourage employees to take public transportation, such as high-speed rail, during their business travels, and (iii) to have service providers use new energy vehicles with lower energy consumption per unit for delivery during upstream and downstream transportation and distribution.

Based on environmental data from the past three years, the GHG emission data and water consumption data in 2024, and maintaining a comparable level of operation, we have established environmental goals aimed at maintaining or reducing GHG emissions, electricity consumption, and water consumption. Our ESG goals include (i) reducing GHG emission intensity (tCO_2e/ton of product) by 15% to 20% by 2030 compared to 2024; and (ii) reducing water consumption intensity (tonnes of water/ton of product) by 5% to 10% by 2030 compared to 2024. For more measures implemented to achieve this goal, please refer to "— Environmental Protection" in this section.

Climate Change

We place great importance on managing climate change and recognize the physical risks posed by changing climate conditions and extreme weather events, as well as the transition risks.

Potential risk		Potential business, strategic and financial impacts	Current responses to mitigate risks
Physical risks	Extreme weather	Typhoons, heavy rains, and other extreme weather events disrupt production, especially in coastal factories, and impact supply chain logistics and raw material production	Develop contingency plans for extreme weather and implement measures to stabilize the supply chain
	Long-term climate change	Changes in raw material production due to climate change, increased likelihood of fires, and altered product transportation and storage conditions	Establish alternative raw material supply options, promote energy-saving and carbon reduction, and increase clean energy usage
Transitional risks	Regulatory risk	Increasing regulations on carbon neutrality goals lead to rising carbon emission costs and greater compliance demands, including environmental information disclosure	Monitor legal and regulatory updates, adjust business focus and energy structure, and ensure timely disclosure of ESG reports

Potential risk	Potential business, strategic and financial impacts	Current responses to mitigate risks
Technical risks	Transition to clean energy and energy-efficient production equipment requires significant investment in technology, equipment, and human resources, increasing operational costs	Enhance training for technical professionals and expand external collaborations
Market risk	Growing environmental awareness among customers and consumers leads to a preference for eco-friendly products	Focus on incorporating environmental considerations into product design and production processes and explore green product development
Reputation risk	Rising expectations from customers, investors, and stakeholders for green and low-carbon initiatives; inadequate action or disclosure may harm reputation	Strengthen stakeholder communication, improve environmental management, and actively respond to capital market demands

Employment

We adhere to a diverse recruitment policy and strictly comply with relevant Chinese laws and regulations. To ensure standardized management across recruitment, promotion, compensation, and benefits, we have established systems such as the Recruitment and Onboarding Management Process, Compensation Management Process, Employee Rewards and Penalties Process, and Promotion Management Process. We uphold equality by treating all employees without bias based on ethnicity, religion, gender, age, or nationality, ensuring equal rights through consistent processes and standards. We implement equal pay for equal work across genders, enforce fair compensation policies, prohibit forced labor, strictly verify identity documents during recruitment, and prohibit the employment of child labor. We continuously optimize our compensation structure to share the benefits of our growth with employees.

By benchmarking market compensation levels and optimizing the incremental-based remuneration system for sales staff, we have created a competitive compensation system. We have established a digital performance management system which covers the entire process, including goal setting, performance review and evaluation, and employee assessment. Furthermore, we provide online and offline platforms to maintain open communication channels with employees. Furthermore, we have established a comprehensive talent training system with programs that cover management, sales, supply chain management, professional skills, and teamwork capabilities.

In compliance with the Production Safety Law and the Occupational Disease Prevention Law, we fulfill our responsibilities for workplace safety and occupational health management. In line with our prevention-oriented safety management principle, we have established a robust occupational health and safety management system. We actively conduct risk assessments, hidden hazard inspections, and implement safety risk controls. We regularly carry out trainings for workplace safety and injury prevention and emergency drills, and invest in the enhancement of safety-related infrastructure to reduce potential safety risks. Employee safety and well-being are at the core of our occupational health management goals. Regular health check-ups are organized, with specialized occupational health examinations and protective measures provided for certain roles. We are committed to creating a safe and comfortable working environment. All our manufacturing bases are certified under occupational health and safety management systems. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material work-related accidents.

Social Responsibility

We are committed to fulfilling our corporate social responsibility by actively engaging in public welfare initiatives including medical aid, rural healthcare, sports education, educational donations, poverty alleviation and disaster relief.

- ***Supporting Agricultural Development***. A key focus of our social responsibility efforts is supporting agricultural development, particularly promoting Guangdong's specialty fruit industry, such as amla and lychee. Fresh fruits are perishable and often limited to local markets due to their short shelf life. By developing fruit-based beverages like fruit teas and plant-based protein beverages, we have transformed these fruits into products with extended shelf life, enabling them to be distributed beyond their regions of origin. Through close collaboration with farmers, we ensure consistent raw material quality while helping farmers increase their incomes. This enables Guangdong's specialty fruits to reach broader markets nationwide. These initiatives not only enrich our product offerings but also drive mutual growth with Guangdong's fruit industry, advancing rural revitalization and contributing to shared prosperity.

- ***Enhancing Medical Assistance***. Since 2017, we have collaborated with the Han Hong Foundation (韓紅基金會) to support rural healthcare initiatives. Through donations of emergency rooms, vision restoration centers, ambulances, and other medical facilities and equipment, we have provided essential support to frontline healthcare workers in remote areas, helping to bridge the gap in accessible medical services for local communities. These efforts have effectively improved both rural healthcare infrastructure and the quality of primary medical services, ensuring that love and health reach untouched corners where they are needed. In 2024, we actively participated in

large-scale charity medical initiatives such as "Hundred-Person Aid to Jilin (百人援吉)," further demonstrating our commitment to spreading the energy of care through tangible actions. In addition, in 2024, building on our longstanding partnership with the Han Hong Foundation, we jointly launched a depression intervention program and initiated the first phase of medical social worker training. By mobilizing diverse social resources, we aim to establish a comprehensive mental health support system centered around depression patients.

- ***Supporting Rural Sports Education***. Recognizing the vital role of sports education in the healthy development of young people, we have been committed to improving access to sports for children in rural areas. Since 2022, we have partnered with the Yao Foundation (姚基金) to launch the "Rising from the Basket (青出於籃)" Charity Program , aimed at enhancing basketball programs in rural primary schools. This initiative tackles key challenges such as outdated sports facilities, a shortage of qualified coaches, and limited access to organized sports. Our support includes donating basketball courts, hoops, uniforms, and equipment, as well as funding volunteer teaching programs, training camps, and league competitions, providing students with greater opportunities to engage in sports.

- ***Actively Responding to Disaster Relief***. In the face of natural disasters and emergencies, we are committed to responding swiftly by mobilizing resources to support affected areas. Leveraging our extensive nationwide sales network, we have provided critical supplies and logistical support during crises, ensuring frontline relief efforts receive timely aid.

- ***Supporting Medical Education***. We established the "White Coat Rising Stars Scholarship (白大褂明日之星獎學金)" program. For four consecutive years, this initiative has awarded scholarships to 100 outstanding students admitted to the university's integrated bachelor's, master's, and doctoral program, empowering aspiring medical professionals and contributing to the advancement of China's healthcare sector.

- ***Helping Truck Drivers' Children Pursue Dreams***. In 2024, we introduced the "Eastroc Super Drink — Truck Drivers' Children Scholarship Program (東鵬特飲 • 卡友子女助學計劃)." This initiative provides financial aid to 200 students from truck driver families facing financial difficulties who were admitted to undergraduate programs in 2024. Through this program, we aim to ease the financial burden on truck drivers' families and support their children in achieving their academic aspirations.

INTELLECTUAL PROPERTIES

Since our inception, we have internally developed a variety of intellectual property rights. As of the Latest Practicable Date, we maintained intellectual property rights, including 52 issued patents, 88 trademarks, and 19 copyrights, that we believe are material to our business operations. See "Appendix IV — Statutory and General Information — Further Information About Our Business — Intellectual Property Rights" for our material intellectual property rights.

We have implemented the Intellectual Property Management Policy (《知識產權管理辦法》), which clearly defines the scope of our intellectual property, the selection and management of professional agencies, the application procedures for intellectual property, the responsibilities and workflows of the intellectual property management department, archival management, usage and maintenance policies, and risk monitoring measures. Our intellectual property protection mechanism comprehensively covers key production and packaging processes. Furthermore, we conduct intellectual property protection training for employees and supervise the execution of our management system through regular and *ad hoc* inspections, ensuring its effective operation. For non-patented technologies, we safeguard proprietary formulations and other trade secrets through strict internal management policies and commercial confidentiality protection mechanisms.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any claims or any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to adequately protect our intellectual property rights, and may be subject to infringement of intellectual property rights, or misappropriation claims, by third parties."

EMPLOYEES

As of June 30, 2025, we had 11,679 full-time employees, the majority of whom were based in China. The following table sets forth a breakdown of our employees by function as of June 30, 2025:

	As of June 30, 2025	
Function	**Number of employees**	**%**
Sales and marketing	7,475	64.0%
Production	2,882	24.7%
General administration	1,078	9.2%
R&D	132	1.1%
Finance	112	1.0%
Total	**11,679**	**100%**

We generally recruit our employees based on a number of factors, including work experience, educational background and our position requirements. We recruit primarily through on-campus recruiting programs, job fairs, job postings and internal referrals. We provide induction trainings to our new joiners to provide them with a general picture of our corporate culture, workplace safety, product knowledge, quality control, staff conduct policies, and learn about the relevant laws and regulation. We place great emphasis on talent development and retention. New employees undergo induction training to familiarize them with our corporate culture, workplace safety standards, product knowledge, quality control procedures, staff conduct policies, and relevant laws and regulations. Additionally, we assign mentors to new hires to help them adapt quickly to their roles and integrate seamlessly into their teams. To support skill development at all levels, we offer a range of specialized training programs, designed to equip employees with the capabilities needed for their roles and future career progression. We also provide targeted training in areas such as sales, supply chain, and functional operations to ensure employees acquire the skills essential for professional growth. Furthermore, we have developed a digital learning platform that consolidates management knowledge, job-specific skills, and best practices into a comprehensive library of online courses. This platform caters to the learning needs of new employees, sales teams, and supply chain staff, creating continuous learning opportunities and fostering organizational growth. By leveraging these initiatives, we aim to enhance workforce capability and build a high-performing talent pool.

As required by PRC laws and regulations, we participate in various employee social security schemes organized by municipal and provincial governments, including pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance and housing

provident fund. We are required under PRC laws and regulations to make contributions to employee social security schemes at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

We believe that we maintain a good working relationship with our employees and have established labor unions to protect the legitimate rights and interests of our employees. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any significant labor disputes or any difficulty in recruiting staff for our operations.

PROPERTIES

We are headquartered in Shenzhen, Guangdong Province, China. As of the Latest Practicable Date, our owned properties, including land, buildings, and projects under construction, were mainly used as our production bases, R&D centers, offices, warehouses, dormitories and canteens. As of the same date, our leased properties were primarily used as offices, warehouses and factories, with relevant lease agreements to expire between 2025 to 2052. We plan to renew the relevant lease agreements upon expiry in accordance with our operational needs.

Certain of the properties leased by us have title defects. As of the Latest Practicable Date, the ownership certificates or other similar proof of five leased properties each having an aggregate gross floor area exceeding 2,000 sq.m. had not been provided to us by the relevant lessors. Therefore, such lessors may not be entitled to lease the relevant properties to us. These five leased properties comprised three that were primarily used as offices, warehouses and dormitories, and two that primarily used as production bases (namely Dongguan Base and Haifeng Base) and their auxiliary facilities. Among them, for two of the leased properties, which are located in Dongguan (collectively, the "**Dongguan Properties**"), we have obtained a written confirmation issued by the relevant local government authority in Dongguan in 2018, confirming that (i) our use of the Dongguan Properties is consistent with the planned use of land and properties, and does not constitute any material violation of relevant laws and regulations, and (ii) we will not be subject to any administrative measures or penalties with respect to our use of the Dongguan Properties.

As advised by our PRC Legal Adviser, it is the lessors' responsibility to comply with the relevant requirements, such as to obtain the relevant ownership certificates and to ensure the actual use of the property shall comply with the planned use of the property and the land. Any failure to remain compliant with the foregoing may subject the relevant lessors to penalties imposed by the land administrative authorities, construction administrative authorities or planning authorities, and the lease agreement may be deemed invalid and unenforceable in accordance with the relevant laws and regulations. As the lessee, we are not subject to any administrative punishment or penalties under relevant laws and regulations. However, our use of the leased properties with title

defects may be affected by third parties' claims or challenges against the lease. Also, the relevant lease agreements may be deemed invalid, and we may be required to vacate from such properties. Our leases for the leased properties with title defects were not challenged by third parties or relevant authorities that had resulted or involved us as the defendant in disputes, lawsuits or claims in connection with the rights to lease and use such properties occupied by us during the Track Record Period and up to the Latest Practicable Date. Upon expiry of these lease agreements, we will assess the legal risk when renewing the relevant lease agreements.

If we are not able to continue to use such leased properties due to such title defects, we expect to be able to identify alternative places for relocation in a timely manner without incurring material related loss due to the limited number of leased properties with title defects, which will not cause a material interruption to our operations. Our Directors believe that these title defects would not, individually or in the aggregate, cause a material adverse impact on our business, operations and financial results.

As of the Latest Practicable Date, eight lease agreements for properties each having an aggregate gross floor area exceeding 2,000 sq.m. had not been registered and filed with the relevant land and real estate administration bureaus in the PRC because the relevant lessors failed to provide necessary documents for us to register the leases with the local government authorities. According to applicable PRC administrative regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. As advised by our PRC Legal Adviser, the absence of registration will not affect the validity of the lease agreements or result in us being required to vacate the leased properties, but we may be subject to a fine of RMB1,000 to RMB10,000 for each lease agreement that is not registered and filed.

As of June 30, 2025, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

According to our PRC Legal Adviser, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established risk management and internal control systems tailored to our business needs, incorporating policies and procedures aimed at ensuring legal compliance, intellectual property protection, information technology security, human resource management, financial reporting accuracy, and overall internal governance. These systems are subject to ongoing refinement to align with our operational demands. Our Directors oversee the establishment and the periodic review of these systems, while our senior management monitor their effective daily execution across subsidiaries and functional departments. The head of each functional department, business unit and subsidiary are responsible for the related risk control in their responsible segments.

To monitor the continuous implementation of risk management and internal control after the **[REDACTED]**, we have adopted or will continue to adopt, among other things, the following risk management measures:

- Established an Audit Committee to review and supervise our financial reporting and internal control system. For the qualifications and experiences of these members, see "Directors and Senior Management";

- Adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;

- Provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in employee handbooks; and

- Arrange our Directors and senior management to attend training seminars on Listing Rules requirements and the responsibilities as directors of a Hong Kong-listed company.

To ensure the above compliance culture is embedded into everyday workflow and set the expectations for individual behavior across the organization, we will regularly conduct internal compliance checks and inspirations, adopt strict accountability internally and conduct compliance training.

Legal and Compliance Risk Management

To manage compliance and legal risks, we adopted internal procedures, ensuring our operations align with applicable laws and regulations. Our in-house legal team reviews and updates the form of contracts we enter with clients, suppliers, and business partners. Our in-house legal team's responsibilities encompass legal assistance for major projects, disputes resolution, intellectual property protection, corporate governance compliance, overseas regulatory landscape navigation, and support for subsidiaries' compliance. Their daily tasks include reviewing business processes and contracts and analyzing daily legal queries. In addition, our legal team is responsible for obtaining and maintaining the requisite administrative certificates and approvals for our business operation. We also continuously improve our internal policies according to changes in laws, regulations, and industry standards, and update internal templates for legal documents.

Information System Risk Management

We have implemented relevant internal procedures and controls to ensure that our data is protected, and that leakage and loss of such data are avoided. We have implemented comprehensive internal policies on protecting data privacy and security. We also engage external counsel to review and update our internal policies and ensure continuous compliance with all applicable laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, we have not become aware of any material information leakage or loss of our data. Our IT systems had not experienced any material third-party intrusions, viruses, hacker attacks, ransomware attacks and other cyberattacks, information or data theft or other similar threats during the Track Record Period and up to the Latest Practicable Date. See "— Data Security and Privacy" for details.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, expenses management policies and treasury management policies. We have various procedures in place to implement accounting policies, and our finance management department reviews our management accounts based on such procedures. We also provide regular training to our finance department staff to ensure that they understand financial management and accounting policies and implement them in our daily operations.

Human Resource Management

We have established human resources policies covering recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new joiners and provide induction training and periodic trainings in relation to various compliance aspects. In addition, we provide regular and specialized training tailored to the needs of our employees in different departments. Our human resource department regularly organizes internal training sessions conducted by senior employees or outside consultants on topics of interest. Through these trainings, we ensure that our staff's skill sets remain up to date, enabling them to better discover and meet consumers' needs.

We have in place employee handbooks and codes of conduct which set out internal rules and standards regarding work ethics, fraud prevention mechanisms, negligence, anti-bribery, and anti-corruption. We also have in place anti-corruption policies to safeguard against any corruption activities. Under our firm-wide whistle-blowing policy, we make our internal reporting channel open and available for our employees to report any non-compliance incidents and acts, including bribery and corruption. Reported incidents and persons will be investigated and appropriate measures will be taken in response to the findings. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any non-compliance with relevant laws and regulations that have a significant impact on us relating to corruption and bribery. We conduct periodic performance reviews for our employees. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential non-compliance with our code of conduct, work ethics, and violations of our internal policies or illegal acts at all levels of our Group.

LICENSES, PERMITS AND APPROVALS

We are required to maintain various licenses, permits and approvals in order to operate our business. We continually monitor our compliance with the requirements related to licenses, permits and approvals in order to ensure that we have all such licenses, permits and approvals as are necessary to operate our business. As advised by our PRC Legal Adviser, as of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to the operation of our existing business. All of our licenses are valid and subsisting. Our Directors do not expect any impediment in the renewal of our licenses.

The table below sets forth a summary of the material licenses and regulatory approvals that we have obtained for our business operations as of the Latest Practicable Date:

Type of License or Regulatory Approval	Number of License(s)	Issuing Date	Expiry Date
Health Food Registration Approval/Health Food Registration Certificate (保健食品批准/註冊證書)	3	November 9, 1998 February 10, 2023 February 10, 2023	/ July 4, 2026 February 9, 2028
Food Production License (食品生產許可證)	9	June 12, 2023 to September 15, 2025	April 27, 2026 to September 14, 2030
Food Operation License/Food Operation Filing Certification (食品經營許可證/食品經營備案憑證)	12	April 13, 2021 to September 18, 2025	April 12, 2026 to long-term validity
Water-taking Permit (取水許可證)	1	January 21, 2021	January 20, 2026
National Industrial Product Production License (全國工業產品生產許可證)	8	August 24, 2021 to May 13, 2025	March 31, 2026 to May 14, 2030
Customs Declaration Registration Certificate (報關單位註冊登記證書)	1	July 21, 2017	/
Customs Registration for Consignees and Consignors of Imported and Exported Goods (海關進出口貨物收發貨人備案)	6	October 16, 2020 to December 10, 2024	/
Export Food Production Enterprise Registration Certificate (出口食品生產企業備案證明)	6	March 28, 2023 to November 13, 2024	/
Fixed Pollution Source Registration/Pollution Discharge Permit (固定污染源排污登記/排污許可證)	9	October 31, 2023 to September 26, 2025	October 30, 2028 to September 25, 2030

Certain licenses and regulatory approvals, including the Health Food Registration Approval, the Customs Declaration Registration Certificate, Customs Registration for Consignees and Consignors of Imported and Exported Goods and Export Food Production Enterprise Registration Certificate, are of long-term validity. As advised by our PRC Legal Adviser, all of our licenses,

permits and certificates required for our operations were valid and effective during the Track Record Period and up to the Latest Practicable Date. We plan to renew the necessary licenses, approvals, permits and certificates upon expiry in accordance with applicable laws and regulations. Our PRC Legal Adviser is of the view that there is no material legal impediment in renewing such licenses, approvals, permits and certificates.

AWARDS AND RECOGNITION

Our product performance and market presence have not only captured market demands but have also been acknowledged and awarded by official authorities and industry insiders. The following table sets out a summary of the major awards and recognition:

Award/Recognition	Organization/Authority	Year awarded
Top 10 National Brand Social Responsibility Cases (十大國民品牌社會責任案例)	Xinhua Net (新華網)	2024
Top Marketing Partner of Paris 2024 Olympics (巴黎奧運會營銷頂級合作夥伴)	China Media Group (中央廣播電視總台)	2024
2024 Social Responsibility Public Welfare Initiatives (2024年度責任踐行公益活動)	The Paper (澎拜新聞)	2024
Public Welfare Innovation Case — "Rising from the Basket" Charity Program (公益創新案例 — "青出於籃"公益計劃)	China National Radio (央廣網)	2024
Fourth Dream Builders Public Welfare Conference — Annual Public Welfare Contribution Award	Southern Weekly (南方週末)	2024
Top 25 among Global Soft Drink Brands (全球軟飲料品牌價值前25強)	Brand Finance (品牌金融)	2024
Hurun China 500 (胡潤中國500強)	Hurun China (胡潤中國)	2022, 2023 and 2024
Top 100 Most Valuable Chinese Brands (最具價值中國品牌百強榜)	BrandZ™ (凱度)	2022, 2023 and 2024

Award/Recognition	Organization/Authority	Year awarded
Top 10 Most Influential Companies in Food & Beverage Industry of 2023 (2023食品飲料行業最具影響力企業Top 10)	National Business Daily (《每日經濟新聞》)	2023
Top 19 Leading Companies in High-Quality Development in China's Beverage Industry (中國飲料行業高品質發展領軍企業十九強) & Outstanding Business Performance in China's Beverage Industry (中國飲料行業經營業績優秀企業)	China Beverage Industry Association (中國飲料工業協會)	2023
Outstanding Social Responsibility Practices in China's Beverage Industry of 2022 (2022中國飲料行業實踐社會責任優秀企業)	China Beverage Industry Association (中國飲料工業協會)	2023
China's Charity Role Model of 2023 (2023中國慈善榜年度慈善榜樣)	Public Welfare Times (《公益時報》)	2023
Outstanding Employer Brand of 2023 (2023年度卓越僱主品牌)	ICC China Human Resources Management Professional Committee (中國國際商會商業行業商會人力資源管理專業委員)	2023
National Consumer Reputation Product Case of 2023 (2023國民消費口碑產品案例)	People's Daily (人民網)	2023
Top 3 Functional Beverage Brands in China's Brand Strength Index (中國品牌力指數功能飲料前三)	Chnbrand	2022
Green Sustainable Development Contribution Award of 2022 (2022綠色可持續發展貢獻獎)	International Green Zero Carbon Festival of 2022 (2022國際綠色零碳節)	2022

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Lin directly held as beneficial owner 49.74% of our total issued share capital. In addition, Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng together held as beneficial owners 0.42% of our total issued share capital, and Mr. Lin held 99.998%, 99.89% and 99.87% interests as a limited partner in Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng, respectively. Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Mr. Lin will directly hold as beneficial owner **[REDACTED]**% of our total issued share capital, Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng will hold as beneficial owners, in aggregate, **[REDACTED]**% of our total issued share capital, and together they will hold approximately **[REDACTED]**% of our total issued share capital. As such, solely for the purpose of the Hong Kong Listing Rules, Mr. Lin, Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng are deemed to be a group of controlling shareholders immediately upon the completion of the **[REDACTED]**.

For details of Mr. Lin, see "Directors and Senior Management — Board of Directors" in this Document. For a simplified corporate structure chart of our Group, see "History, Development and Corporate Structure — Our Shareholding and Corporate Structure" in this Document.

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Each of our Controlling Shareholders confirm that he/it do not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our businesses, which would require disclosure under Rule 8.10 of the Listing Rules.

For the purpose of the listing of our A Shares on the Shanghai Stock Exchange and in order to avoid potential competition with our Group, Mr. Lin provided a non-competition undertaking in favor of our Company in April 2020 (the "**Non-competition Undertaking**"). Pursuant to the Non-competition Undertaking, Mr. Lin has undertaken that:

(1) as of the date of the Non-competition Undertaking, Mr. Lin does not engage in any business that is identical, similar, or competitive with the main business of the Company and its subsidiaries, nor does he directly or indirectly operate any business that is identical, similar, or competitive with the main business of the Company and its subsidiaries;

(2) from the date of the Non-competition Undertaking, Mr. Lin will not engage in any business in any way, including through cooperations with others, that is identical, similar, or competitive in any aspect with the Company and its subsidiaries, either directly or indirectly;

(3) from the date of the Non-competition Undertaking, Mr. Lin will make every endeavors to ensure that his other related companies do not engage in any business that is identical, similar, or competitive in any aspect with the Company and its subsidiaries;

(4) from the date of the Non-competition Undertaking, Mr. Lin will not invest nor hold shares in any company, enterprise, or other institution or organization that engages in any business that is identical, similar, or competitive in any aspect with the Company and its subsidiaries;

(5) from the date of the Non-competition Undertaking, Mr. Lin will not provide proprietary technology, sales channels, customer information, or other business secrets to any company, enterprise, other institution or organization, or individual that engages in any business that is identical, similar, or competitive in any aspect with the Company and its subsidiaries;

(6) from the date of the Non-competition Undertaking, in the event that Mr. Lin intends to engage in any business in the future that may compete with the Company and its subsidiaries, he will negotiate with the Company based on the principle of prioritizing the Company and its subsidiaries; and

(7) the Non-competition Undertaking shall remain valid during the period at which Mr. Lin is the actual controller or a related party to the Company. If the above undertakings are proven to be untrue or not complied with, Mr. Lin will compensate the Company for all direct and indirect losses and bear the corresponding legal responsibilities.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying out our business independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]**, taking into account the following factors:

Management Independence

Our business has been managed and conducted by our Board and senior management. Our Board comprises six executive Directors and four independent non-executive Directors, and we also have six senior management members (of which five are executive Directors). Each of our Directors and senior management possesses relevant management, financial or industry-related experience to contribute to the management of our business. For further information on the qualifications and experience of our Directors and senior management, see "Directors and Senior Management" in this Document.

Our Directors consider that we are able to carry on our business independently from our Controlling Shareholders from a management perspective for the following reasons:

- each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she must act for the benefit of and in the best interests of our Company and not allow any conflict between his/her duties as a Director and his/her personal interests;

- four out of our ten Directors are independent non-executive Directors who have extensive experience in different professions. They have been providing independent oversight and will continue to independently monitor the formulation and implementation of major decisions of our Group based on their skills and qualification and related professional experience. The other members of the senior management of our Company have been with our Group in management capacity for a number of years, and therefore, have substantial working experience in the industry we are engaged in, and their familiarity with our Group's business and with the competitive landscape we are in will therefore enable them to make business decisions that are in the best interests of our Group;

- we have established clear reporting systems among the management team of our Company and between our management team and the Board, and our management team reports to the executive Directors, who are responsible for reporting to the Board. The Board supervises and monitors the performance of our Company's management team generally through receiving reports from our executive Directors, attending meetings and other ad hoc meetings of our Board to consider, deliberate and approve material matters which exceed the delegated authorities of our management team, as well as through the regular updates provided to our Directors of our operational and financial information;

- as an A Share listed company, we have formulated and adopted a comprehensive internal control and management system in compliance with the relevant requirements of the rules of the Shanghai Stock Exchange. The Articles of Association has also included relevant provisions to manage conflict of interest, pursuant to which our Directors are prohibited from voting in any Board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her close associates has a material interest, and shall not be counted in the quorum present at the particular Board meeting; and

- we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See "— Corporate Governance Measures."

Based on the above, our Directors are satisfied that our Board as a whole together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We do not rely on our Controlling Shareholders and their close associates for our business development, staffing, administration, finance, internal audit, information technology, sales and marketing, or our company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources. We also have full powers to make all decisions regarding, and to carry out, our own business operations independently from our Controlling Shareholders.

We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Notwithstanding that we have procured and will continue to procure certain technical services ancillary to our Group's business operations from an entity controlled by Mr. Lin, the details of which are set out in the section headed "Connected Transactions" in this Document, and we have leased during the Track Record Period, and will continue to lease, certain landed properties from an entity controlled by Mr. Lin and his spouse, these transactions did not and are not expected to involve significant transaction amounts and do not have a material impact on the operation and conduct of our Group's principal business. Such connected transactions with Mr. Lin's associates

will be conducted on arm's length basis and on normal commercial terms in the ordinary and usual course of our business. Therefore, our Directors believe that these connected transactions with the Mr. Lin's associate do not affect our operational independence.

Based on the foregoing, our Directors believe that we are able to operate independently of the Controlling Shareholders and their close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent department for discharging the treasury function. We do not expect to rely on the Controlling Shareholders and their close associates for financing after the **[REDACTED]** as we expect that our working capital will be funded by cash flows generated from, among others, operating activities, bank loans, as well as the **[REDACTED]** from the **[REDACTED]**.

Moreover, we open and manage our bank accounts independently, and have never shared any bank account with members of our Controlling Shareholders. We are also capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders in view of our Group's strong financial position, steady cash flow generation and level of liquid assets as well as our ability to raise funds on a standalone basis. No loan or guarantee has been provided by, or granted by, our Controlling Shareholders or their respective associates as of the Latest Practicable Date.

Based on the above, our Directors believe that we have the ability to operate independently of our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence from, and do not place undue reliance on, our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests:

- as part of our preparation for the **[REDACTED]**, we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that a Director shall not vote on any resolution in which such Director is connected with the company or individual involved;

- we have established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if we enter into further connected transactions with any of our Controlling Shareholders or their respective associates, our Company will comply with the applicable Listing Rules;

- we are committed that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial and external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in "Directors and Senior Management — Board of Directors — Independent Non-executive Directors";

- in the event that the independent non-executive Directors are requested to review any conflicts of interests circumstances between our Group on the one hand and our Controlling Shareholders and/or our Directors on the other hand, our Controlling Shareholders and/or our Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either through our annual report or by way of announcements; and

- 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 directors' duties and 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 between our Group and the Controlling Shareholders, and to protect minority Shareholders' interests after the **[REDACTED]**.

The following discussion and analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purposes of this section, unless the context otherwise requires, references to the years of 2022, 2023 and 2024 refer to the years ended December 31 of such years.

OVERVIEW

We are the largest functional beverage company in China, with the fastest revenue growth among the world's top 20 listed soft beverage companies. According to Frost & Sullivan, we have been the largest functional beverage company in China in terms of sales volume for four consecutive years since 2021, with our market share increasing from 15.0% in 2021 to 26.3% in 2024, further strengthening our market leadership. We are committed to energizing a healthier and better life for consumers worldwide. With over 30 years of industry experience, we continue to provide tasty and value-for-money beverages, establishing Eastroc as a beloved brand with nationwide consumer recognition. "Worn out? Time for Eastroc! (累了、困了、喝東鵬特飲)" has gained strong consumer recognition, making *Eastroc Super Drink* (東鵬特飲) a widely recognized brand associated with consumption scenarios of energy replenishment. While strengthening our leadership in the functional beverage industry, we continuously innovate and upgrade our products, expanding into a diverse range of categories to lay a solid foundation for long-term growth.

During the Track Record Period, we delivered strong revenue growth, solid profitability, and robust cash flow. Our revenue grew from RMB8,500.0 million in 2022 to RMB15,830.3 million in 2024, with a CAGR of 36.5%, and grew by 36.5% from RMB7,869.5 million for the six months ended June 30, 2024 to RMB10,732.4 million for the same period in 2025. Alongside this rapid growth, we leverage our industry-leading advanced manufacturing capabilities, collaborative supply chain planning, optimized channel distribution and digital empowerment to effectively enhance our operational efficiency and profitability, achieving cost advantage. As a result, our net

profit increased from RMB1,440.5 million in 2022 to RMB3,326.4 million in 2024, with a CAGR of 52.0%, and increased by 37.2% from RMB1,730.6 million for the six months ended June 30, 2024 to RMB2,374.5 million for the same period in 2025. Our net profit margin increased from 16.9% in 2022 to 18.1% in 2023, 21.0% in 2024, and further to 22.1% in the six months ended June 30, 2025.

We maintain strong cash flows and are committed to sharing profits with Shareholders. Our net cash flow from operating activities reached RMB2,026.1 million, RMB3,281.3 million, RMB5,789.4 million and RMB1,740.5 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. While maintaining a healthy cash position, we have distributed dividends annually since our listing on the Shanghai Stock Exchange in 2021. During the Track Record Period and up to the date of this Document, we declared dividends of RMB5.4 billion in total, with a cumulative payout ratio around 60%, calculated by dividing the amount of our declared dividends by the sum of profit attributable to owners of our Company during the Track Record Period reflecting our commitment to returning value to investors.

BASIS OF PRESENTATION

The historical financial information of our Group has been prepared in accordance with IFRS. The preparation of the historical financial information in conformity with IFRS requires the use of certain material accounting policy information. It also requires management to make judgements, estimates and assumptions in the process of applying our Group's accounting policies. Judgements made by management in the application of IFRS that have significant effect on the historical financial information and major sources of estimation uncertainty are discussed in Note 3 and Note 4 to the Accountants' Report included in Appendix I to this Document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, financial conditions and results of operations are influenced by various general factors impacting the soft beverage industry. These factors include, among others, China's overall macroeconomic conditions, changes in per capita disposable income and expenditure on soft beverage products, the growth and competitive landscape of the soft beverage industry, and relevant laws and regulations, governmental policies and initiatives affecting the soft beverage industry. Any negative change in these conditions may adversely impact our results of operations.

In addition to these general factors, the following specific factors have a more direct impact on our results of operations, many of which are outside of our control.

Consumer Demand for Soft Beverage and Functional Beverage Products

Our results of operations are largely determined by market demand for our soft beverage products, especially our functional beverage products. Driven by factors such as rising disposable income, expansion of industry categories, and refinement of sales channels, the soft beverage industry in China is expected to continue to grow, according to Frost & Sullivan. According to the same source, the market size of the soft beverage industry in China in terms of retail sales reached RMB1,250.2 billion in 2024 and is expected to increase to RMB1,686.0 billion by 2029, growing at a CAGR of 5.8% from 2025 to 2029.

Specifically, with the fast-paced modern lifestyles and rising consumer health awareness, the demand for functional beverage has surged in recent years. According to Frost & Sullivan, the market size of China's functional beverage industry in terms of retail sales has grown at a CAGR of 8.3% from RMB111.9 billion in 2019 to RMB166.5 billion in 2024, and is expected to grow at a CAGR of 10.9% from 2025 to 2029 to reach RMB281.0 billion in 2029.

Going forward, we intend to seize the growing consumer demand and market opportunities to achieve sustainable and healthy business growth. As a market leader in China's functional beverage industry, we believe we are well positioned to leverage our strong brand recognition, comprehensive product portfolio and expansive nationwide sales network to cater to the changing preferences of consumers and capture the massive growth opportunities.

Sales Network Expansion and Management

By partnering with distributors and key account customers that align with our operational standards as well as developing online channels and other emerging channels, we have built an extensive and deeply penetrated sales network capable of reaching our target consumers through omni channels. We believe that distributors are critical to our business in terms of building up sales channels, maximizing our product distribution coverage, and driving the growth of our results of operations. During the Track Record Period, we had developed a growing and extensive sales network across China. Our revenue generated from sales to distributors amounted to RMB7,581.0 million, RMB9,911.9 million, RMB13,606.6 million and RMB9,349.7 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing 89.2%, 88.0%, 85.9% and 87.2% of our revenue in each of the corresponding period. To effectively manage this network, we have tailored our operations based on regional market dynamics, employing either channel cultivation (渠道精耕) model to strengthen our channel control and influence across key regions, or broad distribution (大流通) model to penetrate into emerging markets more efficiently. See "Business — Our Sales Network — Distributors" for details. We also choose to strategically

engage with key account customers to closely collaborate and cultivate long-term partnerships, thereby enhancing our channel competitiveness. See "Business — Our Sales Network — Key Account Customers" for details.

Branding and Marketing Capability

We have consistently invested in branding and marketing to enhance brand awareness, drive product sales and increase customer loyalty, which we believe is essential for our long-term revenue growth, business expansion, and profitability enhancement. Based on our deep consumer insights, we have designed targeted scenario-based marketing strategies and formulated tailored market promotion tactics to effectively engage each specific consumer group, building strong connections and fostering resonance among customers. See "Business — Brand Building" and "Business — Marketing" for details.

In 2022, 2023, 2024 and the six months ended June 30, 2025, our advertising and promoting expenses amounted to RMB636.5 million, RMB863.7 million, RMB1,331.8 million and RMB882.2 million, respectively, representing 7.5%, 7.7%, 8.4% and 8.2% of our total revenue for the same periods, respectively. We expect the absolute amounts of our advertising and promoting expenses to continue to increase in tandem with our business growth in the future. However, we expect to make continuous improvement to our branding and marketing efficiency by leveraging advanced digital tools and benefiting from economies of scale. See "— Ability to Manage Costs and Improve Operational Efficiency" for details.

Product Innovation and Development Capability

Our ability to innovate and develop product offerings is crucial to our revenue and profit growth in the long term. We believe that our sustainable growth depends on our capability of continuously expanding and optimizing our product portfolio with quality products that cater to evolving consumer needs. We offer a diverse product portfolio to capitalize on the expanding beverage consumption scenarios and growing consumer demands, covering energy beverages, sports beverages, tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages, and other beverage products. We also refine our products by developing flavors, formulations and packaging designs tailored to local preferences, particularly as a part of our overseas expansion strategy. The breadth and depth of our product portfolio enable us to offer our customers a variety of drinking options to meet their various preferences.

The results of our operations are substantially affected by our product offerings and product mix. Changes in our product mix will affect our results of operations due to differences in margins across our product categories. Moreover, as we develop new products in response to evolving consumer preferences, we are expected to benefit from economies of scale as our sales volume grows.

Ability to Manage Costs and Improve Operational Efficiency

The profitability of our business largely depends on our ability to effectively control costs. Our cost of sales consists primarily of cost of raw materials and packaging materials, mainly including sugar, PET and paper boxes. The prices of most of our raw materials and packaging materials fluctuate based on market conditions. We closely monitor market trends and take proactive measures to mitigate the impact of price fluctuations, including entering into framework agreements with our suppliers. We also benefit from our efficient supply chain and ability to procure raw materials at competitive prices thanks to our strong brand influence and bargaining power. In addition, our adoption of a fully digitalized system helps to enhance our supply chain efficiency. In 2022, 2023, 2024 and the six months ended June 30, 2025, our cost of sales amounted to RMB4,968.1 million, RMB6,496.4 million, RMB8,847.0 million and RMB5,968.1 million, respectively, decreasing as a percentage of total revenue from 58.4% in 2022 to 57.7% in 2023, 55.9% in 2024 and further to 55.6% in the six months ended June 30, 2025.

Additionally, we are committed to leveraging digitalization to enhance operational efficiency: (i) our comprehensive suite of digital tools enables us to implement tiered management of sales channels and efficiently engage with our consumers and business partners. This fosters a highly responsive sales and marketing ecosystem, allowing us to allocate resources with precision and maximize the effectiveness of our promotional efforts; (ii) we have integrated digital systems across multiple administrative functions, to streamline workflows and reduce redundancies; and (iii) we have implemented a digital archive system that securely manages formulation records, ensuring version control, traceability, and compliance, thereby improving the efficiency of our product development process while safeguarding intellectual property. Our data-driven approach to innovation also enables us to accelerate product iterations and optimize resource allocation in R&D investment.

As a result, despite the rapid revenue growth during the Track Record Period, our distribution and selling expenses as a percentage of total revenue remained relatively stable at 17.1%, 17.4%, 16.9% and 15.7% in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. Similarly, our administrative expenses as a percentage of total revenue also remained relatively stable at 3.4%, 3.6%, 3.1% and 2.7%, respectively, over the same periods.

Seasonality and Weather Condition

The consumption of soft beverages is influenced by seasonal variations, with demand typically peaking during warmer months. Our sales are generally higher in the second and third quarters of each year due to increased consumption driven by warmer weather. Conversely, the first and fourth quarters are generally low seasons with relatively lower revenue, which negatively affects our profitability during the same periods. In addition, unseasonable or unusual weather, long-term climate change, as well as our business expansion into tropical areas, may impact consumer demand for our products, resulting in changes to our sales patterns and further impacts on our profitability.

MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGEMENTS

We have identified certain accounting policies that are significant to the preparation of our financial statements. Material accounting policies that are significant for understanding our financial condition and results of operations are set forth in detail in Note 3 of the Accountants' Report in Appendix I to this Document. For details, see Note 3 to the Accountants' Report included in Appendix I to this Document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Actual results could differ from those estimates. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and other factors that we believe to be relevant under the circumstances. Our management has discussed the development, selection and disclosure of these estimates with our Board of Directors. Since our financial reporting process inherently relies on the use of estimates and assumptions, actual results may differ from these estimates under different assumptions or conditions. When reviewing our financial statements, you should consider (i) our selection of key accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe that the material accounting policy information and estimates such as basis of consolidation, revenue from contracts with customers, and leases as detailed in Note 3 of the Accountants' Report in Appendix I to this Document are critical and involve the most important estimates and judgments we used in preparing our financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
					(in thousands, except percentages)					
Revenue	8,500,023	100.0	11,257,135	100.0	15,830,336	100.0	7,869,469	100.0	10,732,412	100.0
Cost of sales	(4,968,070)	(58.4)	(6,496,363)	(57.7)	(8,847,018)	(55.9)	(4,416,081)	(56.1)	(5,968,123)	(55.6)
Gross profit	**3,531,953**	**41.6**	**4,760,772**	**42.3**	**6,983,318**	**44.1**	**3,453,388**	**43.9**	**4,764,289**	**44.4**
Other income	107,802	1.3	239,352	2.1	383,832	2.4	179,734	2.3	174,500	1.6
Other gains and losses	32,288	0.4	76,507	0.7	72,969	0.5	34,925	0.4	117,966	1.1
Impairment losses under expected credit loss model, net of reversal	(358)	(0.0)	(1,692)	(0.0)	(958)	(0.0)	(1,620)	(0.0)	(1,928)	(0.0)
Distribution and selling expenses	(1,449,276)	(17.1)	(1,955,671)	(17.4)	(2,681,080)	(16.9)	(1,225,004)	(15.6)	(1,681,519)	(15.7)
Administrative expenses	(289,962)	(3.4)	(405,521)	(3.6)	(485,221)	(3.1)	(227,567)	(2.9)	(286,598)	(2.7)
Research and development expenses	(43,755)	(0.5)	(54,391)	(0.5)	(62,671)	(0.4)	(29,620)	(0.4)	(32,927)	(0.3)
Finance costs	(52,682)	(0.7)	(80,086)	(0.7)	(102,876)	(0.7)	(42,294)	(0.5)	(50,130)	(0.5)
[REDACTED]	—	—	—	—	—	—	—	—	[REDACTED]	[REDACTED]
Profit before tax	**1,836,010**	**21.6**	**2,579,270**	**22.9**	**4,107,313**	**25.9**	**2,141,942**	**27.2**	**3,001,570**	**28.0**
Income tax expense	(395,489)	(4.7)	(539,498)	(4.8)	(780,883)	(4.9)	(411,350)	(5.2)	(627,055)	(5.8)
Profit for the year/period	**1,440,521**	**16.9**	**2,039,772**	**18.1**	**3,326,430**	**21.0**	**1,730,592**	**22.0**	**2,374,515**	**22.1**
Other comprehensive (expense) income										
Exchange differences arising on translation of foreign operations	(14,340)	(0.1)	19,405	0.2	37,387	0.2	10,553	0.1	(26,938)	(0.3)
Total comprehensive income for the year/period	**1,426,181**	**16.8**	**2,059,177**	**18.3**	**3,363,817**	**21.2**	**1,741,145**	**22.1**	**2,347,577**	**21.9**
Profit (loss) for the year/period attributable to:										
Owners of the Company	1,440,521	16.9	2,039,772	18.1	3,326,710	21.0	1,730,592	22.0	2,374,751	22.1
Non-controlling interests	—	—	—	—	(280)	(0.0)	—	—	(236)	(0.0)
Profit for the year/period	**1,440,521**	**16.9**	**2,039,772**	**18.1**	**3,326,430**	**21.0**	**1,730,592**	**22.0**	**2,374,515**	**21.9**
Total comprehensive income (expense) for the year/period attributable to:										
Owners of the Company	1,426,181	16.8	2,059,177	18.3	3,364,097	21.2	1,741,145	22.1	2,347,813	21.9
Non-controlling interests	—	—	—	—	(280)	(0.0)	—	—	(236)	(0.0)
Total comprehensive income for the year/period	**1,426,181**	**16.8**	**2,059,177**	**18.3**	**3,363,817**	**21.2**	**1,741,145**	**22.1**	**2,347,577**	**21.9**

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Product/Service Category

During the Track Record Period, we generated revenue primarily from sales of functional beverages, namely energy beverages and sports beverages, and to a lesser extent, sales of other beverage products. For details, see "Business — Our Brands and Products."

The following table sets forth a breakdown of our total revenue by product and service category, in an absolute amount and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Sales of Beverage Products										
Functional beverage products:										
— *Energy beverages*	8,211,177	96.6	10,353,901	91.9	13,303,585	84.0	6,858,057	87.2	8,360,511	77.9
— *Sports beverages*	—	—	393,043	3.5	1,495,014	9.4	475,838	6.0	1,492,738	13.9
Other beverage products[(1)]	280,156	3.3	503,540	4.5	1,023,166	6.5	527,747	6.7	877,304	8.2
Subtotal	**8,491,333**	**99.9**	**11,250,484**	**99.9**	**15,821,765**	**99.9**	**7,861,642**	**99.9**	**10,730,553**	**100.0**
Others[(2)]	8,690	0.1	6,651	0.1	8,571	0.1	7,827	0.1	1,859	0.0
Total	**8,500,023**	**100.0**	**11,257,135**	**100.0**	**15,830,336**	**100.0**	**7,869,469**	**100.0**	**10,732,412**	**100.0**

Notes:

(1) Other beverage products primarily include tea beverages, coffee beverages, plant-based protein beverages, fruit and vegetable juice beverages and other beverage products.

(2) Others primarily refer to (i) sales of packaging materials, mainly including scrap packagings removed from our procured raw materials and packaging materials, as well as crushed bottle caps collected from our promotional campaign, which are both processed and sold as recyclable waste, and (ii) revenue from providing advertising service and other services, mainly representing marketing-related technology services to Independent Third Parties provided by Shenzhen Pengzhirui Digital Marketing Co., Ltd. ("**Pengzhirui**"), one of our subsidiaries which had been disposed on May 19, 2023. For details, see Note 34 to the Accountants' Report included in Appendix I to this Document.

Revenue by Sales Channel

Our revenue generated from sales to distributors amounted to RMB7,581.0 million, RMB9,911.9 million, RMB13,606.6 million and RMB9,349.7 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing 89.2%, 88.0%, 85.9% and 87.1% of our revenue in each of the corresponding period. Our other sales channels primarily include (i) key account customers, representing strategic partners with whom we cultivate long-term, customized business relationships, and (ii) online sales, primarily including major e-commerce platforms. For details, see "Business — Our Sales Network."

The following table sets forth a breakdown of our total revenue by sales channel, in an absolute amount and as a percentage of our total revenue, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Sales of Beverage Products										
Distribution partners:	8,352,622	98.3	10,934,175	97.2	15,260,947	96.4	7,542,449	95.8	10,238,414	95.4
— Distributors	7,581,023	89.2	9,911,898	88.0	13,606,586	85.9	6,919,112	87.9	9,349,664	87.1
— Key account customers through distributors	669,144	7.9	866,537	7.7	1,297,091	8.2	471,545	6.0	642,349	6.0
— Online sales	102,455	1.2	155,740	1.5	357,270	2.3	151,792	1.9	246,401	2.3
Direct sales to key account customers	66,100	0.8	239,841	2.1	446,437	2.8	269,263	3.4	446,955	4.2
Self-operated online stores	39,643	0.5	49,568	0.4	88,148	0.6	36,865	0.5	43,760	0.4
Other channels[(1)]	32,968	0.4	26,900	0.2	26,233	0.1	13,065	0.2	1,424	0.0
Subtotal	**8,491,333**	**99.9**	**11,250,484**	**99.9**	**15,821,765**	**99.9**	**7,861,642**	**99.9**	**10,730,553**	**100.0**
Others[(2)]	8,690	0.1	6,651	0.1	8,571	0.1	7,827	0.1	1,859	0.0
Total	**8,500,023**	**100.0**	**11,257,135**	**100.0**	**15,830,336**	**100.0**	**7,869,469**	**100.0**	**10,732,412**	**100.0**

Notes:

(1) Other channels primarily refer to revenue derived from the production of contract-manufactured beverage products, mainly tea beverages and juice beverages, on behalf of a customer.

(2) Others primarily refer to (i) sales of packaging materials, and (ii) revenue from providing advertising service and other services. For details, see "Financial Information — Description of Major Components of our Results of Operations — Revenue."

Cost of Sales

During the Track Record Period, our cost of sales consisted of (i) cost of raw materials and packaging materials, mainly including sugar, PET and paper boxes, (ii) manufacturing expenses, mainly representing utilities arising from our production, (iii) logistics service expenses covered by us for delivering our beverage products to our customers, (iv) direct labor cost, mainly representing employee compensation for our personnel responsible for beverage production, (v) taxes incurred from procurement and production, and (vi) others.

In 2022, 2023, 2024 and the six months ended June 30, 2025, our cost of sales amounted to RMB4,968.1 million, RMB6,496.4 million, RMB8,847.0 million and RMB5,968.1 million, respectively, representing 58.4%, 57.7%, 55.9% and 55.6% of our total revenue for the same periods, respectively.

The following table sets forth a breakdown of our cost of sales by nature, in an absolute amount and as a percentage of our total cost of sales, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Cost of raw materials and packaging materials	4,018,936	80.9	5,259,088	81.0	7,001,342	79.1	3,547,187	80.4	4,752,808	79.6
Manufacturing expenses	523,888	10.5	634,350	9.8	911,261	10.3	424,798	9.6	589,243	9.9
Logistics service expenses	257,938	5.2	380,665	5.8	648,364	7.3	297,518	6.7	422,412	7.1
Direct labor cost	100,795	2.0	130,841	2.0	169,574	1.9	83,534	1.9	120,218	2.0
Taxes	65,598	1.3	87,904	1.3	111,885	1.3	56,681	1.3	82,007	1.4
Others	915	0.1	3,515	0.1	4,592	0.1	6,363	0.1	1,435	0.0
Total	**4,968,070**	**100.0**	**6,496,363**	**100.0**	**8,847,018**	**100.0**	**4,416,081**	**100.0**	**5,968,123**	**100.0**

The following table sets forth a breakdown of our cost of sales by product and service category, in an absolute amount and as a percentage of our total cost of sales, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Sales of Beverage Products										
Functional beverage products:										
— *Energy beverages*	4,725,312	95.1	5,738,387	88.3	6,978,452	78.8	3,653,954	82.8	4,186,519	70.2
— *Sports beverages*	—	—	292,079	4.5	1,061,337	12.0	339,451	7.7	1,027,795	17.2
Other beverage products	241,777	4.8	462,330	7.1	802,576	9.1	416,230	9.4	752,354	12.6
Subtotal	**4,967,089**	**99.9**	**6,492,796**	**99.9**	**8,842,365**	**99.9**	**4,409,635**	**99.9**	**5,966,668**	**100.0**
Others	981	0.1	3,567	0.1	4,653	0.1	6,446	0.1	1,455	0.0
Total	**4,968,070**	**100.0**	**6,496,363**	**100.0**	**8,847,018**	**100.0**	**4,416,081**	**100.0**	**5,968,123**	**100.0**

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded gross profit of RMB3,532.0 million, RMB4,760.8 million, RMB6,983.3 million and RMB4,764.3 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing gross profit margin of 41.6%, 42.3%, 44.1% and 44.4%, respectively, during the same periods. In particular, our gross profit for sales of beverage products amounted to RMB3,524.2 million, RMB4,757.7 million, RMB6,979.4 million and RMB4,763.9 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively, representing gross profit margin of 41.5%, 42.3%, 44.1% and 44.4%, respectively, during the same periods. In addition, the fluctuation in the gross profit margin of our other beverage products during the Track Record Period was primarily because certain newly launched products remained in their rollout phase and were undergoing rapid growth.

The following table sets forth a breakdown of our gross profit and gross profit margin of our beverage products for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Functional beverage products:										
— *Energy beverages*	3,485,865	42.5	4,615,514	44.6	6,325,133	47.5	3,204,103	46.7	4,173,992	49.9
— *Sports beverages*	—	—	100,964	25.7	433,677	29.0	136,387	28.7	464,943	31.1
Other beverage products	38,379	13.7	41,210	8.2	220,590	21.6	111,517	21.1	124,950	14.2
Total	**3,524,244**	**41.5**	**4,757,688**	**42.3**	**6,979,400**	**44.1**	**3,452,007**	**43.9**	**4,763,885**	**44.4**

Other Income

During the Track Record Period, our other income consisted of (i) interest income from bank deposits, (ii) dividends from financial assets at fair value through profit or loss ("**FVTPL**"), (iii) government grants, mainly representing subsidies received from local governments in China, and (iv) others, mainly arising from the deduction of VAT.

The following table sets forth a breakdown of our other income for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
	(RMB in thousands)				
Interest income from bank deposits	49,066	166,944	317,449	155,610	130,040
Dividends from financial assets at FVTPL	—	—	5,363	5,363	—
Government grants	54,252	62,738	49,465	10,852	39,457
Others	4,484	9,670	11,555	7,909	5,003
Total	**107,802**	**239,352**	**383,832**	**179,734**	**174,500**

Other Gains and Losses

During the Track Record Period, our other gains and losses consisted of (i) loss on disposal of property, plant and equipment, (ii) gain on disposal of right of use assets, (iii) gain on disposal of a subsidiary, namely Pengzhirui. For details, see Note 34 to the Accountants' Report included in Appendix I to this Document, (iv) gain on changes in fair value of financial assets at FVTPL, (v) net foreign exchange losses and gains, (vi) donations, and (vii) others.

The following table sets forth a breakdown of our other gains and losses for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
			(RMB in thousands)		
Loss on disposal of property, plant and equipment	(2,837)	(415)	(907)	(793)	(505)
Gain on disposal of right of use assets	—	—	91	91	—
Gain on disposal of a subsidiary	—	2,980	—	—	—
Gain on changes in fair value of financial assets at FVTPL	53,561	123,498	65,809	26,517	101,582
Net foreign exchange (losses) gains	(783)	(40,866)	44,716	16,388	21,583
Donations	(19,270)	(5,112)	(38,389)	(8,036)	(8,440)
Others	1,617	(3,578)	1,649	758	3,746
Total	**32,288**	**76,507**	**72,969**	**34,925**	**117,966**

Impairment Losses under Expected Credit Loss Model, Net of Reversal

During the Track Record Period, our impairment losses under expected credit loss model, net of reversal consisted of (i) impairment losses recognized or reversed on trade receivables, mainly representing provision we made for outstanding amounts due from certain of our key account customers, and (ii) impairment losses recognized or reversed on other receivables, mainly representing provision we made for deposits and prepayments to third-party service providers. We recorded impairment losses under expected credit loss model, net of reversal of RMB0.4 million, RMB1.7 million, RMB1.0 million and RMB1.9 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

Distribution and Selling Expenses

During the Track Record Period, our distribution and selling expenses consisted of (i) employee compensation, mainly representing salaries, welfare and bonuses for our sales and distribution personnel, (ii) advertising and promoting expenses, mainly including advertisement expenses primarily relating to our advertisement placement and other marketing and promotion activities, as well as channel promotion fees primarily relating to our strategic beverage cooler placement, (iii) office and business travel expenses occurred for distribution and selling purposes, (iv) logistics service expenses, mainly referring to expenditure incurred from transferring goods between warehouses within our Group, (v) IT service expenses, mainly representing our purchase of technology service to support our distribution and selling system, and (vi) others, mainly representing miscellaneous expenses occurred for our distribution and selling purposes.

In 2022, 2023, 2024 and the six months ended June 30, 2025, our distribution and selling expenses amounted to RMB1,449.3 million, RMB1,955.7 million, RMB2,681.1 million and RMB1,681.5 million, respectively, representing 17.1%, 17.4%, 16.9% and 15.7% of our total revenue for the same periods, respectively.

The following table sets forth a breakdown of our distribution and selling expenses, in an absolute amount and as a percentage of our total distribution and selling expenses, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Employee compensation	708,378	48.9	894,037	45.7	1,115,508	41.6	547,924	44.6	690,687	41.1
Advertising and promoting expenses	636,499	43.9	863,665	44.1	1,331,809	49.6	572,806	46.8	882,153	52.4
Office and business travel expenses	70,016	4.8	126,839	6.5	131,748	4.9	59,768	4.9	57,136	3.4
Logistics service expenses	12,981	0.9	36,211	1.9	59,282	2.2	27,927	2.3	22,782	1.4
IT service expenses	7,463	0.5	15,415	0.8	20,776	0.8	6,767	0.6	15,679	0.9
Others	13,939	1.0	19,504	1.0	21,957	0.9	9,812	0.8	13,082	0.8
Total	**1,449,276**	**100.0**	**1,955,671**	**100.0**	**2,681,080**	**100.0**	**1,225,004**	**100.0**	**1,681,519**	**100.0**

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) employee compensation, mainly representing salaries, welfare and bonuses for our administrative staff, (ii) depreciation and amortization relating to our self-owned office space and furniture, (iii) office and

business travel expenses occurred for administrative purposes, (iv) service fees paid to professional third-party consultants who provided us with routine legal services, audit services, tax services, and other consulting services, among others, all of whom were Independent Third Parties during the Track Record Period, (v) IT service expenses, mainly representing our purchase of technology service to support our administrative system, (vi) taxes, mainly including property tax, stamp duty and land use tax, and (vii) others, mainly representing miscellaneous expenses occurred for our administrative purposes.

In 2022, 2023, 2024 and the six months ended June 30, 2025, our administrative expenses amounted to RMB290.0 million, RMB405.5 million, RMB485.2 million and RMB286.6 million, respectively, representing 3.4%, 3.6%, 3.1% and 2.7% of our total revenue for the same periods, respectively.

The following table sets forth a breakdown of our administrative expenses, in an absolute amount and as a percentage of our total administrative expenses, for the periods indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
							(unaudited)			
	(in thousands, except percentages)									
Employee compensation	139,515	48.1	205,951	50.8	231,543	47.7	99,169	43.6	133,938	46.8
Depreciation and amortization	35,471	12.2	41,495	10.2	55,908	11.5	27,533	12.1	34,156	11.9
Office and business travel expenses	28,949	10.0	51,622	12.7	49,061	10.2	23,268	10.2	33,035	11.5
Service fees paid to professional third-party consultants	16,430	5.7	16,217	4.0	22,385	4.6	10,094	4.4	18,463	6.4
IT service expenses	7,462	2.6	23,554	5.8	23,105	4.8	13,297	5.8	13,142	4.6
Taxes	27,041	9.3	33,107	8.2	47,908	9.9	27,594	12.1	27,323	9.5
Others	35,094	12.1	33,575	8.3	55,311	11.3	26,612	11.7	26,541	9.3
Total	**289,962**	**100.0**	**405,521**	**100.0**	**485,221**	**100.0**	**227,567**	**100.0**	**286,598**	**100.0**

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) employee compensation, mainly representing salaries, welfare and bonuses for our R&D staff, (ii) investment in R&D projects, mainly representing consumption of raw materials and other expenditure during the R&D process, such as testing and inspection fees, and (iii) depreciation and amortization relating to our R&D lines and equipment. We recorded research and development expenses of RMB43.8 million, RMB54.4 million, RMB62.7 million and RMB32.9 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

Finance Costs

During the Track Record Period, our finance costs consisted of interest expenses on borrowings and lease liabilities. We recorded finance costs of RMB52.7 million, RMB80.1 million, RMB102.9 million and RMB50.1 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

Income Tax Expense

We recorded income tax expense of RMB395.5 million, RMB539.5 million, RMB780.9 million and RMB627.1 million in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively. During the Track Record Period and as of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any material tax disputes. The following sets forth our principal applicable income taxes and income tax rates.

PRC

Under the EIT Law and Implementation Regulation of the EIT Law, our PRC subsidiaries were subject to the EIT rate of 25% during the Track Record Period, except that five of our subsidiaries were eligible for a preferential EIT rate of 15% as they were qualified high and new technology enterprises or were recognized as encouraged enterprises engaged in specific preferential treatment programs. See Note 9 to the Accountants' Report included in Appendix I to this Document for details.

Hong Kong

Our subsidiary incorporated in Hong Kong was subject to Hong Kong profits tax rate of 16.5% during the Track Record Period. No provision for Hong Kong profits tax has been made, as our subsidiary incorporated in Hong Kong did not have assessable profits during the Track Record Period.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our revenue increased by 36.4% from RMB7,869.5 million in the six months ended June 30, 2024 to RMB10,732.4 million for the same period in 2025, primarily attributable to the increase in revenue generated from our functional beverages.

- Revenue generated from our functional beverages increased by 34.4% from RMB7,333.9 million in the six months ended June 30, 2024 to RMB9,853.2 million for the same period in 2025, primarily due to the increase in revenue generated from our energy beverages from RMB6,858.1 million in the six months ended June 30, 2024 to RMB8,360.5 million for the same period in 2025. Such increase was mainly driven by the rising sales volume of our energy beverages as a result of increasing market acceptance and the deepening of our nationwide expansion process during the period.

  The strong sales growth of our sports beverages, *Eastroc Water Boost*, was also a key contributor to the increase in revenue generated from our functional beverages. Revenue generated from our sports beverages significantly increased by 213.7% from RMB475.8 million in the six months ended June 30, 2024 to RMB1,492.7 million for the same period in 2025, mainly attributable to their increasing popularity resulting from our relentless innovations in packaging sizes and flavors, as well as the rapid expansion of their sales and distribution network.

- Revenue generated from the sales of other beverage products increased by 66.2% from RMB527.7 million in the six months ended June 30, 2024 to RMB877.3 million for the same period in 2025, mainly attributable to our enriched product portfolio beyond functional beverages, particularly driven by the strong market performance of *Tea of Fruits*, our low-sugar tea beverages.

- Our other revenue decreased by 76.2% from RMB7.8 million in the six months ended June 30, 2024 to RMB1.9 million for the same period in 2025.

Cost of Sales

Our cost of sales increased by 35.1% from RMB4,416.1 million in the six months ended June 30, 2024 to RMB5,968.1 million for the same period in 2025, primarily due to the rising sales volume of our beverage products driven by our business growth during the period. Our cost of sales accounted for 56.1% and 55.6% of our total revenue in the six months ended June 30, 2024 and 2025, respectively.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 38.0% from RMB3,453.4 million in the six months ended June 30, 2024 to RMB4,764.3 million for the same period in 2025. Our gross profit margin increased from 43.9% in the six months ended June 30, 2024 to 44.4% for the same period in 2025, primarily due to the decrease in price of certain raw materials during the period, as well as our enhanced production efficiency and our improved economies of scale.

Other Income

Our other income remained relatively stable at RMB174.5 million in the six months ended June 30, 2025, compared to RMB179.7 million for the same period in 2024.

Other Gains and Losses

Our other gains increased by 237.8% from RMB34.9 million in the six months ended June 30, 2024 to RMB118.0 million for the same period in 2025, primarily due to the increase in gain on changes in fair value of financial assets at FVTPL from RMB26.5 million in the six months ended June 30, 2024 to RMB101.6 million for the same period in 2025, mainly due to the unrealized gains from the financial instruments we held.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under expected credit loss model, net of reversal, increased by 19.0% from RMB1.6 million in the six months ended June 30, 2024 to RMB1.9 million for the same period in 2025, primarily due to the increased balance of trade receivables due from certain of our key account customers, which was in line with the increased revenue generated from our key account customers from RMB740.8 million in the six months ended June 30, 2024 to RMB1,089.3 million for the same period in 2025.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 37.3% from RMB1,225.0 million in the six months ended June 30, 2024 to RMB1,681.5 million for the same period in 2025, primarily due to (i) the increase in advertising and promoting expenses from RMB572.8 million in the six months ended June 30, 2024 to RMB882.2 million for the same period in 2025, mainly attributable to our enhanced marketing and branding efforts to promote brand awareness, as well as our increased strategic investment in beverage cooler placement to extent our reach to end customers, and (ii) the increase in employee compensation from RMB547.9 million in the six months ended June 30, 2024 to RMB690.7 million for the same period in 2025, mainly attributable to the growth in the number of sales staff to support our business expansion from 6,600 as of June 30, 2024 to 7,475 as of June 30, 2025, as well as the increased employee benefits in line with our strong business and financial performance during the period. Our distribution and selling expenses accounted for 15.6% and 15.7% of our total revenue in the six months ended June 30, 2024 and 2025, respectively.

Administrative Expenses

Our administrative expenses increased by 25.9% from RMB227.6 million in the six months ended June 30, 2024 to RMB286.6 million for the same period in 2025, primarily due to (i) the increase in employee compensation from RMB99.2 million in the six months ended June 30, 2024 to RMB133.9 million for the same period in 2025, mainly attributable to the growth in the number of administrative staff to support our business expansion from 1,056 as of June 30, 2024 to 1,078 as of June 30, 2025, as well as the increased employee benefits in line with our strong business and financial performance during the period, and (ii) the increase in office and business travel expenses from RMB23.3 million in the six months ended June 30, 2024 to RMB33.0 million for the same period in 2025, which was in line with our business expansion. Our administrative expenses accounted for 2.9% and 2.7% of our total revenue in the six months ended June 30, 2024 and 2025, respectively.

Research and Development Expenses

Our research and development expenses increased by 11.2% from RMB29.6 million in the six months ended June 30, 2024 to RMB32.9 million for the same period in 2025, primarily due to the increase in employee compensation from RMB10.7 million in the six months ended June 30, 2024 to RMB14.7 million for the same period in 2025, mainly attributable to the increased employee benefits in line with our strong business and financial performance during the period. Our research and development expenses accounted for 0.4% and 0.3% of our total revenue in the six months ended June 30, 2024 and 2025, respectively.

Finance Costs

Our finance costs increased by 18.5% from RMB42.3 million in the six months ended June 30, 2024 to RMB50.1 million for the same period in 2025, primarily due to the increase in interest on borrowings from RMB39.7 million in the six months ended June 30, 2024 to RMB44.0 million for the same period in 2025 resulting from the increased balance of borrowings as we optimized our fund management to enhance capital efficiency.

Income Tax Expense

Our income tax expense increased by 52.4% from RMB411.4 million in the six months ended June 30, 2024 to RMB627.1 million for the same period in 2025, primarily due to the increase in our taxable income in line with our business growth. Our effective tax rate increased from 19.2% in the six months ended June 30, 2024 to 20.9% for the same period in 2025.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 37.2% from RMB1,730.6 million in the six months ended June 30, 2024 to RMB2,374.5 million for the same period in 2025. Our net profit margin increased from 22.0% in the six months ended June 30, 2024 to 22.1% for the same period in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 40.6% from RMB11,257.1 million in 2023 to RMB15,830.3 million in 2024, primarily attributable to the increase in revenue generated from our functional beverages, especially our energy beverages.

- Revenue generated from our functional beverages increased by 37.7% from RMB10,746.9 million in 2023 to RMB14,798.6 million in 2024, primarily due to the increase in revenue generated from our energy beverages from RMB10,353.9 million in 2023 to RMB13,303.6 million in 2024. Such increase was mainly driven by the rising sales volume of our energy beverages as a result of increasing market acceptance and the deepening of our nationwide expansion process during the period.

  To a lesser extent, the increase in revenue generated from our functional beverages was also attributable to the rapid sales growth of our newly launched sports beverages, the *Eastroc Water Boost*. Revenue generated from our sports beverages increased significantly by 280.4% from RMB393.0 million in 2023 to RMB1,495.0 million in 2024, mainly attributable to the increasing popularity since their rollout in 2023, as well as the rapid expansion of their sales and distribution network.

- Revenue generated from the sales of other beverage products increased significantly by 103.2% from RMB503.5 million in 2023 to RMB1,023.2 million in 2024, mainly attributable to our enriched product portfolio beyond functional beverages.

- Our other revenue increased by 28.9% from RMB6.7 million in 2023 to RMB8.6 million in 2024, primarily due to our increased revenue from sales of packaging materials, in line with our continued efforts in launching new products during the period.

Cost of Sales

Our cost of sales increased by 36.2% from RMB6,496.4 million in 2023 to RMB8,847.0 million in 2024, primarily due to the rising sales volume of our beverage products driven by our business growth during the period. Our cost of sales accounted for 57.7% and 55.9% of our total revenue in 2023 and 2024, respectively.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 46.7% from RMB4,760.8 million in 2023 to RMB6,983.3 million in 2024. Our gross profit margin increased from 42.3% in 2023 to 44.1% in 2024, primarily due to the decrease in price of certain raw materials such as sugar and paper boxes during the period, as well as our enhanced production efficiency and our improved economies of scale.

Other Income

Our other income increased by 60.4% from RMB239.4 million in 2023 to RMB383.8 million in 2024, primarily due to the increase in interest income from bank deposits from RMB166.9 million in 2023 to RMB317.4 million in 2024, mainly attributable to the increased balance of our bank deposits resulting from our improved cash position.

Other Gains and Losses

Our other gains decreased by 4.6% from RMB76.5 million in 2023 to RMB73.0 million in 2024, primarily due to (i) the decrease in gain on changes in fair value of financial assets at FVTPL from RMB123.5 million in 2023 to RMB65.8 million in 2024, mainly due to the losses of RMB46.2 million incurred by certain of our financial instruments; and (ii) the increase in donations from RMB5.1 million in 2023 to RMB38.4 million in 2024, mainly attributable to the donation of RMB25.5 million to our Shenzhen Eastroc Beverage Foundation. The decrease in other gains was partially offset by the change from net foreign exchange losses of RMB40.9 million in 2023 to net foreign exchange gains of RMB44.7 million in 2024 as a result of fluctuations in exchange rates.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under expected credit loss model, net of reversal, decreased by 43.4% from RMB1.7 million in 2023 to RMB1.0 million in 2024, primarily due to a slowdown in the growth rate of the absolute amount of trade receivables due from certain of our key account customers during the period.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 37.1% from RMB1,955.7 million in 2023 to RMB2,681.1 million in 2024, primarily due to (i) the increase in advertising and promoting expenses from RMB863.7 million in 2023 to RMB1,331.8 million in 2024, mainly attributable to our enhanced marketing and branding efforts to promote brand awareness, as well as our increased strategic investment in beverage cooler placement to extent our reach to end customers, and (ii) the increase in employee compensation from RMB894.0 million in 2023 to RMB1,115.5 million in 2024, mainly attributable to the growth in the number of sales staff to support our business expansion from 6,110 as of December 31, 2023 to 7,152 as of December 31, 2024, as well as the increased employee benefits in line with our strong business and financial performance during the period. Our distribution and selling expenses accounted for 17.4% and 16.9% of our total revenue in 2023 and 2024, respectively.

Administrative Expenses

Our administrative expenses increased by 19.7% from RMB405.5 million in 2023 to RMB485.2 million in 2024, primarily due to (i) the increase in employee compensation from RMB206.0 million in 2023 to RMB231.5 million in 2024, mainly attributable to the increased employee benefits in line with our strong business and financial performance during the period, (ii) the increase in others from RMB33.6 million in 2023 to RMB55.3 million in 2024, mainly attributable to the increased miscellaneous expenses due to expanded administrative activities. Our administrative expenses accounted for 3.6% and 3.1% of our total revenue in 2023 and 2024, respectively.

Research and Development Expenses

Our research and development expenses increased by 15.2% from RMB54.4 million in 2023 to RMB62.7 million in 2024, primarily due to the increase in employee compensation from RMB20.3 million in 2023 to RMB25.5 million in 2024, mainly attributable to the increased employee benefits in line with our strong business and financial performance during the period. Our research and development expenses accounted for 0.5% and 0.4% of our total revenue in 2023 and 2024, respectively.

Finance Costs

Our finance costs increased by 28.5% from RMB80.1 million in 2023 to RMB102.9 million in 2024, primarily due to the increase in interest on borrowings from RMB74.8 million in 2023 to RMB97.9 million in 2024 resulting from the increased balance of borrowings as we optimized our fund management to enhance capital efficiency.

Income Tax Expense

Our income tax expense increased by 44.7% from RMB539.5 million in 2023 to RMB780.9 million in 2024, primarily due to the increase in our taxable income in line with our business growth. Our effective tax rate decreased from 20.9% in 2023 to 19.0% in 2024.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 63.1% from RMB2,039.8 million in 2023 to RMB3,326.4 million in 2024. Our net profit margin increased from 18.1% in 2023 to 21.0% in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 32.4% from RMB8,500.0 million in 2022 to RMB11,257.1 million in 2023, primarily attributable to the increase in revenue generated from our functional beverages, especially our energy beverages.

- Revenue generated from our functional beverages increased by 30.9% from RMB8,211.2 million in 2022 to RMB10,746.9 million in 2023, primarily due to the increase in revenue generated from our energy beverages from RMB8,211.2 million in 2022 to RMB10,353.9 million in 2023. Such increase was mainly driven by the rising sales volume of our energy beverages as a result of increasing market acceptance and the rapid expansion of their sales and distribution network during the period.

  To a lesser extent, the increase in revenue generated from our functional beverages was also attributable to revenue generated from our newly launched sports beverages under the *Eastroc Water Boost* brand of RMB393.0 million in 2023, which gained increasing popularity since their rollout in January 2023.

- Revenue generated from the sales of other beverage products increased by 79.7% from RMB280.2 million in 2022 to RMB503.5 million in 2023, mainly attributable to our enriched product portfolio beyond functional beverages.

- Our other revenue decreased by 23.5% from RMB8.7 million in 2022 to RMB6.7 million in 2023, primarily due to the disposal of Pengzhirui during the period. We have no longer generated revenue from the provision of advertising service and other services since such disposal.

Cost of Sales

Our cost of sales increased by 30.8% from RMB4,968.1 million in 2022 to RMB6,496.4 million in 2023, primarily due to the rising sales volume of our beverage products driven by our business growth during the period. Our cost of sales accounted for 58.4% and 57.7% of our total revenue in 2022 and 2023, respectively.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 34.8% from RMB3,532.0 million in 2022 to RMB4,760.8 million in 2023. Our gross profit margin increased from 41.6% in 2022 to 42.3% in 2023, primarily due to the increase in gross profit margin of our energy beverages, the decrease in price of certain raw materials such as PET and paper boxes during the period, as well as our enhanced production efficiency and our improved economies of scale.

Other Income

Our other income increased significantly by 122.0% from RMB107.8 million in 2022 to RMB239.4 million in 2023, primarily due to the increase in interest income from bank deposits from RMB49.1 million in 2022 to RMB166.9 million in 2023, mainly attributable to the increased balance of our bank deposits resulting from our improved cash position as well as the higher interest rates applicable to our bank deposits during the period.

Other Gains and Losses

Our other gains increased significantly by 137.0% from RMB32.3 million in 2022 to RMB76.5 million in 2023, primarily due to (i) the increase in gain on changes in fair value of financial assets at FVTPL from RMB53.6 million in 2022 to RMB123.5 million in 2023, mainly due to the unrealized gains from the financial instruments we held; and (ii) the decrease in donations from RMB19.3 million in 2022 to RMB5.1 million in 2023, mainly attributable to the one-off initial contribution of approximately RMB8.0 million we made in 2022 to support the establishment of our Shenzhen Eastroc Beverage Foundation in the same year. The increase in other gains was partially offset by the increase in net foreign exchange losses from RMB0.8 million in 2022 to RMB40.9 million in 2023 as a result of fluctuations in exchange rates.

Impairment Losses under Expected Credit Loss Model, Net of Reversal

Our impairment losses under expected credit loss model, net of reversal, increased significantly by 372.6% from RMB0.4 million in 2022 to RMB1.7 million in 2023, primarily due to the increased balance of trade receivables due from certain of our key account customers, which was in line with the increased revenue generated from our key account customers from RMB735.2 million in 2022 to RMB1,106.4 million in 2023.

Distribution and Selling Expenses

Our distribution and selling expenses increased by 34.9% from RMB1,449.3 million in 2022 to RMB1,955.7 million in 2023, primarily due to (i) the increase in advertising and promoting expenses from RMB636.5 million in 2022 to RMB863.7 million in 2023, mainly attributable to our enhanced marketing and branding efforts to promote brand awareness, as well as our increased strategic investment in beverage cooler placement to extent our reach to end customers, and (ii) the increase in employee compensation from RMB708.4 million in 2022 to RMB894.0 million in 2023, mainly attributable to the growth in the number of sales staff to support our business expansion from 5,856 as of December 31, 2022 to 6,110 as of December 31, 2023, as well as the increased employee benefits in line with our strong business and financial performance during the period. Our distribution and selling expenses accounted for 17.1% and 17.4% of our total revenue in 2022 and 2023, respectively.

Administrative Expenses

Our administrative expenses increased by 39.9% from RMB290.0 million in 2022 to RMB405.5 million in 2023, primarily due to (i) the increase in employee compensation from RMB139.5 million in 2022 to RMB206.0 million in 2023, mainly attributable to the growth in the number of administrative staff to support our business expansion from 899 as of December 31, 2022 to 1,297 as of December 31, 2023, as well as the increased employee benefits in line with our strong business and financial performance during the period, (ii) the increase in office and business travel expenses from RMB28.9 million in 2022 to RMB51.6 million in 2023, which was in line with our business expansion, and (iii) the increase in IT service expenses from RMB7.5 million in 2022 to RMB23.6 million in 2023, mainly because our purchases of technology service to support our management system was no longer eliminated at the consolidated level of our Group since its disposal on May 19, 2023. Our administrative expenses accounted for 3.4% and 3.6% of our total revenue in 2022 and 2023, respectively.

Research and Development Expenses

Our research and development expenses increased by 24.3% from RMB43.8 million in 2022 to RMB54.4 million in 2023, primarily due to the increase in our investment in R&D projects, which was in line with our continued efforts in launching new products. Our research and development expenses as a percentage of our total revenue remained stable at 0.5% in 2022 and 2023.

Finance Costs

Our finance costs increased by 52.0% from RMB52.7 million in 2022 to RMB80.1 million in 2023, primarily due to the increase in interest on borrowings from RMB47.9 million in 2022 to RMB74.8 million in 2023 resulting from the increased balance of borrowings as we optimized our fund management to enhance capital efficiency.

Income Tax Expense

Our income tax expense increased by 36.4% from RMB395.5 million in 2022 to RMB539.5 million in 2023, primarily due to the increase in our taxable income in line with our business growth. Our effective tax rate remained relatively stable at 21.5% in 2022 and 20.9% in 2023, respectively.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 41.6% from RMB1,440.5 million in 2022 to RMB2,039.8 million in 2023. Our net profit margin increased from 16.9% in 2022 to 18.1% in 2023.

DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth the selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this Document.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Total non-current assets	4,623,766	5,941,488	9,970,672	10,635,864
Total current assets	7,246,192	8,768,562	12,705,625	12,279,536
Total assets	**11,869,958**	**14,710,050**	**22,676,297**	**22,915,400**
Total non-current liabilities	99,658	338,952	139,674	472,780
Total current liabilities	6,705,700	8,047,341	14,845,042	13,703,495
Total liabilities	**6,805,358**	**8,386,293**	**14,984,716**	**14,176,275**
Net assets	**5,064,600**	**6,323,757**	**7,691,581**	**8,739,125**
Share capital	400,010	400,010	520,013	520,013
Reserves	4,664,590	5,923,747	7,167,791	8,215,571
Equity attributable to owners of the Company	5,064,600	6,323,757	7,687,804	8,735,584
Non-controlling interests	—	—	3,777	3,541
Total equity	**5,064,600**	**6,323,757**	**7,691,581**	**8,739,125**

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of June 30,	As of August 31,
	2022	2023	2024	2025	2025
					(unaudited)
			(RMB in thousands)		
Current assets					
Inventories	394,220	568,601	1,068,084	678,321	485,034
Trade and other receivables	292,935	483,090	713,696	750,914	832,546
Amounts due from related parties	—	883	1	596	171
Financial assets at FVTPL	3,642,240	1,547,980	4,897,206	3,912,748	4,506,911
Time deposits	1,355,705	2,976,495	2,689,451	4,869,319	5,144,931
Restricted bank deposits	122,520	316,440	9,025	7,495	9,754
Cash and cash equivalents	1,438,572	2,875,073	3,328,162	2,060,143	2,177,154
Total current assets	**7,246,192**	**8,768,562**	**12,705,625**	**12,279,536**	**13,156,501**
Current liabilities					
Trade and other payables	1,641,258	2,219,861	3,242,377	3,320,109	3,561,534
Contract liabilities	1,627,168	2,607,221	4,760,551	3,667,088	4,005,443
Amounts due to related parties	1,584	19,920	6,946	7,844	5,139
Income tax payable	214,760	170,873	270,790	565,298	506,398
Borrowings	3,207,429	3,015,888	6,551,337	6,128,398	7,114,666
Lease liabilities	13,501	13,578	13,041	14,758	15,811
Total current liabilities	**6,705,700**	**8,047,341**	**14,845,042**	**13,703,495**	**15,208,991**
Net current assets/(liabilities)	**540,492**	**721,221**	**(2,139,417)**	**(1,423,959)**	**(2,052,491)**

Our net current liabilities increased from RMB1,424.0 million as of June 30, 2025 to RMB2,052.5 million as of August 31, 2025, primarily due to (i) the decrease in inventories of RMB193.3 million, which is in line with our increased sales volume, (ii) the increase in contract liabilities of RMB338.4 million, mainly attributable to the increase in accrued sales rebates and discounts due to increased sales discounts, and (iii) the increase in trade and other payables of RMB241.4 million, resulting from the increased purchase from our suppliers; partially offset by the increase of financial assets at FVTPL of RMB594.2 million.

Our net current liabilities decreased from RMB2,139.4 million as of December 31, 2024 to RMB1,424.0 million as of June 30, 2025, primarily due to (i) the increase in time deposits of RMB2,179.9 million, mainly attributable to our improved cash position in line with our business growth, and (ii) the decrease in contract liabilities of RMB1,093.5 million, mainly attributable to the seasonally high level of advance payments at the end of 2024, resulting from the stockpiling to support sales around the 2025 Chinese New Year; partially offset by the decrease in cash and cash equivalents of RMB1,268.0 million.

We recorded net current liabilities of RMB2,139.4 million as of December 31, 2024, compared to net current assets of RMB721.2 million as of December 31, 2023. The change was primarily due to (i) the increase in the current portion of borrowings of RMB3,535.4 million, (ii) the increase in contract liabilities of RMB2,153.3 million, mainly attributable to the increase in advance payment received from our customers resulting from the stockpiling to support our sales around the upcoming Chinese New Year, as well as the increase in accrued sales rebates and discounts to our distribution partners in line with our business expansion, and (iii) the increase in trade and other payables of RMB1,022.5 million, mainly attributable to the increased purchase from our suppliers in line with our business expansion; partially offset by the increase in financial assets at FVTPL of RMB3,349.2 million.

Our net current assets increased from RMB540.5 million as of December 31, 2022 to RMB721.2 million as of December 31, 2023, primarily due to (i) the increase in time deposits of RMB1,620.8 million and (ii) the increase in cash and cash equivalents of RMB1,436.5 million, both mainly attributable to our improved cash position in line with our business growth; partially offset by the decrease in financial assets at FVTPL of RMB2,094.3 million.

We seek to improve our net current liabilities position by driving our operating cash flow through continued and strong business growth. Our net cash generated from operating activities increased from RMB2,026.1 million in 2022 to RMB3,281.3 million in 2023, and further to RMB5,789.4 million in 2024, which was primarily attributable to the rising sales volume of our beverage products. We expect our net current liabilities position to further improve as a result of (i) the rapid growth of business scale, (ii) the expansion and penetration of our extensive sales network coverage, and (iii) our continued efforts in scaling up our production capacity to support future growth and strengthen our market presence.

Inventories

Our inventories consist of (i) raw materials and consumables, consisting of packaging materials and ingredients, (ii) finished goods, representing soft beverage products, and (iii) goods in transit, representing goods that have been shipped but yet received by our customers.

The following table sets forth a summary of our inventories balances as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Raw materials and consumables	202,709	222,325	319,590	321,693
Finished goods	179,755	339,776	732,645	321,488
Goods in transit	11,756	6,500	15,849	35,140
Total	**394,220**	**568,601**	**1,068,084**	**678,321**

Our inventories increased from RMB394.2 million as of December 31, 2022 to RMB568.6 million as of December 31, 2023 and further to RMB1,068.1 million as of December 31, 2024, primarily due to the rising sales volume of our beverage products, which was consistent with our business expansion during the same periods, as well as the stockpiling to support our sales around the upcoming Chinese New Year. Our inventories decreased from RMB1,068.1 million as of December 31, 2024 to RMB678.3 million as of June 30, 2025, primarily due to the year-end stockpiling to support our sales around the 2025 Chinese New Year, with the inventories subsequently sold through during the period. During the Track Record Period, no material impairment of inventories was identified, and no provision for impairment of inventories was made, as our inventories were subject to rapid turnover and were not exposed to the risk of material obsolescence or accumulation.

During the Track Record Period, the aging of our inventories was all within one year, which is in line with the shelf life of our beverage products.

We believe maintaining appropriate levels of inventories dynamically can help us fully address our consumers' demand and achieve consumer satisfaction without adversely affecting our liquidity. We have in place a set of policies and procedures to manage our inventories. For details, see "Business — Inventory Management."

The following table sets forth inventories turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	(days)			
Inventories turnover days[(1)]	27.0	27.0	33.8	26.5

Note:

(1) Inventories turnover days are based on the average balance of inventories divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the years ended December 31 is 365 days, and the number of days for the six months ended June 30 is 181 days.

Our inventories turnover days remained stable at 27.0 days in 2022 and 2023, respectively. Our inventories turnover days increased to 33.8 days in 2024, primarily attributable to a higher inventory level at the end of 2024 in preparation for the earlier-than-usual Chinese New Year in January 2025. Our inventories turnover days decreased to 26.5 days in the six months ended June 30, 2025, primarily due to the seasonal pattern under which inventories turnover days for the first half of the year tend to be lower than the full-year average, as inventories balances are typically elevated at year-end in preparation for the upcoming Chinese New Year.

As of August 31, 2025, RMB634.7 million, or 93.6% of our inventories outstanding as of June 30, 2025 had been sold or utilized.

Trade and Other Receivables

Our trade and other receivables primarily consist of (i) trade receivables, mainly representing outstanding amounts due from certain of our key account customers, (ii) other receivables, mainly including rental and other deposits and receivables from third-party payment platforms, (iii) advances to suppliers and prepaid operation expenses, mainly in relation to our prepayment to some raw materials and packaging materials suppliers and advertising service suppliers, (iv) deferred **[REDACTED]** costs, (v) prepaid income tax, and (vi) VAT recoverable.

The following table sets forth the details of our trade and other receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade receivables	24,753	66,356	81,308	108,192
Other receivables	16,021	21,392	28,432	44,838
Advances to suppliers and prepaid operation expenses	127,118	158,350	227,118	322,641
Deferred **[REDACTED]** costs	—	—	—	16,201
Prepaid income tax	3,899	1,216	11,893	8,527
VAT recoverable	121,144	235,776	364,945	250,515
Total	**292,935**	**483,090**	**713,696**	**750,914**

Our trade and other receivables increased from RMB292.9 million as of December 31, 2022 to RMB483.1 million as of December 31, 2023, primarily due to (i) the increase in VAT recoverable of RMB114.6 million resulting from our business expansion, and (ii) the increase in trade receivables of RMB41.6 million, mainly attributable to the increased revenue generated from our key account customers during the period. Our trade and other receivables further increased to RMB713.7 million as of December 31, 2024, primarily due to (i) the increase in VAT recoverable of RMB129.2 million resulting from our business expansion, and (ii) the increase in advances to suppliers and prepaid operation expenses of RMB68.8 million, mainly attributable to the increased purchase from our suppliers in line with our business expansion. Our trade and other receivables further increased to RMB750.9 million as of June 30, 2025, primarily due to (i) the increase in advances to suppliers and prepaid operation expenses of RMB95.5 million, mainly attributable to the increased purchase from our suppliers in line with our business expansion, and (ii) the increase in trade receivables of RMB26.9 million, mainly attributable to the increased revenue generated from our key account customers during the period.

The following table sets forth an aging analysis of trade receivables net of allowance for credit losses presented based on the invoice dates of as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within 90 days	24,753	65,928	81,308	108,192
91 to 365 days	—	428	—	—
Total	**24,753**	**66,356**	**81,308**	**108,192**

The following table sets forth the turnover days of our trade receivables for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	(days)			
Trade receivables turnover days[(1)]	1.1	1.5	1.7	1.6

Note:

(1) Trade receivables turnover days are based on the average balance of trade receivables divided by total revenue for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the years ended December 31 is 365 days, and the number of days for the six months ended June 30 is 181 days.

Our trade receivables turnover days remained relatively low, as we only extend credit to certain key account customers, typically for a period of 30 to 90 days. However, revenue from these credit sales accounted for a relatively small portion of our total revenue during the Track Record Period. In contrast, we require advance payment from customers for the procurement of our products, which constituted the majority of our revenue during the Track Record Period.

As of August 31, 2025, RMB109.8 million, or 96.4% of our trade receivables (before allowance for credit losses) outstanding as of June 30, 2025 had been subsequently collected.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at FVTPL, including current and non-current portion, represent financial instruments, such as wealth management products. The issuers of these products are licensed financial institutions with strong credit profiles, including state-owned and joint-stock commercial banks and their affiliated wealth management subsidiaries. The majority of the products are non-principal-protected with floating returns. While such products do not offer formal principal guarantees under prevailing regulatory requirements, they are generally considered low-risk under market practice, given their investment mandates, issuer creditworthiness, and underlying asset composition. A smaller portion consisted of principal-protected structured deposits or guaranteed-yield instruments. These products were primarily fixed-income or hybrid-type wealth management products, with maturity terms generally ranging from a few weeks to up to approximately two years. According to the respective issuers' disclosures, the underlying assets of these products typically included interbank deposits, money market instruments, and low-risk fixed income securities such as government bonds and policy bank bonds.

Our financial assets at FVTPL decreased from RMB4,258.9 million as of December 31, 2022 to RMB1,890.6 million as of December 31, 2023, primarily because we purchased time deposits with relatively higher returns after the mature of certain of our wealth management products to improve capital efficiency. Our financial assets at FVTPL increased from RMB1,890.6 million as of December 31, 2023 to RMB5,274.4 million as of December 31, 2024, primarily due to our increased investment in wealth management products, as we optimized our fund management to enhance capital efficiency. Our financial assets at FVTPL decreased from RMB5,274.4 million as of December 31, 2024 to RMB4,579.2 million as of June 30, 2025, primarily because we purchased certain time deposits after the mature of certain of our wealth management products. In 2023, a portion of the surplus funds held by one of our offshore subsidiaries, Eastroc Beverage (Hong Kong) Co., Limited, was placed in USD-denominated time deposits, primarily as a prudent use of idle offshore cash to enhance capital efficiency, taking into account the prevailing interest rate environment at the time. These deposits were subject to a one-year holding requirement in accordance with cross-border regulatory arrangements governed by the relevant monetary authorities, as well as related banking institution requirements. Following the expiry of the holding period in 2024, the time deposits were gradually redeemed and repatriated, and the corresponding funds were redeployed into short-term, low-risk RMB-denominated wealth management products to improve yield and liquidity.

Our investment in a fund during the Track Record Period, denominated in RMB, refers to our limited partnership interest in Chongqing Zhaoying Langyao Growth Phase II Equity Investment Fund Partnership (Limited Partnership) ("重慶市招贏朗曜成長二期股權投資基金合夥企業(有限合夥)"). The fund is managed by its general partner, CMB International Capital Management (Shenzhen) Co., Ltd. ("招銀國際資本管理(深圳)有限公司"), and is primarily engaged in equity

and quasi-equity investments. The fund' underlying assets include investments in sectors such as pharmaceutical and healthcare, new energy, high-end manufacturing, TMT, and environmental protection, through direct equity, convertible bonds, and other structured arrangements. Returns on the investment are linked to the performance of these underlying assets. We made the investment as part of our long-term capital allocation strategy, in accordance with internal treasury and risk management policies.

We adopt a strict and prudent internal control mechanism for our investments in wealth management products. Our treasury department, under the supervision of the Board, is responsible for managing investments in wealth management products. Each member of our wealth management team is equipped with extensive experience in and deep knowledge of financial matters. To make the investment decisions, our wealth management team reasonably manages the maturities of the portfolio to anticipated operating cash needs. Our investment management focuses on the efficient utilization, preservation, and appreciation of funds while aligning closely with our daily operations and long-term strategic objectives.

We primarily invest in relatively low-risk wealth management products. We make investment decisions related to wealth management products on a case-by-case basis after thoroughly considering a number of factors, including but not limited to macroeconomic environment, general market conditions, the expected profit and risks of the investment. Accordingly, our investment targets are primarily liquid, safe and low-risk financial products, including but not limited to structured deposits and fixed-income products issued by licensed financial institutions and other appropriate financial products. We require the issuing facility of the financial products shall have good credit status and financial condition, solid credit record and good profitability. To mitigate investment risks, we also diversify our investments across products issued by different financial institutions.

Our wealth management team prepares periodic report on the status and performance of our wealth management products, monitors their performance and manages redemptions based on product performance and our internal cash flow requirements. We strictly implement the annual wealth management policy approved by our Shareholders. Any investment beyond the approved scope is subject to further approval by the Board. By maximizing the efficiency of idle funds and optimizing capital allocation, we strive to generate sustainable value for our Shareholders. For our investment management, we adhere to the principles of security, liquidity, and profitability, maintaining a well-balanced approach. While ensuring effective risk management, we proactively seek investment opportunities in response to market dynamics, aiming for steady and sustainable growth in returns.

We will comply with relevant requirements under Chapter 14 of the Listing Rules and disclose the details of our investments or other notifiable transactions to the extent necessary and as appropriate after the **[REDACTED]**.

Time Deposits

Our time deposits, including current and non-current portion, represent our fixed term deposits in the bank. Our time deposits increased from RMB1,738.7 million as of December 31, 2022 to RMB4,196.6 million as of December 31, 2023, RMB6,361.1 million as of December 31, 2024 and further to RMB7,129.4 million as of June 30, 2025, primarily attributable to our improved cash position in line with our business growth over the same periods, as well as the optimization of our fund management to enhance capital efficiency.

Cash and Cash Equivalents

We had cash and cash equivalents of RMB1,438.6 million, RMB2,875.1 million, RMB3,328.2 million and RMB2,060.1 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. For a detailed analysis of our cash flow during the Track Record Period, see "— Liquidity and Capital Resources — Cash Flow Analysis."

Property, Plant and Equipment

Our property, plant and equipment consist of (i) buildings, (ii) leasehold improvements, (iii) construction in progress, (iv) machineries, (v) motor vehicles, and (vi) furniture, fixtures 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,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Buildings	1,077,532	1,632,522	1,819,617	1,893,674
Leasehold improvements	28,076	32,553	55,323	86,941
Construction in progress	529,413	385,045	554,065	944,964
Machineries	1,124,673	1,243,488	1,772,806	2,321,280
Motor vehicles	12,005	12,670	41,285	47,581
Furniture, fixtures and office equipment	17,952	27,540	35,955	41,353
Total	**2,789,651**	**3,333,818**	**4,279,051**	**5,335,793**

Our property, plant and equipment increased from RMB2,789.7 million as of December 31, 2022 to RMB3,333.8 million as of December 31, 2023, primarily due to the increase in buildings of RMB555.0 million attributable to the completion of the construction of our production bases, which were subsequently registered as our buildings. See "Business — Our Production — Production Bases" for details. For the same reason, we recorded decrease of RMB144.4 million in construction in progress during the period. Our property, plant and equipment further increased to RMB4,279.1 million as of December 31, 2024 and RMB5,335.8 million as of June 30, 2025, mainly due to the increases in machineries of RMB529.3 million and RMB548.5 million during the respective periods, which were primarily used to support our production capacity expansion plans.

Right-of-Use Assets

Our right-of-use assets consist of land use right and leased properties. Our right-of-use assets increased from RMB440.2 million as of December 31, 2022 to RMB575.9 million as of December 31, 2023, RMB821.0 million as of December 31, 2024 and further to RMB1,468.5 million as of June 30, 2025, primarily due to the increase in our land use right for the construction of our new production bases.

Trade and Other Payables

Our trade and other payables consist of (i) trade payables, mainly representing the amounts payable to suppliers of the raw materials and the logistics service providers, (ii) bills payables, (iii) construction payables, (iv) sales rebates and discounts payables, (v) payroll payables, (vi) other tax payables, (vii) deposit payables, (viii) advertising payables, (ix) beverage cooler payables, (x) accrued **[REDACTED]** costs, and (xi) other payables and accruals.

The following table sets forth a breakdown of our trade and other payables as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Trade payables	626,196	884,360	1,255,329	1,377,861
Bills payables	25,000	31,000	10,000	4,000
Construction payables	262,639	312,754	429,881	566,176
Sales rebates and discounts payables	174,652	232,388	275,781	368,794
Payroll payables	178,959	284,113	415,050	293,033
Other tax payables	156,504	223,281	479,549	188,362
Deposit payables	71,166	81,420	91,072	105,290
Advertising payables	65,658	82,671	138,955	140,120
Beverage cooler payables	—	35,273	88,053	208,386
Accrued **[REDACTED]** costs	—	—	—	3,580
Other payables and accruals	80,484	52,601	58,707	64,507
Total	**1,641,258**	**2,219,861**	**3,242,377**	**3,320,109**

Our trade and other payables increased from RMB1,641.3 million as of December 31, 2022 to RMB2,219.9 million as of December 31, 2023, primarily due to (i) the increase in trade payables of RMB258.2 million as a result of the increased purchase from our suppliers in line with our business expansion, and (ii) the increase in payroll payables of RMB105.2 million, mainly attributable to the accruals in relation to our payables for the higher employee benefits in 2023. Our trade and other payables further increased to RMB3,242.4 million as of December 31, 2024, primarily attributable to (i) the increase in trade payables of RMB371.0 million as a result of the increased purchase from our suppliers in line with our business expansion, and (ii) the increase in other tax payables of RMB256.3 million, mainly attributable to the increased VAT arising from advance payment received from our customers. Our trade and other payables subsequently increased to RMB3,320.1 million as of June 30, 2025, primarily due to (i) the increase in construction payables of RMB136.3 million, which was in line with our business growth and production capacity expansion, (ii) the increase in trade payables of RMB122.5 million as a result

of the increased purchase from our suppliers in line with our business expansion, and (iii) the increase in beverage cooler payables of RMB120.3 million as a result of our increased strategic investment in beverage cooler placement to extent our reach to end customers.

The following table sets forth the aging analysis of our trade payables based on the invoice date as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Within 90 days	621,686	879,395	1,245,084	1,376,438
91 to 180 days	4,161	748	74	250
181 to 365 days	49	530	9,170	691
Over 365 days	300	3,687	1,001	482
Total	**626,196**	**884,360**	**1,255,329**	**1,377,861**

The following table sets forth our trade payables turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	(days)			
Trade payables turnover days[(1)]	42.7	42.4	44.1	39.9

Note:

(1) Trade payables turnover days are based on the average balance of trade payables divided by cost of sales for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the years ended December 31 is 365 days, and the number of days for the six months ended June 30 is 181 days.

Our trade payables turnover days remained relatively stable at 42.7 days, 42.4 days, 44.1 days and 39.9 days in 2022, 2023, 2024 and the six months ended June 30, 2025, respectively.

As of August 31, 2025, RMB1,374.0 million, or 99.7% of our trade payables outstanding as of June 30, 2025 had been subsequently settled.

Contract Liabilities

Our contract liabilities represent (i) advance payment received from our customers related to our sales of products, and (ii) the accumulated amount of sales rebates and discounts earned by our distribution partners based on their completion of performance targets. Our contract liabilities increased from RMB1,627.2 million as of December 31, 2022 to RMB2,607.2 million as of December 31, 2023 and further to RMB4,760.6 million as of December 31, 2024, primarily due to the increase in advance payment received from our customers resulting from the stockpiling to support our sales around the upcoming Chinese New Year, as well as the increase in accrued sales rebates and discounts to our distribution partners in line with our business expansion. Our contract liabilities decreased from RMB4,760.6 million as of December 31, 2024 to RMB3,667.1 million as of June 30, 2025, primarily due to the seasonally high level of advance payments at the end of 2024, resulting from the stockpiling to support sales around the 2025 Chinese New Year.

As of August 31, 2025, RMB956.3 million, or 93.4% of our contract liabilities arising from advance payment received from our customers as of June 30, 2025 had been recognized as revenue.

Borrowings

Our borrowings, including current and non-current portion, amounted to RMB3,207.4 million, RMB3,235.9 million, RMB6,551.3 million and RMB6,128.4 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. The significant increase in our borrowings from RMB3,235.9 million as of December 31, 2023 to RMB6,551.3 million as of December 31, 2024 was primarily due to our efforts to optimize our overall capital efficiency and enhance our financial flexibility in support of our business growth. During the year, we utilized short-term borrowings with favorable interest rates to supplement our working capital and optimize the allocation of our cash resources. In particular, we maintained a disciplined approach to liquidity management, including utilizing lower-cost short-term borrowings to improve capital efficiency through the prudent allocation of surplus funds into time deposits and other low-risk wealth management products. The short-term borrowings carried interest rates generally lower than prevailing market average lending rates, thereby reducing our overall financing costs and improving capital efficiency. We believe that our current financial management practices, including the strategic use of short-term borrowings, are in the best interests of our stakeholders and are aligned with our long-term value creation objectives.

To manage the liquidity risk associated with such short-term borrowings, we adopt a prudent approach that combines disciplined cash flow planning, strong banking relationships, and active liquidity monitoring. We ensure that all short-term borrowings are arranged with clear repayment terms and are matched with sufficient liquidity reserves, such that repayment obligations can be met without impacting our operational funding needs. We closely monitor our cash position and debt maturity profile and maintain adequate levels of highly liquid assets, which can be readily accessed when needed. In addition, we have implemented a robust internal control framework governing our treasury and investment activities to safeguard our capital adequacy and repayment capability. Liquidity buffers are planned based on forecasted funding needs and are dynamically adjusted in response to changes in business circumstances and market conditions. We also perform periodic stress testing and scenario analysis to evaluate our ability to meet short-term liquidity obligations under different conditions. These measures ensure that our use of short-term borrowings remains prudent and does not create undue liquidity pressure.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements mainly with cash from operating activities, investing activities and financing activities in a balanced manner. After the **[REDACTED]**, we intend to finance our future capital requirements through cash generated from our business operations, the **[REDACTED]** from the **[REDACTED]**, and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB1,438.6 million, RMB2,875.1 million, RMB3,328.2 million and RMB2,060.1 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively.

Cash Flow Analysis

The following table sets forth our cash flows for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
			(RMB in thousands)		
Operating cash flows before movements in working capital	1,839,115	2,471,079	3,851,769	2,020,297	2,851,328
Changes in working capital	598,796	1,366,506	2,647,975	508,712	(596,909)
Income taxes paid	(427,718)	(615,570)	(792,632)	(319,433)	(519,708)
Interest received	15,913	59,255	82,296	57,717	5,751
Net cash generated from operating activities	2,026,106	3,281,270	5,789,408	2,267,293	1,740,462
Net cash used in investing activities	(3,335,769)	(758,307)	(6,875,491)	(2,587,516)	(1,225,771)
Net cash generated from/(used in) financing activities	1,764,223	(1,057,905)	1,507,450	1,844,257	(1,788,064)
Net increase/(decrease) in cash and cash equivalents	**454,560**	**1,465,058**	**421,367**	**1,524,034**	**(1,273,373)**
Cash and cash equivalents at the beginning of the year/period	999,135	1,438,572	2,875,073	2,875,073	3,328,162
Effect of foreign exchange rate changes	(15,123)	(28,557)	31,722	16,389	5,354
Cash and cash equivalents at the end of the year/period	**1,438,572**	**2,875,073**	**3,328,162**	**4,415,496**	**2,060,143**

Net Cash Generated from Operating Activities

Net cash generated from operating activities in the six months ended June 30, 2025 was RMB1,740.5 million, which primarily consisted of profit before tax of RMB3,001.6 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) interest income of RMB130.0 million and (ii) gain on fair value changes of financial assets at FVTPL of RMB101.6 million. The amount was further adjusted by changes in working capital, primarily including (i) the decrease in contract liabilities

of RMB1,093.5 million, primarily due to the seasonally high level of advance payments at the end of 2024, and (ii) the decrease in inventories of RMB567.9 million, as a result of the sell-through of inventories stockpiled at the end of 2024 in preparation for the upcoming Chinese New Year.

Net cash generated from operating activities in 2024 was RMB5,789.4 million, which primarily consisted of profit before tax of RMB4,107.3 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) interest income of RMB317.4 million and (ii) finance costs of RMB102.9 million. The amount was further adjusted by changes in working capital, primarily including (i) the increase in contract liabilities of RMB2,153.3 million, primarily due to the increased advance payment received from our customers, and (ii) the increase in trade and other payables of RMB940.2 million, as a result of increased purchase from suppliers to support our business growth.

Net cash generated from operating activities in 2023 was RMB3,281.3 million, which primarily consisted of profit before tax of RMB2,579.3 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) interest income of RMB166.9 million and (ii) gain on fair value changes of financial assets at FVTPL of RMB123.5 million. The amount was further adjusted by changes in working capital, primarily including (i) the increase in contract liabilities of RMB980.1 million, primarily due to the increased advance payment received from our customers, and (ii) the increase in trade and other payables of RMB544.8 million, as a result of increased purchase from suppliers to support our business growth.

Net cash generated from operating activities in 2022 was RMB2,026.1 million, which primarily consisted of profit before tax of RMB1,836.0 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily included (i) gain on fair value changes of financial assets at FVTPL of RMB53.6 million, (ii) interest income of RMB49.1 million, and (iii) depreciation of property, plant and equipment of RMB31.5 million. The amount was further adjusted by changes in working capital, primarily including (i) the increase in contract liabilities of RMB385.8 million, primarily due to the increased advance payment received from our customers, and (ii) the increase in trade and other payables of RMB168.7 million, as a result of increased purchase from suppliers to support our business growth.

Net Cash Used in Investing Activities

Net cash used in investing activities in the six months ended June 30, 2025 was RMB1,225.8 million, which primarily consisted of (i) purchases of financial assets at FVTPL of RMB8,325.1 million, and (ii) placement of time deposits of RMB2,302.1 million; partially offset by proceeds from disposal of financial assets at FVTPL of RMB9,118.1 million.

Net cash used in investing activities in 2024 was RMB6,875.5 million, which primarily consisted of (i) purchases of financial assets at FVTPL of RMB10,903.8 million, and (ii) placement of time deposits of RMB8,652.2 million; partially offset by proceeds from disposal of financial assets at FVTPL of RMB7,593.9 million.

Net cash used in investing activities in 2023 was RMB758.3 million, which primarily consisted of (i) purchase of financial assets at FVTPL of RMB4,921.9 million, and (ii) placement of time deposits of RMB4,250.7 million; partially offset by proceeds from disposal of financial assets at FVTPL of RMB7,418.6 million.

Net cash used in investing activities in 2022 was RMB3,335.8 million, which primarily consisted of (i) purchase of financial assets at FVTPL of RMB4,650.0 million, and (ii) placement of time deposits of RMB1,556.6 million; partially offset by proceeds from disposal of financial assets at FVTPL of RMB3,608.3 million.

Net Cash Generated from/Used in Financing Activities

Net cash used in financing activities in the six months ended June 30, 2025 was RMB1,788.1 million, which primarily consisted of (i) repayment of borrowings of RMB4,428.5 million, and (ii) dividends paid of RMB1,300.0 million; partially offset by additions of borrowings of RMB3,997.2 million.

Net cash generated from financing activities in 2024 was RMB1,507.5 million, which primarily consisted of additions of borrowings of RMB9,353.5 million; partially offset by (i) repayment of borrowings of RMB6,011.4 million, and (ii) dividends paid of RMB2,000.1 million.

Net cash used in financing activities in 2023 was RMB1,057.9 million, which primarily consisted of (i) repayment of borrowings of RMB5,724.1 million, and (ii) dividends paid of RMB800.0 million; partially offset by additions of borrowings of RMB5,730.2 million.

Net cash generated from financing activities in 2022 was RMB1,764.2 million, which primarily consisted of additions of borrowings of RMB3,516.3 million; partially offset by (i) repayment of borrowings of RMB949.3 million, and (ii) dividends paid of RMB600.0 million.

INDEBTEDNESS

The following table sets forth our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,	As of August 31,
	2022	2023	2024	2025	2025
					(unaudited)
			(RMB in thousands)		
Borrowings	3,207,429	3,235,888	6,551,337	6,128,398	7,114,666
Lease liabilities	98,746	108,964	98,495	429,918	425,616
Total	**3,306,175**	**3,344,852**	**6,649,832**	**6,558,316**	**7,540,282**

Borrowings

For details of our borrowings during the Track Record Period, see "— Discussion of Certain Key Items from Our Consolidated Statements of Financial Position — Borrowings." As of August 31, 2025, the carrying amount of our borrowings amounted to RMB7,114.7 million, all of which were unsecured and unguaranteed.

Lease Liabilities

Our lease liabilities represent the payment obligations on our leases in relation to our leased properties that are used mainly as our offices, warehouses and plants. The carrying amount of our lease liabilities amounted to RMB98.7 million, RMB109.0 million, RMB98.5 million and RMB429.9 million as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. As of August 31, 2025, the carrying amount of our lease liabilities amounted to RMB425.6 million, of which RMB36.5 million were secured by our rental deposits and unguaranteed, RMB53.3 million were unsecured and unguaranteed and RMB335.8 million was unsecured and guaranteed by our Company.

Our Directors confirm that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, our unutilized bank facilities amounted to RMB2,691.0 million. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did

not experience any difficulties in obtaining credit facilities, or withdrawal of facilities or requests for early repayment. Our Directors confirm that there has not been any material change in our indebtedness since August 31, 2025 and up to the date of this Document.

Saved as otherwise disclosed under sections headed "— Indebtedness" and "— Contractual Obligations," as of August 31, 2025, being the latest practicable date for determining our indebtedness, we did not have any other loan issued and outstanding or any loan agreed to be issued, bank overdrafts, loans and other similar indebtedness, liabilities under acceptances or acceptance credits or hire purchase commitments, debentures, mortgages, charges, guarantees or other material contingent liabilities.

CONTINGENT LIABILITIES

During the Track Record Period and up to June 30, 2025, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

Our historical capital expenditures primarily included purchases of property, plant and equipment, purchases of right-of-use assets and purchases of intangible assets. The following table sets forth our capital expenditures for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
	(RMB in thousands)			
Purchases of property, plant and equipment	739,557	776,708	1,312,359	1,003,520
Purchases of right-of-use assets	40,596	137,453	364,993	8,478
Purchases of intangible assets	9,622	2,131	12,130	5
Total	**789,775**	**916,292**	**1,689,482**	**1,012,003**

We will continue to make capital expenditures to meet the expected growth of our business and our expansion plan. See "Future Plans and Use of **[REDACTED]** — Use of **[REDACTED]**." We intend to fund our future capital expenditures with financial resources available to us, including our existing cash balance, cash generated from our operation activities, and net **[REDACTED]** from the **[REDACTED]**.

CONTRACTUAL OBLIGATIONS

Capital Commitments

Our capital commitments mainly represent the capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the historical financial information. Our capital commitments increased from RMB574.1 million as of December 31, 2022 to RMB607.8 million as of December 31, 2023, RMB1,034.0 million as of December 31, 2024 and further to RMB1,709.2 million as of June 30, 2025, which was in line with our business growth and production capacity expansion.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Revenue growth rate[(1)]	N/A	32.4%	40.6%	36.4%
Gross profit margin[(2)]	41.6%	42.3%	44.1%	44.4%
Net profit growth rate[(3)]	N/A	41.6%	63.1%	37.2%
Net profit margin[(4)]	16.9%	18.1%	21.0%	22.1%
Current ratio[(5)]	1.1	1.1	0.9	0.9
Quick ratio[(6)]	1.0	1.0	0.8	0.8
Gearing ratio[(7)]	65.3%	52.9%	86.5%	75.0%
Return on equity[(8)]	31.0%	35.8%	47.5%	N/A[(9)]

Notes:

(1) Calculated by revenue increase for the year/period divided by revenue for the previous year/period.

(2) Calculated by gross profit for the year/period divided by revenue for the same year/period.

(3) Calculated by net profit increase for the year/period divided by net profit for the previous year/period.

(4) Calculated by profit for the year/period divided by revenue for the same year/period.

(5) Calculated by current assets as of the end of the year/period divided by current liabilities as of the end of the same year/period.

(6) Calculated by current assets as of the end of the year/period less inventories as of the end of the same year/period divided by current liabilities as of the end of the same year/period.

(7) Calculated by total debt (including lease liabilities and interest-bearing debt borrowings) as of the end of the year/period divided by total equity as of the end of the same year/period and multiplied by 100%.

(8) Calculated by profit for the year/period divided by the average of the beginning and ending balances of total equity for the same year/period and multiplied by 100%.

(9) Return on equity (ROE) for the six months ended June 30, 2025 is not presented, as the metric is typically calculated on a full-year basis. Given the seasonal nature of our business and potential fluctuations in average equity during the period, the half-year ROE would not be meaningful or comparable to full-year figures.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 31 to the Accountants' Report included in Appendix I to this Document.

Our Directors are of the view that each of the related party transactions set out in Note 31 to the Accountants' Report included in Appendix I to this Document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as Shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

FINANCIAL RISKS DISCLOSURE

Our activities expose us to a variety of financial risks, namely market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Our overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market Risk

Currency risk

We collect most of our revenue and incurs most of the expenditures in RMB. In addition, we have intra-group balances with several subsidiaries denominated in foreign currency which also expose us to foreign currency risk. We currently do not have a foreign currency hedging policy. However, the management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arise.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to time deposits, fixed-rate borrowings and lease liabilities. We are exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate borrowings. The cash flow interest rate risk is mainly concentrated on the fluctuation of the prevailing market interest rate on bank balances and LPR on borrowings.

Interest Rate Sensitivity

The sensitivity analyses have been prepared based on the exposure to interest rates at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period were outstanding for the whole year. A 100 basis point increase or decrease in variable-rate borrowings are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the possible change in interest rate. Bank balances are excluded from sensitivity analysis as our management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

Price Risk

We exposed to equity price risk through our investments in equity securities measured at FVTPL. For equity securities measured at FVTPL quoted in the Stock Exchange, our management manages this exposure by maintaining a portfolio of investments with different risks.

For further details of our market risk, see Note 37(b) to the Accountants' Report included in Appendix I to this Document.

Credit Risk and Impairment Assessment

At the end of each reporting period, our maximum exposure to credit risk which will cause a financial loss to us due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognized financial assets as stated in the consolidated statements of financial position at the end of each reporting period.

Trade Receivables, Amounts Due From Related Parties and Amounts Due From Subsidiaries Arising From Contracts With Customers

In order to minimize the credit risk, our management has delegated the responsible personnel for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. We may require a deposit to be received from most of the customers before acceptance of orders. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, our Directors consider that our credit risk is significantly reduced.

In addition, we perform impairment assessment under ECL model on trade receivables, amount due from a related party and amounts due from subsidiaries in trade nature which are credit-impaired individually. The remaining trade receivables, amounts due from related parties and amounts due from subsidiaries are grouped and assessed on collective basis based on the nature of customers and customers' aging of outstanding balances.

The estimated loss rates are estimated based on the nature of customers and customers' aging of outstanding balances and are adjusted for forward-looking information (for example, the macroeconomic conditions affecting the industry and the impact that may affect debtor ability to make payments) that is available without undue cost or effort. The same expected credit loss rate was adopted throughout the Track Record Period, primarily because (i) there is no material change in the nature of customers and customers' aging of outstanding balances throughout the Track Record Period, and (ii) there is no material change in the forward-looking rates as affected by the macroeconomic conditions affecting the industries and the impact that may affect debtors' ability to make payments.

Other Receivables and Non-Trade Amounts Due From Subsidiaries

We assessed the loss allowance for other receivables and amounts due from subsidiaries on 12m ECL basis as we have considered that credit risks on these financial assets have not increased significantly since initial recognition. In determining the ECL, we have taken into account the historical default experience and forward-looking information as appropriate. We have considered

the consistently low historical default rate in connection with payments and we also actively monitor the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss.

Time Deposits, Restricted Bank Deposits and Bank Balances

The credit risks on time deposits, restricted bank deposits and bank balances are limited because the counterparties are authorized banks in the PRC with high credit ratings assigned by external credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are placed with several banks, we do not have any other significant concentration of credit risk.

We assessed 12m ECL for time deposits, restricted bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies.

For further details of our credit risk, see Note 37(b) to the Accountants' Report included in Appendix I to this Document.

Liquidity Risk

In the management of the liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows.

For further details of our liquidity risk, see Note 37(b) to the Accountants' Report included in Appendix I to this Document.

DIVIDENDS

We declared annual dividends of RMB800.0 million, RMB1,000.0 million and RMB2,300.0 million for the year ended December 31, 2022, 2023 and 2024, respectively. As of the Latest Practicable Date, the aforementioned dividends had been paid in full. In October 2024, 120,003,000 ordinary shares were approved and issued as bonus shares. The resolution of an interim dividend for the six months ended June 30, 2025 of RMB1,300.0 million has been approved by our Board of Directors on July 25, 2025. As of the Latest Practicable Date, such interim dividend had been paid in full. See Note 40 to the Accountants' Report in Appendix I to this Document for details.

In April 2024, our Board established a shareholder return and dividend policy for the next three years (the "**Dividend Policy**"), which was approved by our Shareholders in the same month. Pursuant to the Dividend Policy and our Articles of Association, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. A fixed dividend payout ratio was not stipulated in the Dividend Policy. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC Law and approval by our Shareholders.

We intend to distribute cash dividends to our Shareholders at least on an annual basis, subject to the discretion of our Directors in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong.

Our future declarations of dividends may not be in line with our historical declaration of dividends and will be subject to the approval of our Shareholders. See "Risk Factors — Risks Relating to the **[REDACTED]** — Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute dividend in the future" in this Document for details.

WORKING CAPITAL SUFFICIENCY

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, operating cash flows, available financing facilities, and the estimated net **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this Document.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we had distributable reserve comprising the retained profits of our Company amounting to RMB2,654.4 million, which was available for distribution.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses mainly include (i) **[REDACTED]** expenses, such as **[REDACTED]** fees and commissions, and (ii) **[REDACTED]** expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming full payment of the discretionary **[REDACTED]**, the estimated total **[REDACTED]** expenses (based on the mid-point of the **[REDACTED]** Range and assuming that the **[REDACTED]** is not exercised) for

the **[REDACTED]** are approximately HK$**[REDACTED]**, accounting for approximately of **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]** expenses, we expect to pay **[REDACTED]** expenses of HK$**[REDACTED]** million, professional fees for our and the **[REDACTED]** legal advisors and Reporting Accountants of HK$**[REDACTED]** and other fees and expenses of HK$**[REDACTED]**. An estimated amount of HK$**[REDACTED]** million for our **[REDACTED]** expenses, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**, is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** million is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**. We recognized **[REDACTED]** expenses of RMB**[REDACTED]** for the six months ended June 30, 2025 in our consolidated statements of profit or loss and other comprehensive income.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this Document, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since June 30, 2025, being the end date of our latest audited financial statements, and there has been no event since June 30, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except for the amounts due from related parties as disclosed in this section, as of the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

The following unaudited **[REDACTED]** statement of adjusted consolidated net tangible assets of our Group attributable to owners of our Company which has been prepared in accordance with paragraph 4.29 of the Listing Rules is for illustration only, and is set out below to illustrate the effect of the proposed **[REDACTED]** (as defined in this Document) on the consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025, as if the **[REDACTED]** had taken place on that date. The unaudited **[REDACTED]** statement of adjusted consolidated net tangible assets of our Group attributable to owners of our Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025 or as of any subsequent dates following the **[REDACTED]**.

The following unaudited **[REDACTED]** statement of adjusted consolidated net tangible assets of our Group attributable to owners of our Company is prepared based on the audited consolidated net tangible assets of our Group attributable to owners of our Company as of June 30, 2025 as derived from the Accountants' Report set out in Appendix I to this Document, and adjusted as described below.

[REDACTED]

[REDACTED]

See "Unaudited **[REDACTED]** Financial Information" in Appendix II to this Document for details.

FUTURE PLANS

See "Business — Strategies" in this Document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share (being the mid-point of the **[REDACTED]** Range of between HK$**[REDACTED]** and HK$**[REDACTED]** per H Share), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated expenses paid and payable by us in connection with the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised. In line with our strategies, we intend to use our **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to enhancing our production capacity and upgrading our supply chain in the next three to five years. This will help meet our rapid growth demands while continuously improving production and supply efficiency and solidifying cost advantages. In particular:

  (i) Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used to construct new domestic production facilities to support our nationwide expansion and sustainable growth, thus addressing the growing consumer demand for functional beverages and other soft beverage products.

  (ii) Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used to upgrade our existing domestic production bases, by constructing new production lines to increase capacity, purchasing or upgrading relevant equipment, and expanding warehousing facilities. This will enable us to effectively meet growing consumer demand and our continuously expanding product portfolio.

  (iii) Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used to establish supply chain infrastructure, including warehouses, in key overseas markets to meet the growing demand in those regions, such as Southeast Asian countries including Indonesia, Vietnam, and Malaysia, and eventually achieving localized operations. We may selectively extend upstream in the supply chain, strengthening partnerships to source raw materials locally and support overseas business growth.

The functional beverage industry in China has experienced sustained growth. According to Frost & Sullivan, in terms of retail sales, it is expected that the market share of functional beverage industry in the soft beverage industry will increase from 13.8% in 2025 to 16.7% in 2029, reflecting a CAGR of 10.9% from 2025 to 2029. The rapid growth of the functional beverage industry is primarily driven by the steadily increasing consumer demand for these products. From 2025 to 2029, the CAGR of per capita consumption of functional beverages in China is expected to reach 10.1%, indicating a huge market potential.

In light of this significant market opportunity, we believe our business model and competitive strengths make us well-positioned to capitalize on the fast-growing functional beverage market in China, with our industry leadership, established brand awareness and strong consumer recognition to drive long-term growth. Our market share in terms of sales volume in China's functional beverage industry increased from 15.0% in 2021 to 26.3% in 2024, according to Frost & Sullivan. We will strive to maintain or increase our market share in the future, as we continually and steadily expand our business scale and enhance penetration. In line with the market trend, our overall designed production capacity increased from 2.8 million tons in 2022 to 4.9 million tons in 2024, while our utilization rate also improved from 73.4% to 89.5% during the same period, demonstrating strong and efficient deployment of incremental production capacity.

Accordingly, we plan to use our **[REDACTED]** from the **[REDACTED]** to further expand and optimize our production infrastructure to support future growth and improve our profitability through economies of scale. We plan to upgrade and expand four of our existing production bases and construct four new production bases to increase our production capacity. We intend to produce functional beverage products and other beverage products at such production bases. The table below sets out details of the production bases and our intended allocation of net **[REDACTED]** among them. As advised by our PRC Legal Adviser, we had complied with the relevant approval and filing requirements under applicable laws and regulations for each of the aforementioned production bases in accordance with its respective stage of construction and expansion, as of the Latest Practicable Date. We plan to obtain all additional approvals and permits required for the subsequent stages of construction and operation of these production bases in accordance with applicable laws and regulations. Our PRC Legal Adviser is of the view that there is no material legal impediment in obtaining such approvals and permits.

Production base	Increased annual production capacity	Expected completion time	Intended allocation of net [REDACTED] from the [REDACTED]*
	(thousand tons)		*(HK$ in millions)*
Anhui (expansion)	461.5	Fourth quarter, 2026	**[REDACTED]**
Nanning (expansion)	359.0	Fourth quarter, 2025	**[REDACTED]**
Chongqing (expansion)	267.5	Fourth quarter, 2025	**[REDACTED]**
Changsha (expansion)	430.7	Fourth quarter, 2025	**[REDACTED]**
Tianjin	1,155.8	First quarter, 2026	**[REDACTED]**
Kunming	1,155.8	Third quarter, 2026	**[REDACTED]**
Zhongshan	1,493.2	Second quarter, 2026	**[REDACTED]**
Hainan	1,155.8	Fourth quarter, 2027	**[REDACTED]**

Note:

* The **[REDACTED]** are expected to be applied to the expansion and construction of the production bases in the next three to five years, primarily including the construction of new production lines, the procurement and upgrade of production equipment and facilities for technical upgrade, and the expansion of warehousing facilities.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to enhancing our brand building and consumer engagement in the next three to five years to continuously strengthen our brand influence.

  Specifically, we will continue to implement targeted marketing for various scenarios, leveraging multi-dimensional marketing campaigns to further enhance our brand value and visibility. Our strategy involves designing customized marketing campaigns that integrate target consumers, consumption scenarios and product offerings. By developing targeted marketing initiatives for specific consumer groups, and aligning them with product consumption scenarios, we aim to reinforce our brand identity.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to advancing our nationwide expansion strategy, strengthening, deepening, and refining our channel network in the next three to five years.

  Specifically, we will invest in equipment such as beverage coolers to strengthen coverage of end-customers. We intend to continuously promote our "cooler display" strategy and increase the deployment and scale of beverage coolers at POS. In the next three to five years, we plan to acquire and deploy approximately 600 thousand beverage coolers nationwide in prefecture-level cities to increase the penetration and coverage of our sales network. In addition, we will continuously enhance the channel cultivation

capabilities of our national sales team. This will enable us to provide comprehensive operational support and services to our distribution partners, supporting our sustained business growth.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to overseas business expansion and potential investments and acquisitions in the next three to five years. Overseas expansion is a vital pillar of our globalization strategy, with our products now reaching consumers in Vietnam, Malaysia, and beyond. We will actively explore market opportunities overseas, adopting flexible operating models tailored to local markets. Our strategy focuses on Southeast Asia in the near term, with plans to expand into the United States and other regions in the mid-to-long term. In particular:

  (i) Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used for investments in overseas market, including channel expansion, brand promotion, and product development:

  For key regions with high market potential, we plan to selectively allocate additional resources through initiatives such as establishing overseas joint ventures or subsidiaries, building localized teams, and expanding local distribution channels to better capture market opportunities. As our overseas markets develop, we will implement diverse and multi-dimensional marketing campaigns tailored to local consumer preferences, further communicating our brand spirit, enhancing our brand recognition, and strengthening our market presence abroad. We will also continuously drive the localization of product flavors, formulations, and packaging based on consumer preferences in different markets and develop region-specific soft beverage products to meet the needs of global consumers.

  (ii) Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be used to for potential investments and acquisitions. We will evaluate investment or acquisition opportunities along the supply chain, particularly targeting companies with established production capabilities, proprietary brands or self-owned production lines, to enhance market share and business diversification. When evaluating potential targets, we will mainly consider the following: (a) whether the investment in, or acquisition of, the target can enhance brand influence and generate strategic value to our strategic plans; for example, we expect the target to further enrich our product offerings and enhance our brand recognition in complement categories or geographical regions; (b) evaluation of operating and financial performance of the target; we would expect our the target to (x) have recorded a revenue of not less than RMB100 million or a net profit of not less than RMB20 million for the most recent financial year, or (y) have a production

capacity of not less than 300 thousand tonnes; and (c) we will also consider cultural fit, potential synergies to the existing business, among others. The criteria are subject to adjustment based on changes in the market conditions and our strategic needs. We may consider acquisitions or minority investments when appropriate opportunities arise. In pursuing acquisitions, we are generally flexible in transactional structures. We expect that such investments or acquisitions will enable us to leverage local operational expertise in overseas markets and generate synergies across branding, distribution and production, thereby creating long-term value by expanding our revenue streams and diversifying our geographic coverage. According to Frost & Sullivan, there were around one hundred available targets in the soft beverage industry in overseas market, primarily including Southeast Asia, Europe, Latin America, Middle East and Africa, that match our selection criteria for acquisitions as of the end of 2024. As of the Latest Practicable Date, we had not identified specific targets or entered into definitive agreements.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to advancing our digitalization capabilities across full cycle of our business in the next three to five years.

  Specifically, we plan to further develop our digital system through: (i) digitalization capabilities across key processes throughout our supply chain to enable seamless integration of digital systems, which in turn upgrading our full-cycle digital operation solutions; (ii) upgrading front-end operation systems, such as consumer mini programs, marketing systems, and data analytics tools, which could enhance efficiency of consumer engagement and feedback, as well as further improving data analytics capabilities, such as optimizing model algorithms to enhance business decision-making efficiency and accuracy; and (iii) investing in and upgrading hardware and digital infrastructure to enhance system efficiency, supporting our business growth, thus attracting more business partners into our full-cycle digital operating system.

  In addition, we will continuously enrich our digitalization and IT talents, as well as invest in the digitalization capabilities of our existing workforce through technology training and specialized skill development programs.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to enhancing our product development capabilities and expanding our product portfolio in the next three to five years. We will further enhance our product development capabilities by continuously investing in product development equipment, conducting in-depth product development and market research projects, and expanding our R&D talent pool with experienced professionals.

Specifically, we will upgrade and acquire product development equipment and facilities, including five to ten units of formulation and quality testing equipment, for the testing and refinement of beverage formulations in connection with the development of new flavor and product categories. We also plan to purchase five to ten sets of sterilization and processing systems to enhance our capabilities in ensuring product safety, preserving the natural flavor of beverages and improving product functionality. The cost for upgrading and purchasing these product development equipment and facilities are estimated to be approximately HK$[111.6] million. We aim to expand our product portfolio and respond more efficiently to evolving consumer preferences and emerging market trends. To enhance our R&D capabilities, we also plan to recruit around ten R&D talents annually including specialists in food processing and safety, and food science and biology, among others, to join our R&D force.

- Approximately **[REDACTED]** of the net **[REDACTED]**, or HK$**[REDACTED]** million, will be allocated to working capital and general corporate purposes.

In the event that the **[REDACTED]** is set at the **[REDACTED]** or the **[REDACTED]** of the indicative **[REDACTED]** range, the net **[REDACTED]** of the **[REDACTED]** will increase or decrease by approximately HK$**[REDACTED]** million, respectively.

If the **[REDACTED]** is exercised in full, we will receive additional net **[REDACTED]** of approximately HK$**[REDACTED]** million, HK$**[REDACTED]** million and HK$**[REDACTED]** million if the **[REDACTED]** is fixed at HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** per H Share, being the high-end, midpoint and low-end of the **[REDACTED]** range, respectively.

To the extent that the net **[REDACTED]** from the **[REDACTED]** (including the net **[REDACTED]** from the exercise of the **[REDACTED]**) are either more or less than expected, we may adjust our allocation of the net **[REDACTED]** for the above purposes on a pro rata basis. To the extent that the net **[REDACTED]** of the **[REDACTED]** are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

Upon the **[REDACTED]**, certain transactions between us and the following connected person will constitute continuing connected transactions under Chapter 14A of the Listing Rules:

Connected person	Connected relationship
Shenzhen Pengzhirui Digital Marketing Co., Ltd.* (深圳鵬智瑞數字營銷有限公司) ("**Pengzhirui**")	As of the Latest Practicable Date, Mr. Lin, our Controlling Shareholder, indirectly through Zhenchanghui Investment (Shenzhen) Co., Ltd.* (臻昌匯投資(深圳)有限公司) ("**Zhenchanghui Investment**") controls 100% of the equity interests in Pengzhirui. Accordingly, Pengzhirui and its subsidiaries are associates of Mr. Lin, and will become our connected persons upon the **[REDACTED]**.

Pengzhirui was established in July 2017 as a wholly-owned subsidiary of our Group and has been primarily engaged in the provision of sales and marketing digitalization services for companies in the fast-moving consumer goods industry. Pengzhirui was subsequently transferred by our Company to Zhenchanghui Investment in May 2023, given Pengzhirui incurred net loss prior to its disposal and we consider that the disposal of Pengzhirui would help further optimize our assets and business structure to focus on our core business of development, production and sales of functional beverages. Prior to its disposal, the revenue and net loss of Pengzhirui for the year ended December 31, 2022 was RMB22.9 million and RMB1.6 million, respectively. To the best of our knowledge upon due enquiry, Pengzhirui was not subject to any material non-compliance incidents, claims, litigations or legal proceedings (whether actual or threatened) prior to the aforementioned disposal.

PARTIALLY NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Technical Services Procurement Framework Agreement

Parties

(i) our Company; and

(ii) Pengzhirui

Principal terms

The Company entered into a framework agreement with Pengzhirui on [•], 2025 (the "**Technical Services Procurement Framework Agreement**"), pursuant to which our Group will procure from Pengzhirui (including its subsidiaries) technical services for the research and development of new modules or new functions of our marketing and sales related information technology systems, and operation and maintenance services relating to such modules and/or systems (the "**Technical Services Procurement Arrangements**").

The Technical Services Procurement Framework Agreement is valid for a term commencing on [•], 2025 and ending on December 31, 2027, and subject to renewal for another three years upon parties' mutual agreements and we will comply with the applicable requirements under the Listing Rules and applicable internal requirements upon renewal. Pengzhirui and/or its subsidiaries (on the one hand) and members of the Group (on the other hand) will enter into separate underlying agreements, which will set out the specific terms and conditions according to the principles provided in the Technical Services Procurement Framework Agreement.

Pricing Policy

The technical service fees charged by Pengzhirui under the transactions subject to the Technical Services Procurement Framework Agreement have been and will be determined on arm's length basis, and are typically charged based on the unit service price in terms of the number of days contributed by relevant technical personnel to the specific project. The technical service fees are determined with references to factors including (i) based on the complexity and the scope of services required for each specific system development and/or upgrade project, estimates in respect of the number of technical personnel involved and the number of days contributed by such technical personnel on such system development and upgrade project; and (ii) the fee quotes for similar services of comparable technical calibre provided by Independent Third Party service vendors, and with respect to certain tailor-made systems and modules to be developed by Pengzhirui for us where there is limited supply of the same type of services offered by Independent Third Parties in the market, the degree of tailor-made and specifications required of such systems or modules. To ensure that the pricing of the services and goods provided by Pengzhirui is on normal commercial terms, fair and reasonable and in the interests of our Shareholders as a whole, we will conduct an assessment process through comparing the pricing and terms of the services and goods offered by Pengzhirui (and/or its subsidiaries) with those offered by other suppliers prior to entering into transactions with Pengzhirui.

Historical amount

Pengzhirui was previously our wholly-owned subsidiary and its 100% equity interests were transferred by our Company to Zhenchanghui Investment (a company wholly-owned by Mr. Lin) in May 2023, and the connected transaction amount only began to be incurred between our Group and Pengzhirui upon completion of the transfer. The approximate aggregate transaction amounts between our Group and Pengzhirui for the Technical Services Procurement Arrangements for the years ended December 31, 2023 and 2024 and for the six months ended June 30, 2025 are as follows:

For the year ended December 31,		For the six months ended June 30,
2023	**2024**	**2025**
(RMB'000)	*(RMB'000)*	*(RMB'000)*
21,170	28,020	16,551

The aforementioned transaction amount between our Group and Pengzhirui for the year ended December 31, 2023 represents the transaction amount incurred for Technical Services Procurement Arrangements upon completion of Pengzhirui's transfer. Taking into account such amount and the amount of intragroup transactions in respect of such technical services involved for sales and marketing digitalization prior to the transfer of Pengzhirui, the transaction amounts for the years ended December 31, 2023 and 2024 are at similar levels, while the annualized transaction amount based on the transaction amount for the six months ended June 30, 2025 saw a slight increase, which was in line with our continual efforts enhancing sales and marketing digitalization in our business operations.

Annual caps and basis

We expect the annual capped transaction amount under the Technical Services Procurement Arrangements for the years ending December 31, 2025, 2026 and 2027 to be as follows:

For the year ending December 31,		
2025	**2026**	**2027**
(RMB'000)	*(RMB'000)*	*(RMB'000)*
35,850	50,000	60,000

In determining the annual caps for the transactions contemplated under the Technical Services Procurement Framework Agreement, we have primarily considered, among other things, the following:

(i) the historical transaction amounts incurred and the unit price charged by Pengzhihui previously in our procurement of technical services under the Technical Services Procurement Arrangements;

(ii) the estimated increase in volume for the technical services to be procured from Pengzhirui in the coming three years, taking into account the increase in demand for such services as we continue to improve the effectiveness of our sales and marketing digitalization to include new digital tools and new or improved functionality in our existing tools, in line with the continual expansion of our sales and marketing network at an annual incremental rate estimated to be approximately 20%. In addition, we plan to expand our digitalization initiatives to our sales and marketing network in overseas markets in late 2025 and in 2026, which is expected to result in additional procurement for technical services of approximately 15% in 2026, attributable to a bigger portion of initial build-up costs for establishment of relevant digitalization tools and systems adapting to the needs of overseas markets; and

(iii) the estimated moderate increase in the unit price per manhour charged for such technical services, which is in line with the general trend for costs of human resources with technical capability.

Reasons for the transaction

In line with our end-to-end digital operation model and our strategy to continuously improve the effectiveness of our digital tools to optimize our sales and marketing operations, we would require specific technical assistance in our continuous development and upgrading of the modules and functions of our digital tools and systems that are tailor-made to our business needs and operations, as opposed to a generic sales and marketing system adopted by other consumer products manufacturers. At the same time, we have already established a stable business relationship with Pengzhirui, which has through past cooperation with us acquired a comprehensive understanding of our business and operational requirements, and could translate their understanding and experience working with us into designing and adapting system solutions that would best cater to our business and operational needs. Accordingly, we also consider that it may bring about unnecessary inconvenience and additional costs to our Group if we were to engage Independent Third Parties only to provide such technical services, as these Independent Third Parties might need to spend time and costs to familiarize with our systems. Taking into

account the aforementioned and the unit price charged by Pengzhirui (vis-a-vis the unit price quoted by Independent Third Parties), we consider that Pengzhirui has been able to provide us with digitalization-related technical services in a more cost-efficient manner.

Accordingly, we believe it is in the best interest of the Group and our Shareholders as a whole to continue the Technical Services Procurement Arrangements with Pengzhirui as they are capable of fulfilling our demands with a stable and high quality supply of services on terms which are similar to or better than those offered by Independent Third Parties.

Listing Rules implications

Given the highest applicable percentage ratio of the transactions contemplated under the Technical Services Procurement Framework Agreement calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, these transactions will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules but will be exempted from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

WAIVER GRANTED BY THE STOCK EXCHANGE

After the **[REDACTED]**, the Group expects to continue to carry out the transactions contemplated under the Technical Services Procurement Framework Agreement on a recurring and continuing basis. As the Technical Services Procurement Arrangements are expected to be carried out on a continuing basis and to extend over a period of time, and the material terms of the Technical Services Procurement Framework Agreement post-**[REDACTED]** are disclosed in this Document and potential **[REDACTED]** will participate in the **[REDACTED]** on the basis of (among others) these disclosures, our Directors consider that strict compliance with the announcement requirements under Chapter 14A of the Listing Rules would be unduly burdensome and, in particular, would induce unnecessary administrative costs to our Company.

As a result, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], subject to the condition that the maximum aggregate annual transaction amount shall not exceed the annual caps as stated above, a waiver under Rule 14A.105 of the Listing Rules to exempt the Technical Services Procurement Arrangements from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules.

Our independent non-executive Directors and auditors of our Company will review whether the above continuing connected transactions have been entered into pursuant to the principal terms and pricing policies as disclosed in this section. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually in accordance with the requirements of the Listing Rules. In addition, we confirm that we will comply with the relevant requirements under Chapter 14A of the Listing Rules and immediately inform the Stock Exchange if any of the annual caps set out above is exceeded, or when there is a material change in the terms of these transactions.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the Technical Services Procurement Arrangements as set out above have been and will be carried out in our ordinary and usual course of business and on normal commercial terms (or better), and are fair and reasonable and in the interest of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors have (i) reviewed the relevant documents and information provided by the Company in relation to the aforesaid partially exempt continuing connected transaction, (ii) obtained necessary representations and confirmations from the Company, and (iii) participated in the due diligence and discussions with the management of our Group. Based on the above, the Joint Sponsors are of the view that, as of the date of this Document, the Technical Services Procurement Arrangements have been and will be entered into in the ordinary and usual course of business of the Company on normal commercial terms (or better) which are fair and reasonable, and in the interests of the Company and its Shareholders as a whole, and the proposed annual caps in respect of the Technical Services Procurement Arrangements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

BOARD OF DIRECTORS

Our Board of Directors comprises ten Directors, including six executive Directors and four independent non-executive Directors. Our Directors are elected for a term of three years and are subject to re-election, provided that the cumulative term of an independent non-executive Director shall not exceed six years pursuant to the relevant PRC laws and regulations.

The following table sets out information in respect of the Directors.

Name	Age	Position/Title	Date of Appointment as a Director	Date of Joining our Group	Role and Responsibility
Executive Directors					
Mr. LIN Muqin (林木勤)	[61]	Chairman of the Board, executive Director and chief executive officer	October 2003*Note*	March 1997	Managing the operations of the Board, strategic planning of our Group development, presiding over the work of the Board and business direction, business planning and decision-making of our Group
Mr. LIN Mugang (林木港)	[55]	Executive Director and executive president	October 2003*Note*	March 2001	Strategic marketing planning and operational management of our Group and overall management of the Guangdong marketing headquarters
Mr. LU Yifu (盧義富)	[53]	Executive Director and vice president	February 2024	September 2018	Operational management of our Group and overall management of the national marketing headquarters

Name	Age	Position/Title	Date of Appointment as a Director	Date of Joining our Group	Role and Responsibility
Ms. JIANG Weiwei (蔣薇薇)	[45]	Executive Director and vice president	February 2024	September 2017	Planning and execution of branding and marketing strategy management of our Group, as well as the management of product development planning
Mr. ZHANG Lei (張磊)	[48]	Executive Director, secretary of the Board, vice president and the joint company secretary	February 2024	December 2023	Capital operations and investment planning management and digital planning and development of our Group
Mr. LIN Daiji (林戴吉)	[39]	Executive Director and employee representative Director	February 2024	January 2019	Daily fund management of our Group, execution of bank financing activities and internal audit supervision
Independent non-executive Directors					
Ms. ZHAO Yali (趙亞利)	[67]	Independent non-executive Director	February 2024	February 2024	Providing independent opinion and judgment to the Board
Ms. YOU Xiao (游曉)	[44]	Independent non-executive Director	October 2020	October 2020	Providing independent opinion and judgment to the Board
Mr. LI Hongbin (李洪斌)	[60]	Independent non-executive Director	February 2024	February 2024	Providing independent opinion and judgment to the Board
Mr. TAI Kwok Leung, Alexander (戴國良)	[67]	Independent non-executive Director	April 2025	April 2025	Providing independent opinion and judgment to the Board

Note: Includes directorship held at our Company's predecessor

Mr. Lin and Mr. Lin Mugang are brothers, and Mr. Lin Daiji is the nephew of Mr. Lin and Mr. Lin Mugang. Save as disclosed, none of our Directors or members of senior management is related to any other Directors or members of senior management.

Executive Directors

Mr. LIN Muqin (林木勤), aged [61], is the chairman of the Board, an executive Director and the chief executive officer of our Company and is primarily responsible for managing the operations of the Board, strategic planning of our Group's development, presiding over the work of the Board and business direction, business planning and decision-making of our Group. Mr. Lin was appointed as a Director of our Company (including its predecessor) in October 2003 and was re-designated as an executive Director in April 2025. Mr. Lin is a Controlling Shareholder of our Company.

Mr. Lin has more than 30 years of working and management experience in the beverage industry. Prior to joining our Group, Mr. Lin served as a technical department manager at Shenzhen Aolin Natural Beverage Co., Ltd. (深圳奧林天然飲料有限公司) from April 1988 to March 1997.

Mr. Lin was the deputy general manager of Eastroc Industrial, our predecessor, from March 1997 to October 2003. Mr. Lin was the chairman and general manager of Eastroc Limited, our predecessor and subsequently, our Company, between October 2003 and April 2019, and has been the chairman of our Board and our chief executive officer since April 2019. Mr. Lin also held other roles in certain of our subsidiaries, including as an executive director of Guangdong Eastroc Vitamin Beverage Co., Ltd. (廣東東鵬維他命飲料有限公司) since November 2011, an executive director of Anhui Eastroc Food & Beverage Co., Ltd. (安徽東鵬食品飲料有限公司) since August 2012, an executive director and general manager of Shenzhen Eastroc Jiexun Supply Chain Management Co., Ltd. (深圳市東鵬捷迅供應鏈管理有限公司) since April 2019, an executive director of Guangdong Dongpeng Beverage Co., Ltd. (廣東東鵬飲料有限公司) since December 2021 and a director of Eastroc Beverage (HongKong) since July 2023. Mr. Lin has been serving as the executive director and general manager of Zhenchanghui Investment (Shenzhen) Co., Ltd. (臻昌匯投資(深圳)有限公司) since May 2023.

Mr. Lin received his master's degree in business administration from Sun Yat-sen University (中山大學) in the PRC in December 2011 and his doctorate degree in business administration from University of Minnesota in the United States in August 2024. Mr. Lin has been consecutively named to Forbes China's Best CEOs List in 2023 and 2024. Mr. Lin has also been appointed as a vice chairman of China Beverage Industry Association (中國飲料工業協會), a vice president of

Guangdong Food Industry Association (廣東省食品行業協會), executive vice president of Shenzhen Xinming Entrepreneurs Association (深圳新明企業家協會) and vice president of Shenzhen Time-honored Brands Association (深圳市老字號協會).

Mr. LIN Mugang (林木港), aged [55], is an executive Director and the executive president of our Company and is primarily responsible for strategic marketing planning and operational management of our Group and overall management of our Guangdong marketing headquarters. Mr. Lin Mugang was appointed as a Director of our Company (including its predecessor) in October 2003 and was re-designated as an executive Director in April 2025.

Mr. Lin Mugang has more than 24 years of working and management experience in the beverage industry. After joining our Group in March 2001, Mr. Lin Mugang consecutively served as a manager, deputy general manager, general manager, vice president of the Company (including its predecessor). Mr. Lin Mugang is also currently serving in various management positions in certain of our major subsidiaries, including as a supervisor of Guangzhou Eastroc Food and Beverage Co., Ltd. (廣州市東鵬食品飲料有限公司) since April 2006, executive director of Eastroc Beverage Marketing (Shanghai) Co., Ltd (東鵬飲料市場營銷(上海)有限公司) since June 2020, executive director and general manager of Eastroc Beverage Marketing (Tianjin) Co., Ltd (東鵬飲料市場營銷(天津)有限公司) since January 2024, and executive director and general manager of Eastroc Beverage Marketing (Zhejiang) Co., Ltd (東鵬飲料市場營銷(浙江)有限公司) since January 2024.

Mr. Lin Mugang graduated from Peking University (北京大學) in the PRC with his master's degree in business administration in July 2016.

Mr. LU Yifu (盧義富), aged [53], is an executive Director and vice president of our Company and is primarily responsible for operational management of our Group and overall management of our national marketing headquarters. Mr. Lu was appointed as a Director in February 2024 and was re-designated as an executive Director in April 2025.

Mr. Lu has around 20 years of experience in the beverage industry. Prior to joining our Group, from July 2006 to August 2017, he served as a branch general manager at JDB Group (加多寶(中國)飲料有限公司) where he was primarily responsible for the sales work of the branch. From August 2017 to July 2018. Mr. Lu served as a general manager of the marketing department at Xiangpiaopiao Food Co., Ltd. (香飄飄食品股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 603711), where he was primarily responsible for sales management work.

Mr. Lu joined our Group in September 2018 as our vice president and general manager of the national marketing headquarter of the Company. Mr. Lu is also currently serving in various roles in several subsidiaries of our Group currently, including as a supervisor of Eastroc Beverage Marketing (Shanghai) Co., Ltd. (東鵬飲料市場營銷(上海)有限公司) since June 2020, a supervisor of Eastroc Beverage Marketing (Guangdong) Co., Ltd. (東鵬飲料營銷(廣東)有限公司) since November 2022, a supervisor of Shenzhen Dongpeng Beverage Sales Management Co., Ltd. (深圳市東鵬飲料銷售管理有限公司) since July 2023, a supervisor of Eastroc Beverage Marketing (Tianjin) Co., Ltd.(東鵬飲料市場營銷(天津)有限公司) since January 2024 and a supervisor of Eastroc Beverage Marketing (Zhejiang) Co., Ltd. (東鵬飲料市場營銷(浙江)有限公司) since January 2024.

Mr. Lu is received his executive master of business administration (EMBA) degree from China Europe International Business School (中歐國際工商學院) in the PRC in September 2025. Mr. Lu graduated from Xiangtan University (湘潭大學) in the PRC with a specialization in chemical engineering in 1995. Mr. Lu was granted intermediate economist by Beijing Municipal Bureau of Human Resources and Social Security (北京市人力資源和社會保障局) in November 2013.

Ms. JIANG Weiwei (蔣薇薇), aged [45], is an executive Director and vice president of our Company and is primarily responsible for the planning and execution of branding and marketing strategy management of our Group, as well as the management of product development planning. Ms. Jiang was appointed as a Director in February 2024 and was re-designated as an executive Director in April 2025.

From January 2012 to June 2015, Ms. Jiang served as a deputy general manager at Guangzhou branch of Charm Communications Inc. (昌榮傳媒股份有限公司).

Ms. Jiang joined our Group in September 2017 as a brand center manager and deputy general manager at Eastroc Limited. She has been our vice president and general manager of the development center of the Company since April 2019.

Ms. Jiang graduated from Anhui University (安徽大學) in the PRC with a major in journalism in June 2002.

Mr. ZHANG Lei (張磊), aged [48], is an executive Director, secretary of the Board and vice president of our Company and is primarily responsible for capital operations and investment and financing planning management and digital planning and development of our Group. Mr. Zhang was appointed as a Director in February 2024 and was re-designated as an executive Director in April 2025.

Prior to joining our Group, from November 2005 to October 2014, Mr. Zhang served as a chief information officer and secretary of the board consecutively at Shenzhen Jieshun Science and Technology Industry Co., Ltd. (深圳市捷順科技實業股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002609), primarily responsible for the planning and implementation of enterprise informatization, governance-related management of the board and investment and finance management. Mr. Zhang was also the founding partner and general manager at Shenzhen Qianhai Daying Capital Management Co., Ltd. (深圳前海大營資本管理有限公司) until March 2020. From March 2020 to December 2021, Mr. Zhang served as the founding partner and executive director at Shenzhen Qianhai Huijinsuo Capital Management Co., Ltd (深圳前海匯金所資本管理有限公司). From January 2022 to July 2023, Mr. Zhang served various roles at Eternal Asia Supply Chain Management Ltd. (深圳市怡亞通供應鏈股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002183), including as the secretary of the board, primarily responsible for board governance and the management of capital operations and investments.

Mr. Zhang joined our Group in December 2023 as the special assistant to the chairman of the Board.

Mr. Zhang received his master's degree in business administration from Sichuan University (四川大學) in the PRC in December 2011 and his doctorate degree in communication studies from Wuhan University (武漢大學) in the PRC in December 2024.

Mr. LIN Daiji (林戴吉), aged [39], is an executive Director (employee representative Director) of our Company and is primarily responsible for daily fund management of our Group, execution of bank financing activities and internal audit supervision. Mr. Lin Daiji has been an employee representative Director since February 2024 and was re-designated as an executive Director in April 2025.

After Mr. Lin Daiji joined our Group in January 2019, he has served various positions within the Group, including as deputy manager of the internal audit department, deputy manager and manager of the fund management department.

Mr. Lin Daiji graduated from Guangdong University of Finance and Economics (廣東財經大學) in the PRC with a major in accounting in January 2021.

Independent Non-executive Directors

Ms. ZHAO Yali (趙亞利), aged [67], is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to the Board. Ms. Zhao was appointed as an independent Director in February 2024 and was re-designated as an independent non-executive Director in April 2025.

Ms. Zhao has more than 30 years of working and management experience in the beverage industry. Prior to joining our Company, Ms. Zhao was previously a legal representative at Beijing Zhongyin Industry & Trade Co., Ltd. (北京中飲工貿公司). From December 2008 to October 2024, Ms. Zhao was a legal representative at Beijing Zhongyin Tianyuan Exhibition Co., Ltd.(北京中飲天元展覽展示有限公司). Ms. Zhao also served as an independent director of SDIC Zhonglu Fruit Juice Co., Ltd. (國投中魯果汁股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: (600962)) from March 2004 to March 2007 and an independent non-executive director of China Huiyuan Juice Group Limited (中國匯源果汁集團有限公司) from September 2006 to January 2019.

Ms. Zhao received her bachelor's degree in light engineering and mechanics from Tianjin University of Science & Technology (天津科技大學) (formerly known as Tianjin Light Technical College (天津輕工學院) in the PRC in January 1982.

Ms. Zhao was qualified as a professor-level senior engineer by China Light Industry International Engineering Design Institute (中國輕工國際工程設計院) in November 2002. From 1993, she has also successively served as the deputy secretary-general, secretary-general, vice chairman, chairman and currently the honorary chairman of the China Beverage Industry Association (中國飲料工業協會). Ms. Zhao also served as a member of the National Food Safety Standards Review Committee (食品安全國家標準審評委員會) from January 2010 to June 2019 and is also currently the chairman of the National Beverage Standardization Technical Committee (全國飲料標準化技術委員會).

In November 2021, Ms. ZHAO Yali, our independent non-executive Director, was criticized by the Stock Exchange in her capacity as a former independent non-executive director of China Huiyuan Juice Group Limited (中國匯源果汁集團有限公司) ("**China Huiyuan**") for breach of Rule 3.08(f) of the Listing Rules and her undertakings to the Stock Exchange with respect to China Huiyuan not having adequate and effective internal controls to identify certain connected transactions and to ensure its compliance with relevant Listing Rules requirements. Ms. Zhao was required to complete 24 hours of training on regulatory and legal topics and Listing Rule compliance as a pre-requisite of any future appointment as a director of any company listed or to be listed on the Stock Exchange, and Ms. Zhao has complied with the training requirements imposed by the Stock Exchange.

Ms. YOU Xiao (游曉), aged [44], is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to the Board. Ms. You was appointed as an independent Director in October 2020 and was re-designated as an independent non-executive Director in April 2025.

Prior to joining our Company, Ms. You worked at various law firms, including as an associate at Beijing Zhong Lun Law Firm (Shenzhen) (北京市中倫(深圳)律師事務所) from January 2007 to October 2013, a partner at Beijing Dacheng Law Offices, LLP (Shenzhen) (北京大成(深圳)律師事務所) from November 2013 to July 2015 and a senior partner at Shanghai AllBright Law Offices (Shenzhen) (上海市錦天城(深圳)律師事務所) from July 2015 to June 2020. Ms. You also served as an independent director of Dongguan Jingnuo Environment Science and Technology Inc. (東莞市淨諾環境科技股份有限公司) from September 2020 to February 2023.

Ms. You has also been serving as a partner at Beijing Zhong Lun Law Firm (Shenzhen) (北京市中倫(深圳)律師事務所) since June 2020. She has also been serving as an independent director of Sunwoda Electric Vehicle Battery Co., Ltd. (欣旺達動力科技股份有限公司) since June 2023 and an independent director of Shenzhen Honor Electronic Co., Ltd. (深圳歐陸通電子股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 300870) since September 2023.

Ms. You received her bachelor's degree in law from Wuhan University (武漢大學) in the PRC in June 2003. Ms. You obtained her PRC Legal Professional Qualification Certificate (中華人民共和國法律職業資格證書) issued by the PRC Ministry of Justice (中華人民共和國司法部) in 2008 and was qualified as an attorney by the Guangdong Justice Bureau of Justice (廣東省司法廳) in 2009.

Mr. LI Hongbin (李洪斌), aged [60], is an independent non-executive Director and is primarily responsible for providing independent opinion and judgment to the Board. Mr. Li was appointed as an independent Director in February 2024 and was re-designated as an independent non-executive Director in April 2025.

Mr. Li has been an associate professor at Sun Yat-sen University (中山大學) in the PRC since June 2000. Mr. Li served as an independent director of Guangzhou Dongling Grain & Oil Co., Ltd. (廣州東凌糧油股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000893) from June 2002 to April 2014 and an independent director of Dongguan Mentech Optical & Magnetic Co., Ltd. (東莞銘普光磁股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002902) from May 2018 to April 2024 and an independent director of Guangzhou Tiancom Information Technology Co., Ltd. (廣州天維信息技術股份有限公司) (a company quoted on the NEEQ, stock code: 837919) from April 2021 to November 2024. Mr. Li has also been serving as an independent director of Shenzhen Sunson Intelligent Equipment Co., Ltd. (深圳市盛世智能裝備股份有限公司) (a company quoted on the NEEQ, stock code: 873564) from April 2022 and an independent director of Guangdong Jinxing Health Care Industry Co., Ltd. (廣東景興健康護理實業股份有限公司) from May 2022.

Mr. Li obtained his bachelor's degree in accounting from Hunan University of Finance and Economics (湖南財經學院) in July 1985 and received his master's degree in accounting from Renmin University of China (中國人民大學) in the PRC in July 1988.

Mr. TAI Kwok Leung, Alexander (戴國良), aged [67], is an independent non-executive Director and is primarily responsible for independent opinion and judgment to the Board. Mr. Tai was appointed as an independent non-executive Director in April 2025.

Mr. Tai has extensive accountancy, corporate finance and investment experience in Hong Kong and overseas. Mr. Tai has been an associate member of the Hong Kong Institute of Certified Public Accountants since 1983 and the Institute of Chartered Accountants of New Zealand since 1982, and is currently licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Mr. Tai was also the Partner of the VMS Securities from August 2017 to September 2023, Mr. Tai was the overall management oversight (OMO) of the regulated activities of the VMS group of companies which involved in securities dealing, corporate finance and asset management until December 2023. Mr. Tai undertook as the Head of Corporate Finance Department of Investec Capital Asia Limited ("**Investec Capital**"), and also acted as a managing director of Investec Capital until July 2017.

Mr. Tai was also an independent non-executive director of various companies, including Honghua Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 0196) from January 2008 to March 2014, Luk Fook Holdings (International) Limited (a company listed on the Hong Kong Stock Exchange, stock code: 0590) from July 2008 to August 2020, First Credit Finance Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 8215) from September 2010 to April 2013, Anhui Conch Cement Company Limited (a company dually listed on the Hong Kong Stock Exchange, stock code: 0914 and the Shanghai Stock Exchange, stock code: 600585) from May 2013 to May 2019, Jiayuan International Group Limited (in liquidation) (a company previously listed on the Hong Kong Stock Exchange, stock code: 2768) ("**Jiayuan**") from February 2016 to June 2022, Shengjing Bank Co., Ltd. (a company listed on the Hong Kong Stock Exchange, stock code: 2066) from August 2018 to October 2024, and AAG Energy Holdings Limited from August 2018 to August 2023. Mr. Tai has been serving as an independent non-executive director of G&M Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 6038) from May 2017, China Star Entertainment Limited (a company listed on the Hong Kong Stock Exchange, stock code: 0326) from January 2023, BExcellent Group Holdings Limited (a company listed on the Hong Kong Stock Exchange, stock code: 1775) from July 2024. Mr. Tai has been serving as an executive director of Finet Group Limited (a company listed on the Hong Kong Stock Exchange, stock code: 8317) from January 2024 and an independent director of Qingdao Eoroom Intelligent Technology Co., Ltd. (青島有屋智能家居科技股份有限公司) (a company quoted on the NEEQ, stock code: 874535) from June 2020.

Jiayuan is a limited liability company incorporated in Cayman Islands whose principal business concerns property development including residential and commercial complexes. Jiayuan was ordered to be wound up by the High Court of The Hong Kong Special Administrative Region on May 2, 2023. Mr. Tai confirmed that there is no wrongful act on his part leading to the liquidation and is not aware of any actual or potential claim that has been or will be made against him as a result of the liquidation, and that his involvement in Jiayuan was part and parcel of his services as an independent non-executive director of Jiayuan and that no misconduct or misfeasance had been involved in the liquidation of Jiayuan.

Mr. Tai graduated from Victoria University of Wellington in New Zealand with a degree in Bachelor of Commerce and Administration in 1982. He was elected as a member of the 12th session of Shandong Committee of Chinese People's Political Consultative Conference in January 2018, and is still a current member of the 13th session.

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company:

Name	Age	Position/Title	Date of Appointment as a Senior Management	Date of Joining our Group	Role and Responsibility
Executive Directors					
Mr. LIN Muqin (林木勤)	[61]	Chairman of the Board, Executive Director and chief executive officer	October 2003	March 1997	Managing the operations of the Board, strategic planning of our Group development, presiding over the work of the Board and business direction, business planning and decision-making of our Group
Mr. LIN Mugang (林木港)	[55]	Executive Director and executive president	October 2003	March 2001	Strategic marketing planning and operational management of our Group and overall management of the Guangdong marketing headquarters
Mr. ZHANG Lei (張磊)	[48]	Executive Director, secretary of the Board, vice president and the joint company secretary	February 2024	December 2023	Capital operations and investment planning management and digital planning and development of our Group
Mr. LU Yifu (盧義富)	[53]	Executive Director and vice president	September 2018	September 2018	Operational management of our Group and overall management of the national marketing headquarters

Name	Age	Position/Title	Date of Appointment as a Senior Management	Date of Joining our Group	Role and Responsibility
Ms. JIANG Weiwei (蔣薇薇)	[45]	Executive Director and vice president	April 2019	September 2017	Planning and execution of branding and marketing strategy management of our Group, as well as the management of product development planning
Mr. PENG Dexin (彭得新)	[48]	Chief Financial Officer	October 2021	February 2003	Financial planning and management of our Group and involving in major operational and investment decisions

Mr. LIN Muqin (林木勤), aged [61], is the chairman of the Board, an executive Director and chief executive officer of our Company. See "— Executive Directors" above for details of his biography.

Mr. LIN Mugang (林木港), aged [55], is the executive Director and the executive president of our Company. For details of his biography, see "— Executive Directors" in this section.

Mr. ZHANG Lei (張磊), aged [48], is the executive Director, secretary of our Board, vice president and our joint company secretary. For details of his biography, see "— Executive Directors" in this section.

Mr. LU Yifu (盧義富), aged [53], is the executive Director and vice president of our Company. For details of his biography, see "— Executive Directors" in this section.

Ms. JIANG Weiwei (蔣薇薇), aged [45], is the executive Director and vice president of our Company. For details of his biography, see "— Executive Directors" in this section.

Mr. PENG Dexin (彭得新) (formerly known as Peng Jixin (彭及新)), aged [48], is the Chief Financial Officer of our Company, primarily responsible for financial planning and management of our Group and is involved in major operational and investment decisions.

After Mr. Peng joined the Group in February 2003, he successively served various positions within the Group, including as finance director of the Company and the deputy finance director of the Group.

Mr. Peng received his executive master of business administration (EMBA) degree from The Chinese University of Hong Kong, Shenzhen (香港中文大學(深圳)) in the PRC in September 2025. Mr. Peng graduated from South China Agricultural University (華南農業大學) in the PRC in July 1996.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Save as disclosed in the section headed "Relationship with Our Controlling Shareholders" in this Document, each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

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 March 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/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/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/her independence at the time of his/her appointments.

GENERAL

Save as disclosed above, none of the Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

Save as disclosed above, none of the Directors or members of the senior management of our Company is related to any other Directors and members of the senior management of our Company.

JOINT COMPANY SECRETARIES

Mr. ZHANG Lei (張磊), aged [48], is the executive Director, secretary of our Board, vice president and our joint company secretary. For details of his biography, see "— Executive Directors" in this section.

Ms. LIN Sio Ngo (練少娥), was appointed as our joint company secretary in April 2025, with effect from the **[REDACTED]**.

Ms. Lin is a manager of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specializing in corporate services. Ms. Lin has over 20 years of experience in the corporate secretarial and administration management fields. She has been providing professional corporate services to Hong Kong listed companies as well as private companies.

Ms. Lin is currently serving as the company secretary or joint company secretary of several companies listed on the Main Board of the Stock Exchange.

Ms. Lin obtained a bachelor's degree in business administration and a master's degree in corporate governance from Hong Kong Metropolitan University in June 2000 and June 2004 respectively. Ms. Lin is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, our Company has formed four Board committees, namely the Audit Committee, the Remuneration and Appraisal Committee, the Nomination Committee and the Strategy and ESG Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Mr. TAI Kwok Leung, Alexander (戴國良), Mr. LI Hongbin (李洪斌), and Ms. ZHAO Yali (趙亞利). Mr. TAI Kwok Leung, Alexander (戴國良), who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules, serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but not limited to, the following:

- overseeing and evaluating the work of the external auditors, proposing the appointment, reappointment, change and removal of the external auditors to our Board, approving the remuneration and terms of engagement of the external auditors, addressing issues relating to the resignation or dismissal of external auditor, and reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process;

- guiding and supervising internal audit work and its implementation;

- reviewing the financial information of our Company, including, monitoring the completeness of annual reports and accounts, half-yearly report and quarterly reports, and reviewing significant financial reporting judgments;

- overseeing the financial reporting system, risk management and internal control system, and assessing the effectiveness of internal control;

- coordinating the communication between internal audit department and external audit agency; and

- dealing with other matters that are involved in relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are listed or that are authorized by the Board.

Remuneration and Appraisal Committee

We have established a Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of three Directors, namely Mr. Lin, Ms. YOU Xiao (游曉) and Mr. LI Hongbin (李洪斌). Ms. YOU Xiao (游曉) serves as the chairperson of the Remuneration and Appraisal Committee. The primary duties of the Remuneration and Appraisal Committee include, but not limited to, the following:

- formulating the remuneration plans or packages for Directors and senior management with reference to time contribution and responsibilities, importance and the level of remuneration payable by other related enterprises or comparable companies and conditions of employment for other position held within the Group;

- assessing the remuneration policies and system for all Directors and senior management of the Company, and setting up standardized and transparent procedures to formulate remuneration policies and make recommendations to the Board; monitoring the performance of responsibilities by the Company's Director and senior management and appraising their annual performance;

- determining, with delegated responsibility, the remuneration packages of individual executive Directors and senior management or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and such remuneration shall include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

- supervising the implementation of the remuneration plan of the Company;

- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and

- dealing with other matters that involved in relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are listed or that are authorized by the Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Mr. Lin, Ms. ZHAO Yali (趙亞利) and Ms. YOU Xiao (游曉). Ms. YOU Xiao (游曉) serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, the following:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least once every year and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- researching and developing standards and procedures for the election of our Board members and members of the senior management, and making recommendations to our Board;

- conducting extensive search and providing to our Board suitable candidates for Directors and other members of the senior management and making recommendations to the Board on the selection of individuals nominated for Director and senior management;

- examining our Board candidates and members of the senior management and making recommendations to our Board;

- assessing the independence of independent non-executive Directors when identifying and nominating individuals to become independent non-executive directors, demonstrating to the Board whether and why such individuals would be able to devote sufficient time to the Board if he/she will be holding his/her seventh (or more) listed company directorship; and

- dealing with other matters that involved in relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are listed or that are authorized by the Board.

Strategy and ESG Committee

We have established a Strategy and ESG Committee with written terms of reference in compliance with the Corporate Governance Code. The Strategy and ESG Committee consists of five Directors, namely Mr. Lin, Mr. LIN Mugang (林木港), Mr. Lu Yifu (盧義富), Ms. JIANG Weiwei (蔣薇薇) and Ms. ZHAO Yali (趙亞利). Mr. Lin serves as the chairperson of the Strategy and ESG Committee. The primary duties of the Strategy and ESG Committee include, but not limited to, the following:

- researching and making recommendations on the Company's long-term development planning, operation targets and development policies;
- researching and making recommendations on the Company's operation strategies, including but not limited to its product strategies, market strategies, marketing strategies, research and development strategies and talent strategies;
- researching and making recommendations on the Company's material strategic investment and financing proposals;
- researching and making recommendations on the Company's material capital operations and asset management projects;
- researching and making recommendations on other material matters affecting the development of the Company;
- researching and making recommendations on the Company's ESG strategic planning, expected targets and policy directions, of which ESG strategies include but are not limited to environmental strategies, social strategies, governance strategies and other strategies;
- reviewing and making recommendations on the annual ESG Report and other information disclosures on sustainable development or ESG;
- tracking and examining the implementation of the above matters; and
- dealing with other matters that involved in relevant laws, regulations, rules, normative documents, the Articles of Associations, terms of reference and the listing rules of the place where the Company's shares are listed or that are authorized by our Board.

REMUNERATION OF DIRECTORS

Our Directors received their remuneration in the form of fees, salaries, allowances, discretionary bonuses, share-based compensation, retirement benefit scheme contributions and other benefits in kind.

For the financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate amount of emoluments of our Directors recorded in the profit or loss amounted to approximately RMB13.2 million, RMB23.4 million, RMB36.8 million and RMB16.3 million respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors and for the year ending December 31, 2025 to be approximately RMB16.7 million.

For the financial year ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, there were three, two, five and four Directors among the five highest paid individuals, respectively. The total emolument for the remaining individuals (other than the Directors) among the five highest paid individuals for the financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 were approximately RMB7.7 million, RMB17.9 million, nil and RMB3.2 million respectively.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiary to our Directors or the five highest paid individuals during the Track Record Period.

CORPORATE GOVERNANCE CODE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the **[REDACTED]**. Except for the deviation from provision C.2.1 of Part 2 of the Corporate Governance Code, our Company's corporate governance practices have complied with the CG Code.

Provision C.2.1 of Part 2 of the Corporate Governance Code stipulates that the role of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Lin is the chairman of our Board and the chief executive officer of our Company. Since Mr. Lin has been operating and managing our Company since 2003 and due to his leadership position within our Group and familiarity with its operations, our Board is of the view that it is in the best interest of our Group to have Mr. Lin taking up both roles for effective management and business development of our Group following the **[REDACTED]** and Mr. Lin will continue to provide a strong and consistent leadership to our Group. This arrangement ensures a more effective and efficient overall strategic planning of our Group as this structure enables our Company to make and implement decisions efficiently. Further, our Company has put in place an appropriate check-and-balance mechanism through our Board with four independent non-executive Directors. Our independent non-executive Directors are able to retain independence in terms of character and judgment and are able to express their views without undue constraint. In addition, our Board also consists of five other executive Directors, namely Mr. Lin Mugang, Mr. Lu Yifu, Ms. Jiang Weiwei, Mr. Zhang Lei and Mr. Lin Daiji, who are familiar with the day-to-day business of our Company. Our Company will consult our Board for any major decisions. Therefore, our Board considers that the balance of power and authority of the present arrangement will not be impaired given there is no excessive concentration of power in one individual which could adversely affect the interest of minority Shareholders. As such, our Board is of the view that the deviation from provision C.2.1 of Part 2 of the Corporate Governance Code is appropriate in such circumstance.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board, to maintain the high standard of corporate governance and to achieve the goal of a sustainable and balanced development of the Company, we have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the board diversity policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural background, and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, food and beverage, legal and accounting. We have four independent non-executive Directors with different industry backgrounds, representing more than one-third of the members of our Board. Our Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operations.

Besides, we particularly recognize the importance of gender diversity. Our Board currently consists of three female Director and seven male Directors. We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but without limitation to our Board and senior management levels. Going forward, we will continue to work to enhance gender diversity of our Board when selecting and recommending suitable candidates for Board appointments and will at least have one female Director and will ensure that our female management members will get equal opportunities to develop and perform so as to eventually be equipped to step up as a member of our Board. Our Company also intends to promote gender diversity at the mid to senior level so that our Company can maintain a balanced gender ratio at different levels. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the **[REDACTED]**, our Nomination Committee will examine the board diversity policy from time to time to ensure its continued effectiveness and in particular use their efforts to identify and recommend suitable female candidates for the Board's consideration in the future, and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as our compliance adviser (the "**Compliance Adviser**") pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Adviser will advise our Company in certain circumstances including:

(a) before the publication of any regulatory announcement, circular or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and

(d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its **[REDACTED]** securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the **[REDACTED]** and is expected to 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]**.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, as of the Latest Practicable Date and immediately following the completion of the **[REDACTED]** and assuming the **[REDACTED]** is not exercised, the following persons will have an interest and/or short position (as applicable) in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 5% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at Shareholders' meetings of our Company:

			As of the Latest Practicable Date		Immediately following the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Nature of Interest	Description of Shares	Number of Shares[1]	Approximate percentage of shareholding in our Company[2]	Number of Shares[1]	Approximate percentage of shareholding in our A Shares[3]	Approximate percentage of shareholding in our Company[3]
Mr. Lin[4]	Beneficial Owner	A Shares	258,657,634	49.74%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
	Interest in controlled corporation	A Shares	2,171,145	0.42%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Lin Mugang (林木港)	Beneficial Owner	A Shares	27,151,626	5.22%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Lin Daiqin (林戴欽)	Beneficial Owner	A Shares	27,151,626	5.22%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Kunpeng Investment	Beneficial Owner	A Shares	26,319,204	5.06%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Zhuang Jian'en (莊建恩)[5]	Interest in controlled corporation	A Shares	26,319,204	5.06%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Mr. Lin Yupeng (林煜鵬)[5]	Interest in controlled corporation	A Shares	26,319,204	5.06%	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

Notes:

1. All interests stated are long positions in the Shares.

2. The calculation is based on the total number of 520,013,000 A Shares in issue as of the Latest Practicable Date.

3. The calculation is based on the total number of 520,013,000 A Shares and **[REDACTED]** H Shares in issue immediately after completion of the **[REDACTED]**, given **[REDACTED]** H Shares will be **[REDACTED]** pursuant to the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised.

4. As of the Latest Practicable Date, Mr. Lin (i) directly owns approximately 99.9984% partnership interests as a limited partner in Dongpeng Yuandao, which beneficially owns 2,080,034 A Shares; (ii) directly owns approximately 99.8901% partnership interests as a limited partner in Dongpeng Zhiyuan, which beneficially owns 65,082 A Shares; (iii) directly owns approximately 99.8742% partnership interests as a limited partner in Dongpeng Zhicheng, which beneficially owns 26,029 A Shares. By virtue of the SFO, Mr. Lin is deemed to be interested in the Shares held by Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng.

5. As of the Latest Practicable Date, Mr. Zhuang Jian'en is the general partner of Kunpeng Investment and Mr. Lin Yupeng owns approximately 54.05% partnership interests as a limited partner in Kunpeng Investment, which beneficially owns 26,319,204 A Shares. Accordingly, Mr. Zhuang Jian'en and Mr. Lin Yupeng are deemed to be interest in the Shares held by Kunpeng Investment under the SFO.

Save as disclosed above and the section headed "Appendix IV — Statutory and General Information — Further Information about our Directors, Senior Management and Substantial Shareholders," our Directors are not aware of any person who will, immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at Shareholders' meeting of the Company or any other member of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the **[REDACTED]**.

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB520,013,000, comprising 520,013,000 A Shares of nominal value RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	520,013,000	**[REDACTED]**
H Shares to be **[REDACTED]** under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00%**

Immediately following completion of the **[REDACTED]**, assuming the **[REDACTED]** is fully exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
A Shares in issue	520,013,000	**[REDACTED]**
H Shares to be **[REDACTED]** under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00%**

OUR SHARES

Upon completion of the **[REDACTED]**, the Shares will consist of A Shares and H Shares. A Shares and H Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between investors of the PRC.

Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between the PRC and Hong Kong. Our A Shares can be subscribed for and traded by investors in the PRC, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. If our H Shares are eligible securities under the Southbound Trading Link, they can also be subscribed for and traded by investors in the PRC in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

A Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in RMB. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

NO CONVERSION OF OUR A SHARES INTO H SHARES FOR [REDACTED] ON THE HONG KONG STOCK EXCHANGE

A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and H Shares may be different after the **[REDACTED]**. *The Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies* (《H股公司境內未上市股份申請"全流通"業務指引》) announced by the CSRC are not applicable to companies dual listed in the PRC and on the Hong Kong Stock Exchange. As of the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A Shareholders may convert A Shares held by them into H Shares for **[REDACTED]** on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

We have obtained approval from our A Shareholders to issue H Shares and seek the **[REDACTED]** of the H Shares on the Hong Kong Stock Exchange. Such approval was obtained at the Shareholders' meeting of our Company held on April 2, 2025 and is subject to the following conditions:

(i) Size of the [REDACTED]

The number of H Shares to be **[REDACTED]** before the exercise of the **[REDACTED]** shall not exceed **[REDACTED]**% of the enlarged share capital of our Company upon completion of the **[REDACTED]** and granting the **[REDACTED]** the **[REDACTED]** of no more than **[REDACTED]**% of the above number of H Shares to be **[REDACTED]**.

(ii) Method of [REDACTED]

The method of **[REDACTED]** shall be by way of a **[REDACTED]** for **[REDACTED]** in Hong Kong and an **[REDACTED]** to institutional and professional **[REDACTED]**.

(iii) Target [REDACTED]

The H Shares shall be **[REDACTED]** to Hong Kong public **[REDACTED]**, other overseas **[REDACTED]** who meet the relevant requirements, qualified domestic **[REDACTED]** eligible to **[REDACTED]** in overseas securities according to the laws and regulations of the PRC and other **[REDACTED]** who comply with the relevant regulatory requirements.

(iv) [REDACTED] Basis

The **[REDACTED]** price of the H Shares will be determined after due consideration of the interests of existing Shareholders, the acceptance of **[REDACTED]** and **[REDACTED]** risks and in accordance with international practices through the **[REDACTED]** and **[REDACTED]**, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(v) Valid Period

The **[REDACTED]** of H Shares and **[REDACTED]** of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the Shareholders' meeting was held on April 2, 2025.

There is no other approved **[REDACTED]** plan for any other Shares except for the **[REDACTED]**.

SHAREHOLDERS' MEETING

See "Appendix III — Summary of Articles of Association" of this Document for details of circumstances under which our general Shareholders' meeting is required.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

The following is the text of a report set out on pages [I-1]to [I-92], received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF EASTROC BEVERAGE (GROUP) CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, MORGAN STANLEY ASIA LIMITED AND UBS SECURITIES HONG KONG LIMITED

Introduction

We report on the historical financial information of Eastroc Beverage (Group) Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages [I-4] to [I-92], which comprises the consolidated statements of financial position of the Group as at 31 December 2022, 2023, 2024 and 30 June 2025, the statements of financial position of the Company as at 31 December 2022, 2023, 2024 and 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2024 and the six months ended 30 June 2025 (the "**Track Record Period**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages [I-4] to [I-92] forms an integral part of this report, which has been prepared for inclusion in the Document of the Company dated **[REDACTED]** (the "**Document**") in connection with the **[REDACTED]** of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Group's and the Company's financial position as at 31 December 2022, 2023, 2024 and 30 June 2025, and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the six months ended 30 June 2024 and other explanatory information (the "**Stub**

Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 3 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which contains information about the dividend declared and paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[REDACTED]

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**") and were audited by us in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue	5	8,500,023	11,257,135	15,830,336	7,869,469	10,732,412
Cost of sales		(4,968,070)	(6,496,363)	(8,847,018)	(4,416,081)	(5,968,123)
Gross profit		3,531,953	4,760,772	6,983,318	3,453,388	4,764,289
Other income	6	107,802	239,352	383,832	179,734	174,500
Other gains and losses	7	32,288	76,507	72,969	34,925	117,966
Impairment losses under expected credit loss ("**ECL**") model, net of reversal		(358)	(1,692)	(958)	(1,620)	(1,928)
Distribution and selling expenses		(1,449,276)	(1,955,671)	(2,681,080)	(1,225,004)	(1,681,519)
Administrative expenses		(289,962)	(405,521)	(485,221)	(227,567)	(286,598)
Research and development expenses		(43,755)	(54,391)	(62,671)	(29,620)	(32,927)
Finance costs	8	(52,682)	(80,086)	(102,876)	(42,294)	(50,130)
[REDACTED]		—	—	—	—	**[REDACTED]**
Profit before tax		1,836,010	2,579,270	4,107,313	2,141,942	3,001,570
Income tax expense	9	(395,489)	(539,498)	(780,883)	(411,350)	(627,055)
Profit for the year/period	10	**1,440,521**	**2,039,772**	**3,326,430**	**1,730,592**	**2,374,515**
Other comprehensive (expense) income						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences arising on translation of foreign operations		(14,340)	19,405	37,387	10,553	(26,938)
Total comprehensive income for the year/period		**1,426,181**	**2,059,177**	**3,363,817**	**1,741,145**	**2,347,577**
Profit (loss) for the year/period attributable to:						
Owners of the Company		1,440,521	2,039,772	3,326,710	1,730,592	2,374,751
Non-controlling interests		—	—	(280)	—	(236)
Profit for the year/period		**1,440,521**	**2,039,772**	**3,326,430**	**1,730,592**	**2,374,515**
Total comprehensive income (expense) for the year/period attributable to:						
Owners of the Company		1,426,181	2,059,177	3,364,097	1,741,145	2,347,813
Non-controlling interests		—	—	(280)	—	(236)
Total comprehensive income for the year/period		**1,426,181**	**2,059,177**	**3,363,817**	**1,741,145**	**2,347,577**
EARNINGS PER SHARE	14					
Basic		RMB2.7702	RMB3.9225	RMB6.3974	RMB3.3280	RMB4.5667

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	NOTES	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current Assets					
Property, plant and equipment	15	2,789,651	3,333,818	4,279,051	5,335,793
Right-of-use assets	16	440,198	575,909	821,044	1,468,511
Intangible assets	17	8,128	7,106	11,911	9,780
Financial assets at fair value through profit or loss ("**FVTPL**")	21	616,704	342,612	377,153	666,431
Time deposits	23	382,979	1,220,078	3,671,602	2,260,099
Deferred tax assets	19	321,459	359,185	459,839	647,816
Prepayments for long-term assets		64,647	102,780	350,072	247,434
		4,623,766	**5,941,488**	**9,970,672**	**10,635,864**
Current Assets					
Inventories	20	394,220	568,601	1,068,084	678,321
Trade and other receivables	22	292,935	483,090	713,696	750,914
Amounts due from related parties	31	—	883	1	596
Financial assets at FVTPL	21	3,642,240	1,547,980	4,897,206	3,912,748
Time deposits	23	1,355,705	2,976,495	2,689,451	4,869,319
Restricted bank deposits	23	122,520	316,440	9,025	7,495
Cash and cash equivalents	23	1,438,572	2,875,073	3,328,162	2,060,143
		7,246,192	**8,768,562**	**12,705,625**	**12,279,536**
Current Liabilities					
Trade and other payables	25	1,641,258	2,219,861	3,242,377	3,320,109
Contract liabilities	27	1,627,168	2,607,221	4,760,551	3,667,088
Amounts due to related parties	31	1,584	19,920	6,946	7,844
Income tax payable		214,760	170,873	270,790	565,298
Borrowings	26	3,207,429	3,015,888	6,551,337	6,128,398
Lease liabilities	28	13,501	13,578	13,041	14,758
		6,705,700	**8,047,341**	**14,845,042**	**13,703,495**
Net Current Assets (Liabilities)		**540,492**	**721,221**	**(2,139,417)**	**(1,423,959)**
Total Assets Less Current Liabilities		**5,164,258**	**6,662,709**	**7,831,255**	**9,211,905**
Capital and Reserves					
Share capital	29	400,010	400,010	520,013	520,013
Reserves		4,664,590	5,923,747	7,167,791	8,215,571
Equity attributable to owners of the Company		5,064,600	6,323,757	7,687,804	8,735,584
Non-controlling interests		—	—	3,777	3,541
Total Equity		**5,064,600**	**6,323,757**	**7,691,581**	**8,739,125**
Non-current Liabilities					
Deferred tax liabilities	19	749	3,605	3,269	719
Borrowings	26	—	220,000	—	—
Lease liabilities	28	85,245	95,386	85,454	415,160
Deferred income	24	13,664	19,961	50,951	56,901
		99,658	**338,952**	**139,674**	**472,780**
		5,164,258	**6,662,709**	**7,831,255**	**9,211,905**

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	NOTES	As at 31 December			As at 30 June
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current Assets					
Property, plant and equipment	15	87,946	132,186	173,597	201,293
Right-of-use assets	16	118,723	127,665	116,968	110,320
Intangible assets	17	7,941	6,605	11,561	9,505
Investments in subsidiaries	18	3,709,135	4,059,933	4,447,783	5,039,107
Financial assets at FVTPL	21	616,704	342,612	377,153	314,386
Time deposits	23	341,991	1,177,670	1,503,423	776,130
Deferred tax assets	19	231,685	212,081	182,501	225,214
Prepayments for property, plant and equipment		28,526	7,275	21,579	2,135
		5,142,651	**6,066,027**	**6,834,565**	**6,678,090**
Current Assets					
Inventories	20	21,366	14,570	25,035	26,792
Trade and other receivables	22	72,430	115,467	204,021	186,922
Amounts due from related parties	31	—	883	1	479
Amounts due from subsidiaries	31	656,151	4,632,716	3,146,434	3,829,558
Financial assets at FVTPL	21	3,642,240	964,810	1,642,775	890,712
Time deposits	23	1,060,251	110,316	183,792	757,700
Restricted bank deposits	23	112,346	305,802	1	7
Cash and cash equivalents	23	768,853	1,212,885	1,494,676	608,134
		6,333,637	**7,357,449**	**6,696,735**	**6,300,304**
Current Liabilities					
Trade and other payables	25	3,448,802	2,809,981	1,340,215	1,478,116
Contract liabilities	27	1,214,193	1,304,550	1,312,412	1,054,667
Amounts due to related parties	31	1,584	19,920	6,946	7,844
Amounts due to subsidiaries	31	1,834,415	3,222,121	3,683,682	4,887,471
Income tax payable		104,333	44,370	—	95,765
Borrowings	26	150,040	278,950	651,242	—
Lease liabilities	28	10,080	9,878	8,075	4,458
		6,763,447	**7,689,770**	**7,002,572**	**7,528,321**
Net Current Liabilities		**(429,810)**	**(332,321)**	**(305,837)**	**(1,228,017)**
Total Assets Less Current Liabilities		**4,712,841**	**5,733,706**	**6,528,728**	**5,450,073**
Capital and Reserves					
Share capital	29	400,010	400,010	520,013	520,013
Reserves	30	4,268,885	5,275,954	5,957,066	4,878,626
Total Equity		**4,668,895**	**5,675,964**	**6,477,079**	**5,398,639**
Non-current Liability					
Lease liabilities	28	43,946	57,742	51,649	51,434
		4,712,841	**5,733,706**	**6,528,728**	**5,450,073**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							
	Share capital	Share premium	Translation reserve	Statutory surplus reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Note b*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	400,010	2,080,396	—	200,005	1,558,023	4,238,434	—	4,238,434
Profit for the year	—	—	—	—	1,440,521	1,440,521	—	1,440,521
Other comprehensive expense for the year	—	—	(14,340)	—	—	(14,340)	—	(14,340)
Total comprehensive (expense) income for the year	—	—	(14,340)	—	1,440,521	1,426,181	—	1,426,181
Dividends recognised as distribution (*Note 13*)	—	—	—	—	(600,015)	(600,015)	—	(600,015)
At 31 December 2022	400,010	2,080,396	(14,340)	200,005	2,398,529	5,064,600	—	5,064,600
Profit for the year	—	—	—	—	2,039,772	2,039,772	—	2,039,772
Other comprehensive income for the year	—	—	19,405	—	—	19,405	—	19,405
Total comprehensive income for the year	—	—	19,405	—	2,039,772	2,059,177	—	2,059,177
Dividends recognised as distribution (*Note 13*)	—	—	—	—	(800,020)	(800,020)	—	(800,020)
At 31 December 2023	400,010	2,080,396	5,065	200,005	3,638,281	6,323,757	—	6,323,757
Profit (loss) for the year	—	—	—	—	3,326,710	3,326,710	(280)	3,326,430
Other comprehensive income for the year	—	—	37,387	—	—	37,387	—	37,387
Total comprehensive income (expense) for the year	—	—	37,387	—	3,326,710	3,364,097	(280)	3,363,817
Issuance of bonus shares using share premium (*Note a*)	120,003	(120,003)	—	—	—	—	—	—
Dividends recognised as distribution (*Note 13*)	—	—	—	—	(2,000,050)	(2,000,050)	—	(2,000,050)
Capital contribution from non-controlling interests	—	—	—	—	—	—	4,057	4,057
Profit appropriations to statutory surplus reserve	—	—	—	60,002	(60,002)	—	—	—
At 31 December 2024	520,013	1,960,393	42,452	260,007	4,904,939	7,687,804	3,777	7,691,581

	Attributable to owners of the Company							
	Share capital	Share premium	Translation reserve	Statutory surplus reserve	Retained profits	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Note b*)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	520,013	1,960,393	42,452	260,007	4,904,939	7,687,804	3,777	7,691,581
Profit (loss) for the period	—	—	—	—	2,374,751	2,374,751	(236)	2,374,515
Other comprehensive income for the period	—	—	(26,938)	—	—	(26,938)	—	(26,938)
Total comprehensive (expense) income for the period	—	—	(26,938)	—	2,374,751	2,347,813	(236)	2,347,577
Dividends recognised as distribution (*Note 13*)	—	—	—	—	(1,300,033)	(1,300,033)	—	(1,300,033)
At 30 June 2025	520,013	1,960,393	15,514	260,007	5,979,657	8,735,584	3,541	8,739,125
(Unaudited)								
At 1 January 2024	400,010	2,080,396	5,065	200,005	3,638,281	6,323,757	—	6,323,757
Profit for the period	—	—	—	—	1,730,592	1,730,592	—	1,730,592
Other comprehensive income for the period	—	—	10,553	—	—	10,553	—	10,553
Total comprehensive income for the period	—	—	10,553	—	1,730,592	1,741,145	—	1,741,145
Dividends recognised as distribution (*Note 13*)	—	—	—	—	(1,000,025)	(1,000,025)	—	(1,000,025)
At 30 June 2024	400,010	2,080,396	15,618	200,005	4,368,848	7,064,877	—	7,064,877

Notes:

(a) Pursuant to the resolution of the general meeting of shareholders of the Company on 18 September 2024, an issuance of bonus shares using share premium in an aggregate amount of RMB120,003,000 for all the registered shareholders of the Company on a basis of 3 shares for every 10 ordinary shares has been approved. Upon the completion of the issuance on 9 October 2024, the total outstanding ordinary shares of the Company increased to 520,013,000 shares (see Note 29 for details).

(b) The statutory surplus reserve represents the amount transferred from net profit for the year of the Company established in the People's Republic of China (the "**PRC**") in accordance with the relevant PRC laws until the statutory surplus reserve reaches 50% of the registered capital. The statutory surplus reserve cannot be reduced except either use to set off the accumulated losses or increase capital. Amounts of RMB275,899,000, RMB 373,830,000 and RMB487,208,000 of statutory surplus reserve of the PRC subsidiaries are included in the retained profits as at 31 December 2022, 2023 and 2024, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	NOTES	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
OPERATING ACTIVITIES						
Profit before tax		1,836,010	2,579,270	4,107,313	2,141,942	3,001,570
Adjustments for:						
Interest income		(49,066)	(166,944)	(317,449)	(155,610)	(130,040)
Finance costs		52,682	80,086	102,876	42,294	50,130
Dividends from financial assets at FVTPL		—	—	(5,363)	(5,363)	—
Gain on fair value changes of financial assets at FVTPL		(53,561)	(123,498)	(65,809)	(26,517)	(101,582)
Impairment losses under ECL model, net of reversal		358	1,692	958	1,620	1,928
Depreciation of property, plant and equipment		31,504	45,204	55,485	31,036	35,909
Depreciation of right-of-use assets		17,316	17,606	19,759	7,438	15,559
Amortisation of intangible assets		2,470	1,819	1,685	816	2,136
Loss on disposal of property, plant and equipment		2,837	415	907	793	505
Gain on disposal of right-of-use assets		—	—	(91)	(91)	—
Amortisation of government grants		(2,218)	(2,457)	(3,786)	(1,673)	(3,204)
Exchange gain/loss, net		783	40,866	(44,716)	(16,388)	(21,583)
Gain on disposal of a subsidiary		—	(2,980)	—	—	—
Operating cash flows before movements in working capital		1,839,115	2,471,079	3,851,769	2,020,297	2,851,328
Decrease (increase) in inventories		133,844	29,183	(217,465)	242,683	567,946
(Increase) decrease in trade and other receivables		(89,895)	(204,945)	(215,961)	48,228	(17,551)
Increase (decrease) in contract liabilities		385,798	980,053	2,153,330	(106,100)	(1,093,463)
Increase (decrease) in trade and other payables		168,650	544,762	940,163	342,939	(54,144)
(Increase) decrease in amounts due from related parties		—	(883)	882	882	(595)
Increase (decrease) in amounts due to related parties		399	18,336	(12,974)	(19,920)	898
Cash generated from operations		2,437,911	3,837,585	6,499,744	2,529,009	2,254,419
Income taxes paid		(427,718)	(615,570)	(792,632)	(319,433)	(519,708)
Interest received		15,913	59,255	82,296	57,717	5,751
NET CASH FROM OPERATING ACTIVITIES		**2,026,106**	**3,281,270**	**5,789,408**	**2,267,293**	**1,740,462**

	NOTES	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
INVESTING ACTIVITIES						
Interest received		4,337	65,276	123,637	75,810	66,514
Investment income from financial assets at FVTPL received		—	—	5,363	5,363	—
Proceeds from disposal of financial assets at FVTPL		3,608,287	7,418,646	7,593,887	2,513,646	9,118,088
Proceeds from disposal of property, plant and equipment		1,793	1,993	3,206	2,779	221
Purchases of financial assets at FVTPL		(4,650,000)	(4,921,911)	(10,903,774)	(2,061,768)	(8,325,119)
Purchases of property, plant and equipment		(739,557)	(776,708)	(1,312,359)	(441,038)	(1,003,520)
Purchase of intangible assets		(9,622)	(2,131)	(12,130)	(1,502)	(5)
Upfront payments for right-of-use assets		(40,596)	(137,453)	(364,993)	(2,314)	(8,478)
Net cash outflow from acquisition of a subsidiary	*33*	(4,650)	(5,430)	—	—	(355,967)
Net cash inflow on disposal of a subsidiary	*34*	—	13,022	—	—	—
Placement of restricted bank deposits		(2,000)	(327)	—	—	—
Withdrawal of restricted bank deposits		2,800	—	2,327	—	—
Placement of time deposits		(1,556,561)	(4,250,717)	(8,652,189)	(5,628,207)	(2,302,059)
Withdrawal of time deposits		50,000	1,837,433	6,641,534	2,949,715	1,584,554
NET CASH USED IN INVESTING ACTIVITIES		**(3,335,769)**	**(758,307)**	**(6,875,491)**	**(2,587,516)**	**(1,225,771)**

	NOTES	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
FINANCING ACTIVITIES						
Additions of borrowings		3,516,331	5,730,197	9,353,534	5,350,560	4,077,160
Repayment of borrowings		(949,325)	(5,724,104)	(6,011,397)	(2,563,781)	(4,508,491)
Repayment of lease liabilities		(11,020)	(12,800)	(14,932)	(6,759)	(2,341)
Purchase of restricted bank deposits		(112,346)	(305,802)	—	—	—
Withdrawal of restricted bank deposits		—	112,346	305,802	138,491	—
Capital contribution from non-controlling interests in a subsidiary		—	—	4,057	—	—
Interest paid		(79,402)	(57,722)	(129,564)	(74,229)	(41,738)
[REDACTED] costs paid		—	—	—	—	(12,621)
Dividends paid		(600,015)	(800,020)	(2,000,050)	(1,000,025)	(1,300,033)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		**1,764,223**	**(1,057,905)**	**1,507,450**	**1,844,257**	**(1,788,064)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**454,560**	**1,465,058**	**421,367**	**1,524,034**	**(1,273,373)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD		999,135	1,438,572	2,875,073	2,875,073	3,328,162
Effect of foreign exchange rate changes		(15,123)	(28,557)	31,722	16,389	5,354
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD		**1,438,572**	**2,875,073**	**3,328,162**	**4,415,496**	**2,060,143**

NOTES TO HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Eastroc Beverage (Group) Co., Ltd. (the "**Company**") was incorporated in Shenzhen, Guangdong Province, the PRC in June 1994. Its ultimate controlling shareholder is Mr. Lin Muqin ("**Mr. Lin**"), who is also the chairman and executive director of the board of the Company. The Company's shares were listed on Shanghai Stock Exchange on 27 May 2021. The respective address of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" to the Document.

The Group is principally engaged in manufacturing and distribution of beverages in the PRC. Starting from 2023, the Group exported its products to overseas markets primarily including some countries in Southeast Asia (i.e., Vietnam and Malaysia).

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

2. APPLICATION OF IFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied IFRS Accounting Standards issued by IASB, which are effective for the Group's financial year beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature — Dependent Electricity[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11[2]
IFRS 18	Presentation and Disclosure in Financial Statements[3]

[1] Effective for annual periods beginning on or after a date to be determined.

[2] Effective for annual periods beginning on or after 1 January 2026.

[3] Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 *Presentation of Financial Statements*. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18 and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the Group's consolidated financial statements.

3. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of Historical Financial Information

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

As at 30 June 2025, the Group was in net current liabilities position of RMB1,423,959,000. After taking into account the Group's cashflow projection and the expected working capital requirements, the directors of the Company are satisfied that the Group is able to meet in full its financial obligations as they fall due for a period of twelve months from 30 June 2025. In addition, as at 30 June 2025, the Group's time deposits amounted to RMB7,129,418,000, which can be redeemed anytime upon the Group's request. Thus, it is appropriate to prepare the Historical Financial Information on a going concern basis.

The statutory financial statements of the Company for each of the years ended 31 December 2022, 2023 and 2024 were prepared in accordance with Chinese Accounting Standards for Business Enterprises ("**CASBE**") and were audited by PricewaterhouseCoopers Zhong Tian LLP, a certified public accountants registered in the PRC for years ended 31 December 2022 and 2023 and Deloitte Touche Tohmatsu Certified Public Accountants LLP, a certified public accountants registered in the PRC for the year ended 31 December 2024.

3.2 Material accounting policy information

Basis of consolidation or asset acquisition

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the consolidated statements of profit or loss and other comprehensive income from the date of the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards).

Asset acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocate to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organized workforce with the necessary skills, knowledge, or

experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the "**Conceptual Framework**") except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC-Int 21 *Levies*, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less any identified impairment loss.

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from contracts with customers is provided in Notes 5 and 27.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of office equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets (e.g., electronic and office equipment). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e., RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

Borrowing costs

Borrowing costs not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans/the Mandatory Provident Fund Scheme (the "**MPF Scheme**") are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit before tax because it excludes 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 each 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 those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group 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 *Income Taxes* requirements to the lease liabilities and the related assets 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 difference 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 to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress). Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statements of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of property, plant and equipment (other than construction in progress) less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a settlement 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.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets 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 effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("**FVTOCI**") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9 Financial Instruments ("**IFRS 9**")

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables, amounts due from related parties, amounts due from subsidiaries, time deposits, restricted bank deposits and bank balances) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivable are considered on a collective basis taking into consideration the nature of debtors, aging of trade receivables and relevant credit information such as forward-looking macroeconomic information. For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Aging of trade receivables; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item as part of the net foreign exchange gains or losses;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item as part of fair value gains or losses of the financial assets.

Derecognition of financial assets

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.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities, including trade and other payables, borrowings, amounts due to related parties and amounts due to subsidiaries are subsequently measured at amortised cost using effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss.

Derecognition of financial liabilities

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 is recognised in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgments, 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months.

Variable consideration for sales rebates and discounts

The Group estimates variable consideration to be included in the transaction price for the sales of products with rebates and discounts.

The Group's rebates and discounts are settled either by future purchases or delivery or by cash. Include in the Group's sales rebates and discounts settled by future purchases or delivery, i) volume rebates are analysed on a per customer basis for contracts that are subject to specified volume thresholds. Determining whether a customer will likely be entitled to a rebate depends on the customer's accumulated purchases to date. ii) sales discounts are estimated based on the expected historical participation rate of the customers. For cash-settled rebates and discounts, the Group estimates the cash amount expected to pay to the customers by considering historical participation rate of the customers.

The Group updates its assessment of expected sales rebates and discounts on a monthly basis and the related payables are adjusted accordingly. Estimates of expected sales rebates and discounts are sensitive to changes in circumstances and the Group's experience regarding rebate and discount entitlements may not be representative of a customer's actual rebate and discount entitlements in the future. As at 31 December 2022, 2023, 2024 and 30 June 2025, the amounts recognised as accrued sales rebates and discounts were approximately RMB1,328,724,000, RMB1,608,029,000, RMB2,139,437,000 and RMB3,012,118,000 for the expected sales rebates and discounts, respectively.

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods or service					
Sales of Energy beverages *(Note a)*	8,211,177	10,353,901	13,303,585	6,858,057	8,360,511
Sales of Sports beverages *(Note b)*	—	393,043	1,495,014	475,838	1,492,738
Sales of other beverage products	280,156	503,540	1,023,166	527,747	877,304
Others *(Note c)*	8,690	6,651	8,571	7,827	1,859
Total	**8,500,023**	**11,257,135**	**15,830,336**	**7,869,469**	**10,732,412**
Timing of revenue recognition					
At a point in time	8,492,742	11,255,496	15,830,336	7,869,469	10,732,412
Over time	7,281	1,639	—	—	—
Total	**8,500,023**	**11,257,135**	**15,830,336**	**7,869,469**	**10,732,412**

Notes:

(a) Energy beverages include Eastroc Super Drink (東鵬特飲), Carbonated Eastroc Drink (東鵬加氣) and Eastroc Zero Sugar (東鵬0糖).

(b) Sports beverages include Eastroc Water Boost (東鵬補水啦).

(c) Others mainly include sales of packing materials and provision of advertising service and other services.

(ii) Performance obligations for contracts with customers and revenue recognition policies

Information about the Group's performance obligations and their corresponding revenue recognition policies are summarized as below:

Sales of Energy beverages, Sports beverages and other beverage products

For sales of Energy beverages, Sports beverages and other beverage products, revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customers and accepted by the customers.

Where the Group receives an advance payment from customers for the sale of Energy beverages, Sports beverages and other beverage products, the Group first recognises a contract liability in the amount of the prepayment for its performance obligation to transfer, or to be ready to transfer, goods or services in the future. The contract liability is derecognised, and revenue is recognised, when the relevant performance obligations are satisfied.

Include in the Group's sales rebates and discounts settled by future purchases or delivery, the Group has volume-based rebates and other sales discounts. For volume-based rebates, the Group makes an estimate of the amount of volume-based rebates granted to its customers based on the pre-agreed sales rebates policy and its evaluation of whether the single-volume threshold specified in the contract can be achieved by the customers and recognises revenue on the net basis of the contract consideration less the estimated rebates amount. For the other sales discount, the Group makes an estimate of the amount of the discounts based on the expected historical participation rate of the customers. Given that customers agree to use the accumulated amount of the sales rebates and discounts as an advance payment, the Group recorded the sales rebates and discounts payables on goods sold as "contract liabilities".

The Group also has another type of sales rebates and discounts, which is settled by cash. For the cash rebates to a customer upon making a purchase of the Group's products, the Group accounts for the consideration payable to a customer as a reduction of the transaction price. The Group estimates the cash amount expected to pay to the customers by considering historical participation rate of the customers. The consideration payable to a customer in cash was recorded in "trade and other payables".

Others

The Group provides advertising service to its customers, the Group's performance obligation to customers is satisfied and revenue is recognised over time based on number of display/impression basis.

The Group also sells raw materials to its customers. Revenue is recognised when control of the goods has been transferred, being when the goods have been delivered to the customers and accepted by the customers.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers are for period of one year or less. As permitted by IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Segment information

Information is reported to the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group's accounting policies. The CODM reviews the overall results and financial position of the Group as a whole and no other analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review. Accordingly, the CODM has identified one operating segment and only entity-wide disclosures, major customers and geographical information are presented in accordance with IFRS 8 *Operating Segments*.

(v) Geographical information

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is almost all derived from operations in the PRC and the Group's non-current assets are almost all located in the PRC.

(vi) Information about major customers

During the Track Record Period, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue.

6. OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest income from bank deposits	49,066	166,944	317,449	155,610	130,040
Dividends from financial assets at FVTPL	—	—	5,363	5,363	—
Government grants *(Note)*	54,252	62,738	49,465	10,852	39,457
Others	4,484	9,670	11,555	7,909	5,003
	107,802	239,352	383,832	179,734	174,500

Note: During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the government grants include subsidies received to reward for the contribution by the subsidiaries to the local economic growth amounting to approximately RMB52,034,000, RMB60,281,000, RMB45,679,000 and RMB36,253,000, respectively which was recognised in the profit or loss upon receipt of these rewards and the related conditions associated with the rewards are met, if any. There are no unfulfilled conditions or contingencies relating to these grants.

The remaining portion of government grants related to subsidies received for the investments in production facilities in the PRC which were recognised in the profit or loss over the useful lives of relevant assets as detailed in Note 24.

7. OTHER GAINS AND LOSSES

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Loss on disposal of property, plant and equipment	(2,837)	(415)	(907)	(793)	(505)
Gain on disposal of right-of-use assets	—	—	91	91	—
Gain on disposal of a subsidiary *(Note 34)*	—	2,980	—	—	—
Gain on changes in fair value of financial assets at FVTPL	53,561	123,498	65,809	26,517	101,582
Net foreign exchange (losses) gains	(783)	(40,866)	44,716	16,388	21,583
Donations	(19,270)	(5,112)	(38,389)	(8,036)	(8,440)
Others	1,617	(3,578)	1,649	758	3,746
	32,288	76,507	72,969	34,925	117,966

8. FINANCE COSTS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on borrowings	47,853	74,789	97,914	39,705	43,968
Interest on lease liabilities	4,829	5,297	4,962	2,589	6,162
	52,682	80,086	102,876	42,294	50,130

9. INCOME TAX EXPENSE

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current tax:					
PRC Enterprise Income Tax ("**EIT**")	540,241	574,363	881,873	502,071	810,364
Others	—	5	—	—	7,218
	540,241	574,368	881,873	502,071	817,582
Deferred tax *(Note 19)*	(144,752)	(34,870)	(100,990)	(90,721)	(190,527)
	395,489	539,498	780,883	411,350	627,055

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the Company and PRC subsidiaries is 25% for the Track Record Period except that certain subsidiaries are eligible for preferential taxation of paying EIT at a rate of 15% during the Track Record Period as detailed below.

Certain of the Group's subsidiaries operating in the PRC are eligible for certain tax holidays and concessions and were exempted from PRC income taxes. Details are as follows:

(i) Guangzhou Eastroc Food and Beverage Co., Ltd. (廣州市東鵬食品飲料有限公司) ("**Guangzhou Eastroc**"), a wholly-owned subsidiary of the Company, has been continuously qualified as a high-tech enterprise since 2019 and enjoyed a preferential EIT rate of 15% until December 2022. In 2022, Guangzhou Eastroc renewed its "High-tech Enterprise Certificate", which is valid for 3 years and will be expired in December 2025. Accordingly, Guangzhou Eastroc was entitled to the preferential EIT rate at 15% for the Track Record Period.

(ii) Pursuant to the relevant laws and regulations promulgated in Guangxi province, Nanning Eastroc Food and Beverage Co., Ltd. (南寧東鵬食品飲料有限公司) ("**Nanning Eastroc**"), a wholly-owned subsidiary of the Group, was qualified and thus exempted from the local share (40%) of PRC EIT for five years starting from its first income-generating year, i.e., a preferential tax rate of 15% is applicable during the five years. For Nanning Eastroc, year 2018 was the first income-generating year and accordingly it was entitled to the preferential EIT rate at 15% for the five years ended 31 December 2022 and was subject to a 25% EIT rate for the years ended 31 December 2023, 2024 and the six months ended 30 June 2025.

(iii) Pursuant to the relevant laws and regulations promulgated in Shenzhen City, Shenzhen Eastroc Jiexun Supply Chain Management Co., Ltd. (深圳市東鵬捷迅供應鏈管理有限公司) ("**Eastroc Jiexun**"), a wholly-owned subsidiary of the Group, is qualified and entitled with a preferential EIT rate of 15% for five years starting from 2021 until 2025. Accordingly, Eastroc Jiexun was entitled to a preferential EIT rate of 15% for the Track Record Period.

(iv) Pursuant to the relevant laws and regulations promulgated in Guangdong province, Eastroc Beverage Marketing (Guangdong) Co., Ltd. (東鵬飲料營銷(廣東)有限公司) ("**Guangdong Marketing**"), a wholly-owned subsidiary of the Group, was qualified and thus exempted from the local share (40%) of PRC EIT starting from 2022 until 2025. Accordingly, Guangdong Marketing was entitled to a preferential tax rate of 15% for the Track Record Period.

(v) Shenzhen Pengzhirui Digital Marketing Co., Ltd. (深圳鵬智瑞數字營銷有限公司) ("**Pengzhirui**") is subject to "small and thin-profit enterprises" benefits from a preferential tax rate of 20% under the EIT Law for the year ended 31 December 2022 and the period from 1 January 2023 to 19 May 2023 (i.e. the date of disposal as set out in note 34). Meanwhile, Pengzhirui also enjoyed tax holiday of reduction on annual taxable income, which included i) for the year ended 31 December 2022, Pengzhirui enjoyed 87.5% reduction on annual taxable income on first RMB1,000,000 and 75% reduction between the annual taxable income of RMB1,000,000 to RMB3,000,000, respectively; ii) for the period from 1 January 2023 to 19 May 2023, Pengzhirui enjoyed 75% reduction on annual taxable income on first RMB3,000,000.

The income tax expense for the Track Record Period can be reconciled to the profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit before tax	1,836,010	2,579,270	4,107,313	2,141,942	3,001,570
Tax at the EIT tax rate of 25%	459,003	644,818	1,026,828	535,486	750,393
Income tax at concessionary rate	(60,207)	(90,441)	(191,274)	(97,674)	(113,366)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(280)	(1,833)	(20,950)	(12,181)	(3,966)
Tax effect of income not taxable for tax purpose	(544)	(11,302)	(35,194)	(14,115)	(9,214)
Tax effect of expenses not deductible for tax purpose	583	3,853	1,748	1,537	1,193
Tax effect of super deduction of research and development expenses *(Note)*	(6,243)	(5,216)	(6,833)	(3,338)	(3,704)
Others	3,177	(381)	6,558	1,635	5,719
Income tax expense	395,489	539,498	780,883	411,350	627,055

Note: The eligible expenditures represent research and development expenses incurred in the PRC and charged to profit or loss, which is subject to an additional 100% tax deduction in the calculation of income tax expense for the Track Record Period.

10. PROFIT FOR THE YEAR/PERIOD

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Profit for the year/period has been arrived at after charging:					
Depreciation of property, plant and equipment	215,436	246,047	332,421	157,117	209,551
Depreciation of right-of-use assets	24,152	24,787	28,836	13,703	24,628
Amortisation of intangible assets	2,470	1,819	1,685	816	2,136
Total depreciation and amortisation	242,058	272,653	362,942	171,636	236,315
Less: capitalised in inventories	(188,027)	(205,260)	(282,017)	(130,958)	(178,182)
Less: capitalised in property, plant and equipment	(2,741)	(2,764)	(3,996)	(1,388)	(4,529)
	51,290	64,629	76,929	39,290	53,604
Auditors' remuneration	3,250	3,250	3,200	720	—
Directors' and supervisors' emoluments *(Note 11)*	16,666	27,603	55,455	29,913	22,622
Staff salaries and benefits	983,339	1,278,475	1,615,083	778,898	945,369
Staff retirement benefit schemes contributions	63,275	70,457	94,542	43,733	80,205
Total staff costs	1,063,280	1,376,535	1,765,080	852,544	1,048,196
Less: capitalised in inventories	(112,153)	(252,717)	(367,353)	(194,731)	(225,431)
	951,127	1,123,818	1,397,727	657,813	822,765
Cost of inventories recognised as an expense	4,643,619	6,024,279	8,082,177	4,055,519	5,462,269

11. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of the emoluments paid/payable to the individuals who were appointed as the directors, supervisors and the chief executive of the Company during the Track Record Period are as follow:

	Director's Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2022					
Executive directors					
Mr. Lin Muqin (i)	—	3,843	470	45	4,358
Mr. Lin Mugang	—	3,276	587	45	3,908
Ms. Liu Meili (ii)	—	1,255	340	45	1,640
Ms. Liu Lihua (iii)	—	1,703	570	45	2,318
Mr. Li Dawen (ii)	—	61	24	9	94
Mr. Lin Daiqin (ii)	—	563	111	45	719
	—	10,701	2,102	234	13,037
Independent non-executive directors					
Mr. Yao Lushi (iv)	100	—	—	—	100
Ms. You Xiao	100	—	—	—	100
Mr. Cheng Yi (v)	—	—	—	—	—
Mr. Kang Xiaobin (vi)	—	—	—	—	—
	200	—	—	—	200
Supervisors					
Mr. Cai Yunsheng (vii)	—	2,555	470	45	3,070
Mr. Li Zengyong (vii)	—	165	47	26	238
Mr. Chen Yimin (vii)	—	69	24	28	121
	—	2,789	541	99	3,429
	200	13,490	2,643	333	16,666

	Director's Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023					
Executive directors					
Mr. Lin Muqin (i)	—	3,690	1,931	46	5,667
Mr. Lin Mugang	—	3,054	1,978	46	5,078
Ms. Liu Meili (ii)	—	1,371	1,117	46	2,534
Ms. Liu Lihua (iii)	—	5,798	3,151	46	8,995
Mr. Li Dawen (ii)	—	61	24	9	94
Mr. Lin Daiqin (ii)	—	700	—	46	746
	—	14,674	8,201	239	23,114
Independent non-executive directors					
Mr. Yao Lushi (iv)	154	—	—	—	154
Ms. You Xiao	154	—	—	—	154
Mr. Cheng Yi (v)	—	—	—	—	—
	308	—	—	—	308
Supervisors					
Mr. Cai Yunsheng (vii)	—	2,354	1,600	46	4,000
Mr. Li Zengyong (vii)	—	111	—	17	128
Mr. Chen Yimin (vii)	—	28	12	13	53
	—	2,493	1,612	76	4,181
	308	17,167	9,813	315	27,603

	Director's Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024					
Executive directors					
Mr. Lin Muqin (i)	—	3,512	1,978	37	5,527
Mr. Lin Mugang	—	2,864	2,048	50	4,962
Mr. Lu Yifu (viii)	—	2,523	4,641	50	7,214
Ms. Liu Meili (ii)	—	1,467	2,597	50	4,114
Mr. Li Dawen (ii)	—	90	24	9	123
Mr. Lin Daiqin (ii)	—	1,018	—	40	1,058
Ms. Jiang Weiwei (viii)	—	2,787	4,380	47	7,214
Mr. Zhang Lei (viii)	—	2,554	2,862	50	5,466
Mr. Lin Daiji (viii)	—	524	125	27	676
	—	17,339	18,655	360	36,354
Independent non-executive directors					
Mr. Yao Lushi (iv)	13	—	—	—	13
Ms. You Xiao	150	—	—	—	150
Mr. Cheng Yi (v)	—	—	—	—	—
Ms. Zhao Yali (ix)	138	—	—	—	138
Mr. Li Hongbin(ix)	138	—	—	—	138
	439	—	—	—	439
Supervisors					
Mr. Cai Yunsheng (vii)	—	2,159	4,138	50	6,347
Mr. Li Zengyong (vii)	—	—	—	—	—
Mr. Chen Yimin (vii)	—	—	—	—	—
Mr. Yu Bin (x)	—	2,189	4,004	40	6,233
Mr. Hu Yajun (x)	—	1,561	2,975	47	4,583
Mr. Li Xueli (x)	—	375	1,078	46	1,499
	—	6,284	12,195	183	18,662
	439	23,623	30,850	543	55,455

	Director's Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025					
Executive directors					
Mr. Lin Muqin (i)	—	1,746	989	—	2,735
Mr. Lin Mugang	—	1,579	1,024	28	2,631
Mr. Lu Yifu (viii)	—	1,359	2,321	28	3,708
Ms. Jiang Weiwei (viii)	—	1,578	2,190	28	3,796
Mr. Zhang Lei (viii)	—	1,279	1,431	28	2,738
Mr. Lin Daiji (viii)	—	306	63	13	382
	—	7,847	8,018	125	15,990
Independent non-executive directors					
Ms. You Xiao	75	—	—	—	75
Ms. Zhao Yali (ix)	75	—	—	—	75
Mr. Li Hongbin (ix)	75	—	—	—	75
Mr. Dai Guoliang (xi)	38	—	—	—	38
	263	—	—	—	263
Supervisors					
Mr. Yu Bin (x)	—	1,096	2,002	20	3,118
Mr. Hu Yajun (x)	—	852	1,488	25	2,365
Mr. Li Xueli (x)	—	326	539	21	886
	—	2,274	4,029	66	6,369
	263	10,121	12,047	191	22,622

	Director's Fee	Salaries, allowance and benefits in kind	Performance related bonuses	Contributions to retirement benefit scheme and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2024 (unaudited)					
Executive directors					
Mr. Lin Muqin (i)	—	1,750	967	25	2,742
Mr. Lin Mugang	—	1,460	1,067	25	2,552
Mr. Lu Yifu (viii)	—	1,285	2,333	25	3,643
Ms. Liu Meili (ii)	—	727	1,625	25	2,377
Mr. Li Dawen (ii)	—	45	—	5	50
Mr. Lin Daiqin (ii)	—	509	—	20	529
Ms. Jiang Weiwei (viii)	—	1,376	2,800	23	4,199
Mr. Zhang Lei (viii)	—	1,276	1,667	25	2,968
Mr. Lin Daiji (viii)	—	259	82	12	353
	—	8,687	10,541	185	19,413
Independent non-executive directors					
Mr. Yao Lushi (iv)	13	—	—	—	13
Ms. You Xiao	75	—	—	—	75
Mr. Cheng Yi (v)	—	—	—	—	—
Ms. Zhao Yali (ix)	63	—	—	—	63
Mr. Li Hongbin(ix)	63	—	—	—	63
	214	—	—	—	214
Supervisors					
Mr. Cai Yunsheng (vii)	—	1,079	2,100	25	3,204
Mr. Li Zengyong (vii)	—	—	—	—	—
Mr. Chen Yimin (vii)	—	—	—	—	—
Mr. Yu Bin (x)	—	1,095	2,433	20	3,548
Mr. Hu Yajun (x)	—	775	2,000	23	2,798
Mr. Li Xueli (x)	—	185	529	22	736
	—	3,134	7,062	90	10,286
	214	11,821	17,603	275	29,913

Notes:

(i) Mr. Lin Muqin acts as chief executive of the Company throughout the Track Record Period and his emoluments disclosed above included those for services rendered by him as the chief executive in management of the affairs of the group entities.

(ii) Ms. Liu Meili, Mr. Li Dawen and Mr. Lin Daiqin have been resigned from the executive directors of the Company on 1 February 2024.

(iii) Ms. Liu Lihua has been resigned from the executive director of the Company on 19 December 2023. The emoluments for the year ended 31 December 2023 disclosed above included a compensation for the loss of office amounted to approximately RMB3,750,000.

(iv) Mr. Yao Lushi has been resigned from the independent non-executive director of the Company on 1 February 2024.

(v) Mr. Cheng Yi was appointed as the independent non-executive director of the Company on 26 January 2022 and has been resigned on 1 February 2024.

(vi) Mr. Kang Xiaobin has been resigned from the independent non-executive director of the Company on 26 January 2022.

(vii) Mr. Cai Yunsheng, Mr. Li Zengyong and Mr. Chen Yimin have been resigned from the supervisors of the Company on 1 February 2024.

(viii) Ms. Jiang Weiwei, Mr. Zhang Lei, Mr. Lu Yifu and Mr. Lin Daiji were appointed as the executive directors of the Company on 1 February 2024.

(ix) Ms. Zhao Yali and Mr. Li Hongbin were appointed as the independent non-executive directors of the Company on 1 February 2024.

(x) Mr. Yu Bin, Mr. Hu Yajun and Mr. Li Xueli were appointed as the supervisors of the Company on 1 February 2024 and have been resigned from the supervisors of the Company on 2 April 2025.

(xi) Mr. Dai Guoliang was appointed as the independent non-executive director of the Company on 2 April 2025.

The executive directors' and supervisors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

Certain executive directors of the Company are entitled to bonus payments which are determined based on the performance of individual and market trend.

During the Track Record Period, saved as disclosed above, no emoluments were paid by the Group to any of the directors nor the chief executive officer of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, none of the directors nor the chief executive officer of the Company waived or agreed to waive any emoluments during the Track Record Period.

12. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group for the Track Record Period included three, two, five, five (unaudited) and four directors, respectively and details of whose remuneration are set out in Note 11 above. Details of the remuneration for the Track Record Period of the remaining individuals are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(unaudited)	
Salaries, allowances and benefits in kind	6,117	8,115	—	—	1,081
Performance related bonuses	1,490	9,657	—	—	2,069
Contributions to retirement benefit scheme	84	128	—	—	29
	7,691	17,900	—	—	3,179

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(unaudited)	
HKD3,000,001 to HKD3,500,000	1	—	—	—	1
HKD5,000,001 to HKD5,500,000	1	—	—	—	—
HKD6,000,001 to HKD6,500,000	—	2	—	—	—
HKD7,000,001 to HKD7,500,000	—	1	—	—	—

During the Track Record Period, no emoluments were paid by the Group to any of the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Dividends recognised as distribution:					
2021 final dividend — RMB15.0 per 10 ordinary shares	600,015	—	—	—	—
2022 final dividend — RMB20.0 per 10 ordinary shares	—	800,020	—	—	—
2023 final dividend — RMB25.0 per 10 ordinary shares	—	—	1,000,025	1,000,025	—
2024 interim dividend — RMB25.0 per 10 ordinary shares	—	—	1,000,025	—	—
2024 final dividend — RMB25.0 per 10 ordinary shares	—	—	—	—	1,300,033
	600,015	800,020	2,000,050	1,000,025	1,300,033

Pursuant to the resolution of the general meeting of shareholders of the Company on 18 September 2024, an issuance of bonus shares using share premium in an aggregate amount of RMB120,003,000 for all the registered shareholders of the Company on a basis of 3 shares for every 10 ordinary shares has been approved (see Note 29 for details).

14. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Earnings					
Profit for the year/period attributable to owners of the Company	1,440,521	2,039,772	3,326,710	1,730,592	2,374,751
Number of shares					
Weighted average number of ordinary shares	520,013,000	520,013,000	520,013,000	520,013,000	520,013,000

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted retrospectively for the bonus shares of 120,003,000 shares issued on 9 October 2024 (see Note 29) by capitalisation of the share premium into the share capital of the Company, as if 120,003,000 shares were in issue as at the beginning of the Track Record Period.

No diluted earnings per share for the Track Record Period was presented as there were no potential ordinary shares in issue for the Track Record Period.

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Leasehold improvements	Construction in progress ("CIP")	Machineries	Motor vehicles	Furniture, fixtures and office equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST							
At 1 January 2022	1,238,829	33,480	187,129	1,248,482	26,049	50,881	2,784,850
Additions	—	7,923	861,475	10,391	3,767	6,304	889,860
Transfers from CIP	71,744	—	(519,191)	445,628	639	1,180	—
Disposals	—	—	—	(20,047)	(599)	(1,006)	(21,652)
At 31 December 2022	1,310,573	41,403	529,413	1,684,454	29,856	57,359	3,653,058
Additions	450	8,825	751,077	23,827	3,986	4,718	792,883
Acquired on acquisition of a subsidiary *(Note 33)*	—	—	—	—	4	4	8
Transfer from CIP	625,580	—	(895,445)	254,429	809	14,627	—
Disposals	—	—	—	(7,402)	(1,236)	(508)	(9,146)
Disposal of a subsidiary *(Note 34)*	—	—	—	(50)	—	(467)	(517)
Exchange adjustments	—	—	—	—	—	1	1
At 31 December 2023	1,936,603	50,228	385,045	1,955,258	33,419	75,734	4,436,287
Additions	533	29,259	1,193,185	19,940	32,381	6,468	1,281,766
Transfer from CIP	291,252	—	(1,024,165)	712,163	4,036	16,714	—
Disposals	(2,136)	—	—	(8,575)	(1,410)	(2,240)	(14,361)
Exchange adjustments	—	—	—	—	—	1	1
At 31 December 2024	2,226,252	79,487	554,065	2,678,786	68,426	96,677	5,703,693
Additions	—	38,932	756,670	340,453	11,726	3,624	1,151,405
Acquired on acquisition of a subsidiary *(Note 33)*	115,614	—	—	—	—	—	115,614
Transfer from CIP	13,129	—	(365,771)	340,233	643	11,766	—
Disposals	—	—	—	(8,260)	(1,574)	(718)	(10,552)
At 30 June 2025	2,354,995	118,419	944,964	3,351,212	79,221	111,349	6,960,160

	Buildings	Leasehold improvements	Construction in progress ("CIP")	Machineries	Motor vehicles	Furniture, fixtures and office equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 January 2022	171,872	9,882	—	437,153	14,583	31,503	664,993
Provided for the year	61,169	3,445	—	138,316	3,697	8,809	215,436
Eliminated on disposals	—	—	—	(15,688)	(429)	(905)	(17,022)
At 31 December 2022	233,041	13,327	—	559,781	17,851	39,407	863,407
Provided for the year	71,040	4,348	—	157,428	3,953	9,278	246,047
Eliminated on disposals	—	—	—	(5,439)	(1,055)	(244)	(6,738)
Eliminated on disposal of a subsidiary *(Note 34)*	—	—	—	—	—	(247)	(247)
At 31 December 2023	304,081	17,675	—	711,770	20,749	48,194	1,102,469
Provided for the year	102,554	6,489	—	201,269	7,647	14,462	332,421
Eliminated on disposals	—	—	—	(7,059)	(1,255)	(1,934)	(10,248)
At 31 December 2024	406,635	24,164	—	905,980	27,141	60,722	1,424,642
Provided for the period	54,686	7,314	—	131,721	5,915	9,915	209,551
Eliminated on disposals	—	—	—	(7,769)	(1,416)	(641)	(9,826)
At 30 June 2025	461,321	31,478	—	1,029,932	31,640	69,996	1,624,367
CARRYING VALUES							
At 31 December 2022	1,077,532	28,076	529,413	1,124,673	12,005	17,952	2,789,651
At 31 December 2023	1,632,522	32,553	385,045	1,243,488	12,670	27,540	3,333,818
At 31 December 2024	1,819,617	55,323	554,065	1,772,806	41,285	35,955	4,279,051
At 30 June 2025	1,893,674	86,941	944,964	2,321,280	47,581	41,353	5,335,793

The Group has not obtained property certificates of certain buildings with amount of approximately RMB431,240,000 RMB514,227,000, RMB83,236,000 and RMB89,705,000 as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively.

The Company

	Buildings	Leasehold improvements	Construction in progress ("CIP")	Machineries	Motor vehicles	Furniture, fixtures and office equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
COST							
At 1 January 2022	9,086	4,304	21,755	26,539	5,964	21,688	89,336
Additions	—	7,923	25,842	129	374	3,799	38,067
Transfers from CIP	—	—	(7,390)	7,390	—	—	—
Disposals	—	—	—	(812)	—	(452)	(1,264)
At 31 December 2022	9,086	12,227	40,207	33,246	6,338	25,035	126,139
Additions	—	5,961	46,285	144	966	1,289	54,645
Transfer from CIP	—	—	(23,331)	23,272	—	59	—
Disposals	—	—	—	(298)	(263)	(297)	(858)
At 31 December 2023	9,086	18,188	63,161	56,364	7,041	26,086	179,926
Additions	—	367	35,755	1,136	14,402	2,579	54,239
Transfer from CIP	—	—	(2,001)	2,001	—	—	—
Disposals	—	—	—	(484)	(140)	(166)	(790)
At 31 December 2024	9,086	18,555	96,915	59,017	21,303	28,499	233,375
Additions	—	—	30,955	172	2,628	711	34,466
Transfer from CIP	—	—	(393)	393	—	—	—
Disposals	—	—	—	(63)	—	(346)	(409)
At 30 June 2025	9,086	18,555	127,477	59,519	23,931	28,864	267,432
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 January 2022	1,877	1,615	—	7,741	3,328	16,322	30,883
Provided for the year	571	849	—	2,972	808	2,793	7,993
Eliminated on disposals	—	—	—	(296)	—	(387)	(683)
At 31 December 2022	2,448	2,464	—	10,417	4,136	18,728	38,193
Provided for the year	571	1,436	—	4,242	703	2,934	9,886
Eliminated on disposals	—	—	—	(31)	(208)	(100)	(339)
At 31 December 2023	3,019	3,900	—	14,628	4,631	21,562	47,740
Provided for the year	449	2,172	—	5,710	1,566	2,368	12,265
Eliminated on disposals	—	—	—	(56)	(133)	(38)	(227)

	Buildings	Leasehold improvements	Construction in progress ("CIP")	Machineries	Motor vehicles	Furniture, fixtures and office equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024 . .	3,468	6,072	—	20,282	6,064	23,892	59,778
Provided for the period .	194	556	—	3,017	1,903	1,056	6,726
Eliminated on disposals .	—	—	—	(40)	—	(325)	(365)
At 30 June 2025.	3,662	6,628	—	23,259	7,967	24,623	66,139
CARRYING VALUES							
At 31 December 2022 . .	6,638	9,763	40,207	22,829	2,202	6,307	87,946
At 31 December 2023 . .	6,067	14,288	63,161	41,736	2,410	4,524	132,186
At 31 December 2024 . .	5,618	12,483	96,915	38,735	15,239	4,607	173,597
At 30 June 2025.	5,424	11,927	127,477	36,260	15,964	4,241	201,293

The property, plant and equipment of the Group and the Company, except for CIP, after taking into account the residual values, are depreciated on a straight-line basis on the following bases:

	Lifetime Estimated residual value	Estimated useful life (years)	Depreciation Ratio
Buildings	5%	20~26	3.65%~4.75%
Machineries.	5%	10	9.50%
Motor vehicles	5%	5	19.00%
Furniture, fixtures and office equipment	5%	2~5	19.00%~47.50%
Leasehold improvements	Nil	*Note*	20.00%~66.67%

Note: 5 or over the shorter of the lease terms and the estimated useful lives.

16. RIGHT-OF-USE ASSETS

The Group

	Leasehold land	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2022			
Carrying Amount	349,218	90,980	440,198
As at 31 December 2023			
Carrying Amount	477,734	98,175	575,909
As at 31 December 2024			
Carrying Amount	734,208	86,836	821,044
As at 30 June 2025			
Carrying Amount	1,060,080	408,431	1,468,511
For the year ended 31 December 2022			
Depreciation charge	8,776	15,376	24,152
For the year ended 31 December 2023			
Depreciation charge	8,937	15,850	24,787
For the year ended 31 December 2024			
Depreciation charge	12,943	15,893	28,836
For the six months ended 30 June 2025			
Depreciation charge	12,460	12,168	24,628

The Company

	Leasehold land	Leased properties	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2022			
Carrying Amount	69,801	48,922	118,723
As at 31 December 2023			
Carrying Amount	67,240	60,425	127,665
As at 31 December 2024			
Carrying Amount	64,679	52,289	116,968
As at 30 June 2025			
Carrying Amount	63,399	46,921	110,320
For the year ended 31 December 2022			
Depreciation charge	2,561	6,834	9,395
For the year ended 31 December 2023			
Depreciation charge	2,561	10,812	13,373
For the year ended 31 December 2024			
Depreciation charge	2,561	10,567	13,128
For the six months ended 30 June 2025			
Depreciation charge	1,280	5,368	6,648

	The Group				
	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Expenses relating to short-term leases and low-value assets. .	10,686	15,285	18,152	6,910	7,768
Total cash outflow for leases . .	67,131	170,835	403,039	18,572	24,749
Additions to right-of-use assets	44,145	160,498	273,971	6,032	672,095

	The Company				
	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Expenses relating to short-term leases and low-value assets. .	10,659	12,170	12,433	6,259	6,829
Total cash outflow for leases . .	21,161	24,112	25,704	11,913	12,117
Additions to right-of-use assets	3,549	22,315	2,431	1,627	—

During the Track Record Period, the Group leases various properties for its operations. Lease contracts are entered into for fixed term of 12 months to 35 years. 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.

In addition, the Group owns several industrial buildings where its manufacturing facilities are primarily located and office buildings. The Group is the registered owner of these property interests, including the underlying leasehold land. Lump sum payments were made upfront to acquire these property interests. The leasehold land components of these owned properties are presented separately only if the payments made can be allocated reliably. The leasehold land is amortised on a straight-line basis over 30 to 50 years pursuant to the registered term for land use right.

The Group has obtained the land use right certificates for all leasehold lands as at 31 December 2022, 2023, 2024 and 30 June 2025.

The Group regularly entered into short-term leases for office equipment. As at 31 December 2022, 2023, 2024 and 30 June 2025, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed above.

Restrictions or covenants on leases

In addition, lease liabilities of approximately RMB98,746,000, RMB108,964,000, RMB98,495,000 and RMB429,918,000 are recognised with related right-of-use assets of approximately RMB90,980,000, RMB98,175,000, RMB86,836,000 and RMB408,431,000 as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in Note 28.

17. INTANGIBLE ASSETS

The Group

	Office software	Trademarks and patents	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
At 1 January 2022	13,370	4,666	18,036
Additions	5,429	—	5,429
At 31 December 2022	18,799	4,666	23,465
Additions	340	600	940
Disposed on disposal of a subsidiary *(Note 34)*	(866)	—	(866)
At 31 December 2023	18,273	5,266	23,539
Additions	6,490	—	6,490
At 31 December 2024	24,763	5,266	30,029
Additions	5	—	5
At 30 June 2025	24,768	5,266	30,034
AMORTISATION			
At 1 January 2022	11,643	1,224	12,867
Charge for the year	1,521	949	2,470
At 31 December 2022	13,164	2,173	15,337
Charge for the year	884	935	1,819
Eliminated on disposal of a subsidiary *(Note 34)*	(723)	—	(723)
At 31 December 2023	13,325	3,108	16,433
Charge for the year	966	719	1,685
At 31 December 2024	14,291	3,827	18,118
Charge for the period	1,852	284	2,136
At 30 June 2025	16,143	4,111	20,254
CARRYING VALUES			
At 31 December 2022	5,635	2,493	8,128
At 31 December 2023	4,948	2,158	7,106
At 31 December 2024	10,472	1,439	11,911
At 30 June 2025	8,625	1,155	9,780

The Company

	Office software	Trademarks and patents	Total
	RMB'000	*RMB'000*	*RMB'000*
COST			
At 1 January 2022	12,491	4,666	17,157
Additions	5,429	—	5,429
At 31 December 2022	17,920	4,666	22,586
Additions	340	—	340
At 31 December 2023	18,260	4,666	22,926
Additions	6,490	—	6,490
At 31 December 2024 and 30 June 2025	24,750	4,666	29,416
AMORTISATION			
At 1 January 2022	11,157	1,224	12,381
Charge for the year	1,316	948	2,264
At 31 December 2022	12,473	2,172	14,645
Charge for the year	839	837	1,676
At 31 December 2023	13,312	3,009	16,321
Charge for the year	966	568	1,534
At 31 December 2024	14,278	3,577	17,855
Charge for the period	1,847	209	2,056
At 30 June 2025	16,125	3,786	19,911
CARRYING VALUES			
At 31 December 2022	5,447	2,494	7,941
At 31 December 2023	4,948	1,657	6,605
At 31 December 2024	10,472	1,089	11,561
At 30 June 2025	8,625	880	9,505

The above intangible assets of the Group and the Company have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Office software	3~10 years
Trademarks and patents	7 years

18. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost of investments	3,709,135	4,059,933	4,447,783	5,039,107

19. DEFERRED TAXATION

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	321,459	359,185	459,839	647,816
Deferred tax liabilities	(749)	(3,605)	(3,269)	(719)
	320,710	355,580	456,570	647,097

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred tax assets	231,685	212,081	182,501	225,214
Deferred tax liabilities	—	—	—	—
	231,685	212,081	182,501	225,214

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the Track Record Period:

The Group

	Accrued sales rebates and discounts	Unrealised profit	Right-of-use assets	Lease liabilities	Fair value adjustment	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	192,414	13,010	(21,311)	22,432	(29,168)	(1,419)	175,958
Credit (charge) for the year *(Note 9)*	138,749	(3,165)	(1,121)	1,919	1,932	6,438	144,752
At 31 December 2022	331,163	9,845	(22,432)	24,351	(27,236)	5,019	320,710
Credit (charge) for the year *(Note 9)*	18,209	6,935	(1,826)	2,321	4,702	4,529	34,870
At 31 December 2023	349,372	16,780	(24,258)	26,672	(22,534)	9,548	355,580
Credit (charge) for the year *(Note 9)*	103,650	11,207	2,907	(2,430)	(2,194)	(12,150)	100,990
At 31 December 2024	453,022	27,987	(21,351)	24,242	(24,728)	(2,602)	456,570
Credit (charge) for the period *(Note 9)*	195,504	(13,800)	(89,387)	92,053	323	5,834	190,527
At 30 June 2025	648,526	14,187	(110,738)	116,295	(24,405)	3,232	647,097

The Company

	Accrued sales rebates and discounts	Right-of-use assets	Lease liabilities	Fair value adjustment	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	163,868	(14,095)	14,869	(29,168)	296	135,770
Credit (charge) for the year	91,491	1,864	(1,363)	1,932	1,991	95,915
At 31 December 2022	255,359	(12,231)	13,506	(27,236)	2,287	231,685
(Charge) credit for the year	(22,540)	(2,876)	3,138	4,362	(1,688)	(19,604)
At 31 December 2023	232,819	(15,107)	16,644	(22,874)	599	212,081
(Charge) credit for the year	(38,629)	2,034	(1,714)	8,989	(260)	(29,580)
At 31 December 2024	194,190	(13,073)	14,930	(13,885)	339	182,501
Credit (charge) for the period	44,189	1,342	(958)	(3,468)	1,608	42,713
At 30 June 2025	238,379	(11,731)	13,972	(17,353)	1,947	225,214

20. INVENTORIES

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials and consumables	202,709	222,325	319,590	321,693
Finished goods	179,755	339,776	732,645	321,488
Goods in transit	11,756	6,500	15,849	35,140
	394,220	568,601	1,068,084	678,321

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials and consumables	3,782	6,063	6,928	8,142
Finished goods	3,329	2,737	4,939	3,436
Goods in transit	14,255	5,770	13,168	15,214
	21,366	14,570	25,035	26,792

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Listed securities held for trading — equity securities listed in Hong Kong	—	98,659	141,346	—
Investment in a fund *(Note i)*	363,243	342,612	276,140	314,386
Investment in financial products issued by banks and other financial institutions *(Note ii)*	3,895,701	1,449,321	4,856,873	4,264,793
	4,258,944	1,890,592	5,274,359	4,579,179
Analysed for reporting purposes as:				
— current assets	3,642,240	1,547,980	4,897,206	3,912,748
— non-current assets *(Note iii)*	616,704	342,612	377,153	666,431
	4,258,944	1,890,592	5,274,359	4,579,179

Notes:

(i) The investment in a fund was denominated in RMB. The return of the financial asset was determined by reference to the return of the underlying investments.

(ii) An aggregate amount of approximately RMB3,895,701,000, RMB1,015,702,000, RMB4,745,663,000 and RMB4,087,681,000 as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively were financial products issued by banks and other financial institutions denominated in RMB. The remaining amount of approximately nil, RMB433,619,000, RMB111,210,000 and RMB177,112,000 of the financial products issued by banks and other financial institutions as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively, are denominated in USD. These financial products have the expected rates of return ranging from 1.00% to 6.00% per annum.

(iii) Included in the financial assets at FVTPL of approximately RMB616,704,000, RMB342,612,000, RMB377,153,000 and RMB666,431,000 as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively represented financial products issued by banks and other financial institutions with a lockup period of more than one year and investment in a fund which can only exit upon liquidation or transfer with the consent of the general partner.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment in a fund *(Note i)*	363,243	342,612	276,140	314,386
Investment in financial products issued by banks and other financial institutions *(Note ii)*	3,895,701	964,810	1,743,788	890,712
	4,258,944	1,307,422	2,019,928	1,205,098
Analysed for reporting purposes as:				
— current assets	3,642,240	964,810	1,642,775	890,712
— non-current assets *(Note iii)*	616,704	342,612	377,153	314,386
	4,258,944	1,307,422	2,019,928	1,205,098

Notes:

(i) The investment in a fund was denominated in RMB. The return of the financial asset was determined by reference to the return of the underlying investments.

(ii) An aggregate amount of approximately RMB3,895,701,000, RMB964,810,000, RMB1,743,788,000 and RMB890,712,000 as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively were financial products issued by banks and other financial institutions denominated in RMB with expected rates of return ranging from 1.00% to 5.10% per annum.

(iii) Included in the financial assets at FVTPL of approximately RMB616,704,000, RMB342,612,000, RMB377,153,000 and RMB314,386,000 as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively represented financial products issued by banks and other financial institutions with a lockup period of more than one year and investment in a fund which can only exit upon liquidation or transfer with the consent of the general partner.

22. TRADE AND OTHER RECEIVABLES

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	26,056	69,848	85,581	113,886
Less: Allowance for credit losses	(1,303)	(3,492)	(4,273)	(5,694)
	24,753	66,356	81,308	108,192
Other receivables	16,673	21,543	28,744	45,156
Less: Allowance for credit losses	(652)	(151)	(312)	(318)
	16,021	21,392	28,432	44,838
Advances to suppliers and prepaid operation expenses	127,118	158,350	227,118	322,641
Deferred **[REDACTED]** costs	—	—	—	16,201
Prepaid income tax	3,899	1,216	11,893	8,527
Value-added tax recoverable	121,144	235,776	364,945	250,515
	292,935	483,090	713,696	750,914

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	22,902	67,877	83,086	111,297
Less: Allowance for credit losses	(1,145)	(3,394)	(4,154)	(5,565)
	21,757	64,483	78,932	105,732
Other receivables	11,454	11,548	16,036	22,593
Less: Allowance for credit losses	—	(44)	(44)	(44)
	11,454	11,504	15,992	22,549
Advances to suppliers and prepaid operation expenses	36,212	23,035	40,365	42,440
Deferred **[REDACTED]** costs	—	—	—	16,201
Prepaid income tax	—	—	8,072	—
Value-added tax recoverable	3,007	16,445	60,660	—
	72,430	115,467	204,021	186,922

As at 1 January 2022, the Group's and the Company's trade receivables from contracts with customers amounting to approximately RMB24,574,000 and RMB22,757,000, respectively.

The Group required an advance payment from distributors for the sale of goods. For other customers, the Group normally grants a credit period of 30 to 90 days.

The Group and the Company grants the credit period ranging from 30 days to 90 days to its trade customers. A longer credit period may be granted to large or long-established customers with good repayment history.

The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the invoice dates at the end of each reporting period:

Aging of trade receivables, net of allowance for credit losses, is prepared based on the date of transfer of goods and services, which approximated the respective revenue recognition dates, as follows:

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0–90 days	24,753	65,928	81,308	108,192
91–365 days	—	428	—	—
	24,753	66,356	81,308	108,192

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0–90 days	21,757	64,055	78,932	105,732
91–365 days	—	428	—	—
	21,757	64,483	78,932	105,732

Included in the balance are the Group's and the Company's trade receivables balance are debtors with the aggregate carrying amount of approximately nil, RMB428,000, nil and nil and nil, RMB428,000, nil and nil which are past due as at 31 December 2022, 2023, 2024 and 30 June 2025. The Group and the Company do not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in Note 37.

23. CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND TIME DEPOSITS

The Group and the Company

Cash and cash equivalents

Cash and cash equivalents include demand deposits with original maturity less than three months for the purpose of meeting the Group's short term cash commitments, which carry interest at market rates range from 0.05% to 4.41%, 0.01% to 5.38%, 0.01% to 4.90% and 0.01% to 3.20% per annum as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively.

Restricted bank deposits

Restricted bank deposits primarily represent deposits held in designated bank accounts for issuance of bank acceptance notes, credit notes, letters of credit and reserve deposits for unconditional and irrevocable letter of guarantee. The restricted bank deposits carry interest rate ranging from 0.25% to 2.25%, 0.20% to 1.95%, 0.10% to 1.55% and 0.00% to 0.05% per annum as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively.

Time deposits

Time deposits with original maturity over 3 months carry interest rate from 2.50% to 5.48%, 3.10% to 5.37%, 1.85% to 5.38% and 1.30% to 4.84% per annum as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively.

The Group's time deposits of approximately nil, RMB280,000,000, nil and nil were held in designated bank accounts for issuance of bank acceptance notes and letters of credit per annum as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively.

Details of impairment assessment of demand deposits, restricted bank deposits and time deposits are set out in Note 37.

24. DEFERRED INCOME

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at beginning of the year/period	13,117	13,664	19,961	50,951
Addition	2,765	8,754	34,776	9,154
Recognised in profit or loss	(2,218)	(2,457)	(3,786)	(3,204)
Balance at end of the year/period	13,664	19,961	50,951	56,901

Note:

Government grants of approximately RMB2,765,000, RMB8,754,000, RMB34,776,000 and RMB9,154,000 have been received from local government authorities in the PRC during the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, respectively. All of the government grants and subsidies recognised as deferred income towards the cost of construction of its production facilities are determined to be asset related.

The amounts have been treated as deferred income and is transferred to income over the useful lives of the relevant assets. Government grant income related to assets amounting to RMB2,218,000, RMB2,457,000, RMB3,786,000 and RMB3,204,000 was recognised in profit or loss during each of the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, respectively.

25. TRADE AND OTHER PAYABLES

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	626,196	884,360	1,255,329	1,377,861
Bills payables	25,000	31,000	10,000	4,000
Construction payables	262,639	312,754	429,881	566,176
Sales rebate and discount payables	174,652	232,388	275,781	368,794
Payroll payables	178,959	284,113	415,050	293,033
Other tax payables	156,504	223,281	479,549	188,362
Deposit payables	71,166	81,420	91,072	105,290
Advertising payables	65,658	82,671	138,955	140,120
Beverage cooler payables	—	35,273	88,053	208,386
Accrued **[REDACTED]** costs	—	—	—	3,580
Other payables and accruals	80,484	52,601	58,707	64,507
	1,641,258	2,219,861	3,242,377	3,320,109

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	7,855	16,117	15,339	10,036
Bills payables	2,953,730	2,329,063	709,024	982,000
Construction payables	1,202	5,377	6,005	12,701
Sales rebate and discount payables	150,780	159,222	266,799	175,493
Payroll payables	95,523	68,865	61,379	76,650
Other tax payables	86,094	85,482	132,210	44,457
Deposit payables	64,678	70,294	68,013	71,219
Advertising payables	33,878	43,860	69,773	51,480
Beverage cooler payables	—	12,034	2,253	32,336
Accrued **[REDACTED]** costs	—	—	—	3,580
Other payables and accruals	55,062	19,667	9,420	18,164
	3,448,802	2,809,981	1,340,215	1,478,116

The average credit period on purchases of goods is 90 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0–90 days	621,686	879,395	1,245,084	1,376,438
91–180 days	4,161	748	74	250
181–365 days	49	530	9,170	691
Over 365 days	300	3,687	1,001	482
	626,196	884,360	1,255,329	1,377,861

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
0–90 days	3,848	15,902	8,251	10,036
91–180 days	3,999	183	3	—
181–365 days	8	—	7,053	—
Over 365 days	—	32	32	—
	7,855	16,117	15,339	10,036

All bills payables issued by the Group and the Company are with a maturity period of less than 1 year.

26. BORROWINGS

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At amortised cost:				
Borrowings	275,951	320,239	651,243	—
Advance from banks on discounted notes receivables *(Note)*	1,444,979	1,857,929	1,703,438	2,490,020
Advance from banks on discounted letters of credit *(Note)*	1,486,499	737,858	4,196,656	3,638,378
Factoring financing borrowings *(Note)*	—	319,862	—	—
	3,207,429	3,235,888	6,551,337	6,128,398
Secured	25,830	240,182	—	—
Unsecured	3,181,599	2,995,706	6,551,337	6,128,398
	3,207,429	3,235,888	6,551,337	6,128,398

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At amortised cost:				
Borrowings	150,040	—	651,242	—
Advance from banks on discounted letters of credit *(Note)*	—	278,950	—	—
	150,040	278,950	651,242	—
Unsecured	150,040	278,950	651,242	—

Note: All note receivables and letters of credit discounted to banks and factoring financing borrowings as at 31 December 2022, 2023, 2024 and 30 June 2025 were arising from intragroup transactions among members of the Group, which were eliminated in full on consolidation.

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The carrying amounts of the borrowings are repayable:				
Within one year	3,207,429	3,015,888	6,551,337	6,128,398
Within a period of more than two years but not exceeding five years	—	220,000	—	—
	3,207,429	3,235,888	6,551,337	6,128,398
Less: Amounts due within one year shown under current liabilities	(3,207,429)	(3,015,888)	(6,551,337)	(6,128,398)
Amounts shown under non-current liabilities	—	220,000	—	—

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
The carrying amounts of the borrowings are repayable:				
Within one year	150,040	278,950	651,242	—
Amounts due within one year shown under current liabilities	150,040	278,950	651,242	—

The exposure of the Group's and the Company's borrowings are as follows:

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fixed-rate borrowings	3,207,429	3,015,888	6,551,337	6,128,398
Variable-rate borrowings	—	220,000	—	—
	3,207,429	3,235,888	6,551,337	6,128,398

The Group's variable-rate borrowings carry interest linked to 1-year loan prime rate ("**LPR**").

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Fixed-rate borrowings	150,040	278,950	651,242	—

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's and the Company's borrowings are as follows:

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Effective interest rate:				
Borrowings	1.90% to 3.85%	1.60% to 3.00%	2.20% to 2.50%	—
Advance from banks on discounted notes receivables, advance from banks on discounted letters of credit and factoring financing borrowings	1.10% to 2.95%	1.10% to 2.70%	0.60% to 2.75%	1.00% to 1.95%

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Effective interest rate:				
Borrowings	2.65%	—	2.20% to 2.50%	—
Advance from banks on discounted letters of credit	—	2.50%	—	—

At 31 December 2022, 2023, 2024 and 30 June 2025, the borrowings amounting to approximately RMB25,830,000, RMB240,182,000, nil and nil were secured by pledge of the buildings of the Group with carrying amount of approximately RMB209,855,000, RMB436,282,000, nil and nil, as well as a leasehold land of the Group included in right-of-use assets with carrying amount of approximately RMB33,375,000, RMB39,040,000, nil and nil as at 31 December 2022, 2023, 2024 and 30 June 2025, respectively. In addition, the abovesaid borrowings were withdrawn under bank facilities granted to the Group, and the relevant bank facilities were jointly guaranteed by a wholly-owned subsidiary of the Company, Mr. Lin and his spouse as detailed in Note 31. The secured and guaranteed borrowings have been subsequently fully repaid during the years ended 31 December 2023 and 2024, respectively, and the relevant guarantees were released.

27. CONTRACT LIABILITIES

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payment *(Note i)*	473,096	1,231,580	2,896,895	1,023,764
Sales rebates and discounts *(Note ii)*	1,154,072	1,375,641	1,863,656	2,643,324
	1,627,168	2,607,221	4,760,551	3,667,088

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payment *(Note i)*	343,537	532,481	695,617	295,592
Sales rebates and discounts *(Note ii)*	870,656	772,069	616,795	759,075
	1,214,193	1,304,550	1,312,412	1,054,667

Notes:

i. The Group requires a deposit on acceptance of orders from certain customers. When the Group receives a deposit before the delivery of beverages, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

ii. Pursuant to the sales agreements and promotion programs rules announced, the customers are entitled to receive sales rebates and discounts from the Group based on the actual sales volume to them or the actual participation volume of the promotion programs. After the delivery of goods to the customers, the Group would estimate and determine the sales rebates and discounts payables to the customers based on their completion of performance targets or their expected historical participation rate. Given that customers agree to use the accumulated amount of the sales rebates and discounts as an advance payment, the Group recorded the sales rebates and discounts payables on goods sold as "contract liabilities".

At 1 January 2022, the Group's and the Company's contract liabilities amounted to approximately RMB1,241,369,000 and RMB1,008,575,000, respectively.

The amount of contract liabilities includes the revenue to be recognised. The contract liabilities balance varies in accordance with the number of contracts outstanding at the end of each reporting period. The following table shows how much of the revenue recognised during the Track Record Period relates to carried-forward contract liabilities.

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the year/period	1,241,369	1,619,113	2,607,221	3,410,566

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue recognised that was included in the contract liability balance at the beginning of the year/period . . .	1,008,575	1,214,193	1,304,550	847,867

The Group generally has no revenue contract that has an original expected duration of more than one year, and management applied practical expedient under IFRS 15 and are not disclosing the aggregate amount of the transaction price allocated to the performance obligation that are unsatisfied or partially satisfied as of the end of each reporting period.

28. LEASE LIABILITIES

	The Group			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities payable:				
Within one year.	13,501	13,578	13,041	14,758
Within a period of more than one years but not more than two years. .	12,714	11,346	5,849	12,842
Within a period of more than two years but not more than five years. .	23,350	14,749	15,771	42,848
Within a period of more than five years	49,181	69,291	63,834	359,470
	98,746	108,964	98,495	429,918
Less: Amount due for settlement within one year shown under current liabilities	(13,501)	(13,578)	(13,041)	(14,758)
Amount due for settlement after one year shown under non-current liabilities	85,245	95,386	85,454	415,160

	The Company			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities payable:				
Within one year	10,080	9,878	8,075	4,458
Within a period of more than one years but not more than two years	9,061	7,445	1,497	1,143
Within a period of more than two years but not more than five years	10,721	1,198	1,268	856
Within a period of more than five years	24,164	49,099	48,884	49,435
	54,026	67,620	59,724	55,892
Less: Amount due for settlement within one year shown under current liabilities	(10,080)	(9,878)	(8,075)	(4,458)
Amount due for settlement after one year shown under non-current liabilities	43,946	57,742	51,649	51,434

The weighted average incremental borrowing rates applied to lease liabilities are 4.75% per annum as at 31 December 2022, 2023, 2024 and 4.65% per annum as at 30 June 2025, respectively.

29. SHARE CAPITAL

Details of movements of authorised and issued share capital of the Company are as follows:

	Number of shares	Share capital
		RMB
Ordinary shares of RMB1 each		
Registered, issued and fully paid		
At 1 January 2022 and 31 December 2022 and 2023	400,010,000	400,010,000
Issue of bonus shares *(Note)*	120,003,000	120,003,000
At 31 December 2024 and 30 June 2025	520,013,000	520,013,000

Note: In October 2024, the Company capitalised share premium amounting to RMB120,003,000 to 120,003,000 ordinary shares as bonus shares with nominal value of RMB1.00 each.

30. RESERVES OF THE COMPANY

	Share premium	Statutory reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2022	2,084,271	200,005	1,294,106	3,578,382
Profit and total comprehensive income for the year	—	—	1,290,518	1,290,518
Dividends recognised as distribution *(Note 13)*	—	—	(600,015)	(600,015)
At 31 December 2022	2,084,271	200,005	1,984,609	4,268,885
Profit and total comprehensive income for the year	—	—	1,807,089	1,807,089
Dividends recognised as distribution *(Note 13)*	—	—	(800,020)	(800,020)
At 31 December 2023	2,084,271	200,005	2,991,678	5,275,954
Profit and total comprehensive income for the year	—	—	2,801,165	2,801,165
Profit appropriations to statutory surplus reserve	—	60,002	(60,002)	—
Issuance of bonus shares using share premium *(Note 29)*	(120,003)	—	—	(120,003)
Dividends recognised as distribution *(Note 13)*	—	—	(2,000,050)	(2,000,050)
At 31 December 2024	1,964,268	260,007	3,732,791	5,957,066
Profit and total comprehensive income for the period	—	—	221,593	221,593
Dividends recognised as distribution *(Note 13)*	—	—	(1,300,033)	(1,300,033)
At 30 June 2025	1,964,268	260,007	2,654,351	4,878,626

31. RELATED PARTY DISCLOSURES

The Group and the Company has following transactions and balances with related parties during the Track Record Period:

The Group

		As at/For the year ended 31 December			As at/For the six months ended 30 June
Relationships	**Nature of transactions/balances**	**2022**	**2023**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from related parties:					
Pengzhirui *(Note a)*	Trade nature	—	883	1	117
Shunbaoquan *(Note b)*	Trade nature	—	—	—	479
		—	883	1	596

Relationships	Nature of transactions/balances	As at/For the year ended 31 December			As at/For the six months ended 30 June
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due to related parties:					
Pengzhirui *(Note a)*	Trade nature	—	19,920	6,946	7,844
Shunbaoquan *(Note b)*	Trade nature	1,584	—	—	—
		1,584	19,920	6,946	7,844
Lease liabilities					
Shunbaoquan *(Note b)*	Lease liabilities in relation to leasing of plant	29,417	48,318	48,666	48,796
Shunbaoquan *(Note b)*	Interest expenses on lease liabilities	1,362	2,186	2,371	1,191
Shenzhen Eastroc Beverage Foundation *(Note c)*	Donation to a fund	8,000	622	25,500	320
Pengzhirui *(Note a)*	Purchase of technology service	—	21,170	28,020	16,551
Pengzhirui *(Note a)*	Rental income for sublease of properties	—	510	885	117

The Company

Relationships	Nature of transactions/balances	As at/For the year ended 31 December 2022	2023	2024	As at/For the six months ended 30 June 2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due from subsidiaries:					
Subsidiaries.	Non-trade nature	417,344	3,607,155	1,653,166	3,386,524
Subsidiaries.	Trade nature	238,807	1,025,561	1,493,268	443,034
		656,151	4,632,716	3,146,434	3,829,558
Amounts due to subsidiaries:					
Subsidiaries.	Non-trade nature	1,313,728	2,447,999	1,943,505	3,006,328
Subsidiaries.	Trade nature	520,687	774,122	1,740,177	1,881,143
		1,834,415	3,222,121	3,683,682	4,887,471
Amounts due from related parties:					
Pengzhirui *(Note a)*	Trade nature	—	883	1	—
Shunbaoquan *(Note b)* . . .	Trade nature	—	—	—	479
		—	883	1	479
Amounts due to related parties:					
Pengzhirui *(Note a)*	Trade nature	—	19,920	6,946	7,844
Shunbaoquan *(Note b)* . . .	Trade nature	1,584	—	—	—
		1,584	19,920	6,946	7,844
Lease liabilities:					
Shunbaoquan *(Note b)* . . .	Lease liabilities in relation to leasing of plant	29,417	48,318	48,666	48,796
Shunbaoquan *(Note b)*.	Interest expenses on lease liabilities	1,362	2,186	2,371	1,191
Shenzhen Eastroc Beverage Foundation *(Note c)*.	Donation to a fund	8,000	622	25,500	320
Pengzhirui *(Note a)*	Purchase of technology service	—	21,170	28,020	16,551

Relationships	Nature of transactions/balances	As at/For the year ended 31 December 2022	2023	2024	As at/For the six months ended 30 June 2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Pengzhirui *(Note a)*	Rental income for sublease of properties	—	510	885	—

Notes:

(a) Shenzhen Pengzhirui Digital Marketing Co., Ltd. (深圳鵬智瑞數字營銷有限公司), or Pengzhirui, a former subsidiary of the Company, was disposed on 19 May 2023 to an entity controlled by Mr. Lin and became a related party of the Group.

(b) Haifengxian Shunbaoquan Property Management Co., Ltd. (海豐縣順寶泉物業管理有限公司), or Shunbaoquan is an entity controlled by Mr. Lin and his spouse.

(c) Shenzhen Eastroc Beverage Foundation (深圳市東鵬飲料公益基金會) is an entity in which natural person associated with the Group serve as director and management personnel.

The Company disposed 100% interest in Pengzhirui in May 2023 to Zhenchanghui Investment (Shenzhen) Co., Ltd. (臻昌匯投資(深圳)有限公司), or Zhenchanghui, an entity controlled by Mr. Lin. Details are set out in Note 34.

The trade related balances with related parties and subsidiaries were unsecured and interest-free with aging within 1 year.

The non-trade related balances with subsidiaries were interest-free, unsecured and repayable on demand. During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, maximum amounts outstanding were approximately RMB417,344,000, RMB4,981,325,000, RMB3,433,899,000 and RMB5,441,295,000, respectively.

As at 31 December 2022, 2023, 2024 and 30 June 2025, Mr. Lin and his spouse provided financial guarantees in respect of bank facilities granted to the Group amounted to approximately RMB885,000,000, RMB670,000,000, nil and nil, respectively.

Compensation of key management personnel

The remuneration of directors and other members of key management during the Track Record Period is set out in Note 11.

32. RETIREMENT BENEFITS SCHEMES

The Group operates a defined contribution retirement benefits scheme under the MPF Scheme for employees who are eligible to participate in the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group, in fund under the control of trustees. The Group contributes certain percent of relevant payroll costs to the MPF Scheme, which contribution is matched by employees.

The employees of the Company and the Company's subsidiaries established in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiaries are required to contribute certain percentage of payroll costs to the retirement benefits schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the specific contributions.

The total expense recognised in profit or loss of approximately RMB63,608,000, RMB70,772,000, RMB95,085,000, RMB44,008,000 (unaudited) and RMB79,246,000 represents contributions payable to these schemes by the Group during each of the year ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 and 2025.

33. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2023

Acquisition of a subsidiary

During the year ended 31 December 2023, the Group acquired 100% interest in Shenzhen Pengdaida Small Loan Co., Ltd. (深圳市鵬貸達小額貸款有限公司) ("**Pengdaida**") at a cash consideration of approximately RMB15,495,000. Upon completion of the acquisition, Pengdaida became a subsidiary of the Group. Pengdaida is a dormant company and the acquisition has been accounted for as acquisition of assets and liabilities through an acquisition of a subsidiary.

Details of the assets acquired and liabilities assumed are as below:

	2023
	RMB'000
Property, plant and equipment	8
Trade and other receivables	5,495
Cash and cash equivalents	5,415
Other payables	(930)
	9,988
Net cash outflow arising on acquisition of Pengdaida	
Cash consideration paid	10,845
Less: cash and cash equivalents acquired	(5,415)
	5,430

During the year ended 31 December 2022, the Group prepaid the deposit of approximately RMB4,650,000 for the acquisition of Pengdaida.

For the six months ended 30 June 2025

Acquisition of a subsidiary

During the six months ended 30 June 2025, the Group acquired 100% interest in Shenzhen Xinfeitong Optoelectronic Technology Co., Ltd. (深圳新飛通光電子技術有限公司) ("**Xinfeitong**") at a cash consideration of approximately RMB483,639,000. Upon completion of the acquisition, Xinfeitong became a subsidiary of the Group. The acquisition has been accounted for as acquisition of assets and liabilities through an acquisition of a subsidiary because Xinfeitong mainly holds several buildings and the underlying leasehold land without significant processes applied to the properties.

Details of the assets acquired and liabilities assumed are as below:

	2025
	RMB'000
Property, plant and equipment	115,614
Right-of-use assets	234,277
Trade and other receivables	7,232
Cash and cash equivalents	127,672
Other payables	(1,156)
	483,639
Net cash outflow arising on acquisition of Xinfeitong	
Cash consideration paid	483,639
Less: cash and cash equivalents acquired	(127,672)
	355,967

34. DISPOSAL OF A SUBSIDIARY

On 19 May 2023, the Group disposed 100% interest in Pengzhirui to an entity controlled by Mr. Lin. The net assets of Pengzhirui at the date of disposal were as follows:

	2023
	RMB'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	270
Intangible assets	143
Inventories	1,696
Trade and other receivables	10,876
Cash and cash equivalents	18,978
Trade and other payables	(2,943)
Net assets disposed of	29,020
Consideration received:	
Cash received	32,000
Gain on disposal of a subsidiary:	
Consideration received	32,000
Net assets disposed of	(29,020)
	2,980
Net cash inflow arising on disposal:	
Cash consideration	32,000
Less: cash and cash equivalents disposed of	(18,978)
	13,022

35. 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 the future cash flow will be, classified in the Group's consolidated statements of cash flows from financing activities.

	Borrowings	Lease liabilities	Dividend payable	Accrued [REDACTED] cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	679,675	106,217	—	—	785,892
Financing cash flows	2,492,433	(15,849)	(600,015)	—	1,876,569
New leases entered/lease modified	—	3,549	—	—	3,549
Finance costs	47,853	4,829	—	—	52,682
Dividend declared	—	—	600,015	—	600,015
Finance costs prepaid in prior year	(12,532)	—	—	—	(12,532)
As at 31 December 2022	3,207,429	98,746	—	—	3,306,175
Financing cash flows	(46,332)	(18,097)	(800,020)	—	(864,449)
New leases entered/lease modified	—	23,018	—	—	23,018
Finance costs	74,789	5,297	—	—	80,086
Dividend declared	—	—	800,020	—	800,020
Others	2	—	—	—	2
As at 31 December 2023	3,235,888	108,964	—	—	3,344,852
Financing cash flows	3,217,535	(19,894)	(2,000,050)	—	1,197,591
New leases entered/lease modified	—	4,463	—	—	4,463
Finance costs	97,914	4,962	—	—	102,876
Dividend declared	—	—	2,000,050	—	2,000,050
As at 31 December 2024	6,551,337	98,495	—	—	6,649,832

	Borrowings	Lease liabilities	Dividend payable	Accrued [REDACTED] cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	6,551,337	98,495	—	—	6,649,832
Financing cash flows	(466,907)	(8,503)	(1,300,033)	(12,621)	(1,788,064)
New leases entered/lease modified	—	333,764	—	—	333,764
Finance costs	43,968	6,162	—	—	50,130
Dividend declared	—	—	1,300,033	—	1,300,033
Share **[REDACTED]** costs accrued	—	—	—	16,201	16,201
As at 30 June 2025	6,128,398	429,918	—	3,580	6,561,896
(Unaudited)					
As at 1 January 2024	3,235,888	108,964	—	—	3,344,852
Financing cash flows	2,715,138	(9,347)	(1,000,025)	—	1,705,766
New leases entered/lease modified	—	3,626	—	—	3,626
Finance costs	39,705	2,589	—	—	42,294
Dividend declared	—	—	1,000,025	—	1,000,025
As at 30 June 2024	5,990,731	105,832	—	—	6,096,563

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net debt, which includes borrowings and lease liabilities, net of cash and cash equivalents, restricted bank deposits and time deposits, and equity attributable to the owners of the Company, comprising issued share capital, retained profits and other reserves.

The Group's directors review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group expects to balance its overall capital structure through new share issues as well as the issue of the new debt or the redemption of existing debts and the payment of dividends.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Cash and cash equivalents	1,438,572	2,875,073	3,328,162	2,060,143
Restricted bank deposits	122,520	316,440	9,025	7,495
Time deposits	1,738,684	4,196,573	6,361,053	7,129,418
Trade and other receivables	40,774	87,748	109,740	153,030
Amounts due from related parties	—	883	1	596
Financial assets at amortised cost	3,340,550	7,476,717	9,807,981	9,350,682
Financial assets at FVTPL	4,258,944	1,890,592	5,274,359	4,579,179
	7,599,494	9,367,309	15,082,340	13,929,861
Financial liabilities				
Trade and other payables	1,305,795	1,712,467	2,347,778	2,838,714
Amounts due to related parties	1,584	19,920	6,946	7,844
Borrowings	3,207,429	3,235,888	6,551,337	6,128,398
Financial liabilities at amortised cost	4,514,808	4,968,275	8,906,061	8,974,956

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Cash and cash equivalents	768,853	1,212,885	1,494,676	608,134
Restricted bank deposits	112,346	305,802	1	7
Time deposits	1,402,242	1,287,986	1,687,215	1,533,830
Trade and other receivables	33,211	75,987	94,924	128,281
Amounts due from related parties	—	883	1	479
Amounts due from subsidiaries	656,151	4,632,716	3,146,434	3,829,558
Financial assets at amortised cost	2,972,803	7,516,259	6,423,251	6,100,289
Financial assets at FVTPL	4,258,944	1,307,422	2,019,928	1,205,098
	7,231,747	8,823,681	8,443,179	7,305,387
Financial liabilities				
Trade and other payables	3,267,185	2,655,634	1,146,626	1,357,009
Amounts due to related parties	1,584	19,920	6,946	7,844
Amounts due to subsidiaries	1,834,415	3,222,121	3,683,682	4,887,471
Borrowings	150,040	278,950	651,242	—
Financial liabilities at amortised cost	5,253,224	6,176,625	5,488,496	6,252,324

(b) Financial risk management objectives and policies

The Group's and the Company's major financial instruments include cash and cash equivalents, trade and other receivables, amounts due from related parties, amounts due from subsidiaries, restricted bank deposits, time deposits, financial assets at FVTPL, trade and other payables, amounts due to related parties, amounts due to subsidiaries and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's and the Company's activities expose primarily to the market risks of changes in interest rates, price and currency rates.

There has been no significant change to the Group's and the Company's exposure to market risks or the manner in which it manages and measures the risk.

(i) Currency risk

The Group and the Company collects most of its revenue and incurs most of the expenditures in RMB. In addition, the Company has intra-group balances with several subsidiaries denominated in foreign currency which also expose the Group to foreign currency risk. The main intra-group balances are the amounts due from/to Eastroc Beverage (HongKong) Co., Limited, a subsidiary with operating activities in Hong Kong.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposures and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and intra-group balances at the reporting date are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets				
RMB	—	3,213	166	117
HKD	—	7,169	41,833	50,477
USD	698,009	4,169,712	1,716,856	1,692,274
Liabilities				
RMB	—	2,786,777	179,570	37,061
HKD	—	—	683	683
USD	—	124	126	134

Sensitivity analysis

The Group is mainly exposed to fluctuation in RMB and USD against HKD. As HKD is pegged to USD under the Hong Kong's linked exchange rate system, the management of the Group is of the opinion that the Group's exposure to the foreign exchange rate risk of USD is minimal.

The following table details the Group's sensitivity to a reasonably possible change of 5% increase and decrease in HKD against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. The sensitivity analysis also includes intra-group balances. A positive number below indicates an increase in post-tax profit where HKD weaken 5% against RMB. For a 5% strengthening of HKD against RMB, there would be an equal and opposite impact on the profit and the amounts below would be negative.

	Year ended 31 December			Six months ended 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Profit for the year/period				
— HKD against RMB	—	(115,912)	(5,733)	536

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to restricted bank deposits (Note 23), time deposits (Note 23), fixed-rate borrowings (Note 26) and lease liabilities (Note 28). The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (Note 23) and variable-rate borrowings (Note 26). The cash flow interest rate risk is mainly concentrated on the fluctuation of the prevailing market interest rate on bank balances and LPR on borrowings.

Interest rate sensitivity

The sensitivity analyses below have been prepared based on the exposure to interest rates at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of each reporting period were outstanding for the whole year. A 100 basis point increase or decrease in variable-rate borrowings are used when reporting interest rate risk internally to key management personnel and represent management's assessment of the possible change in interest rate. Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

If interest rates had been increased/decreased by 100 basis point in respect of borrowings and all other variables were held constant, the Group's post-tax profit would decrease/increase by approximately nil, RMB1,650,000, nil and nil for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, respectively.

(iii) Price risk

The Group is exposed to equity price risk through its investments in equity securities measured at FVTPL. For equity securities measured at FVTPL quoted in the Stock Exchange, the management of the Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risk at the end of each reporting period. For sensitivity analysis of equity securities with fair value measurement categorised within Level 1, the sensitivity rate is increased to 10% as a result of the volatile financial market. If the prices of the respective equity instruments had been 10% higher/lower, the post-tax profit for the years ended 31 December 2022, 2023, 2024 and for the six months ended 30 June 2025 would increase/decrease by approximately nil, RMB9,866,000, RMB14,146,000 and nil, respectively.

Credit risk and impairment assessment

At the end of each reporting period, the maximum exposure to credit risk of the Group and the Company which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statements of financial position at the end of each reporting period.

Trade receivables, amounts due from related parties and amounts due from subsidiaries arising from contracts with customers

In order to minimise the credit risk, the management of the Group and the Company has delegated the responsible personnel for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group and the Company may require a deposit to be received from most of the customers before acceptance of orders. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

In addition, the Group and the Company perform impairment assessment under ECL model on trade receivables, amounts due from related parties and amounts due from subsidiaries in trade nature which are credit-impaired individually. The remaining trade receivables, amounts due from related parties and amounts due from subsidiaries are grouped and assessed on collective basis based on the nature of customers and customers' aging of outstanding balances. During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the credit loss allowance of approximately RMB9,000, RMB2,214,000, RMB781,000 and RMB1,421,000, respectively, was recognised by the Group and the credit loss allowance of approximately RMB(34,000), RMB2,249,000, RMB760,000 and RMB1,411,000, respectively, was (reversed)/recognised by the Company in relation to the trade receivables and amounts due from related parties. For the amounts due from subsidiaries in a trade nature, the Group and the Company assessed the ECL are insignificant and thus no loss allowance is recognised for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025.

Other receivables and non-trade amounts due from subsidiaries

The Group and the Company assessed the loss allowance for other receivables and amounts due from subsidiaries in non-trade nature on 12m ECL basis as the Group and the Company have considered that credit risks on these financial assets have not increased significantly since initial recognition. In determining the ECL, the Group and the Company have taken into account the historical default experience and forward-looking information as appropriate. The Group and the Company have considered the consistently low historical default rate in connection with payments and the Group and the Company also actively monitor the outstanding amounts owed by each debtor and identifies any credit risks in a timely manner in order to reduce the risk of a credit related loss. During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the credit loss allowance of approximately RMB349,000, RMB(522,000), RMB177,000 and RMB507,000, respectively, was recognised/(reversed) by the Group and the credit loss allowance of approximately nil, RMB44,000, nil and nil, respectively, was recognised by the Company. For the amounts due from subsidiaries in non-trade nature, the Group and the Company assessed the ECL are insignificant and thus no loss allowance is recognised for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025.

Time deposits, restricted bank deposits and bank balances

The credit risks on time deposits, restricted bank deposits and bank balances are limited because the counterparties are authorised banks in the PRC with high credit ratings assigned by external credit-rating agencies.

Other than the concentration of credit risk on liquid funds which are placed with several banks, the Group does not have any other significant concentration of credit risk.

The Group and the Company assessed 12m ECL for time deposits, restricted bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on time deposits, restricted bank deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised for the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts.	Lifetime ECL — not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle in full.	Lifetime ECL — not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources.	Lifetime ECL — not credit-impaired	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired.	Lifetime ECL — credit-impaired	Lifetime ECL — credit-impaired
Write-off	There is evidence indicating the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group's and the Company's financial assets, which are subject to ECL assessment:

The Group

	Notes	Internal credit rating	12 m or life-time ECL	Gross carrying amount 31/12/2022	31/12/2023	31/12/2024	30/06/2025
				RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	*22*	N/A *(Note i)*	Life-time ECL (not credit- impaired)	26,056	69,848	85,581	113,886
Other receivables	*22*	(ii)	12m ECL	16,673	21,543	28,744	45,156
Amounts due from related parties	*31*	N/A *(Note i)*	Life-time ECL (not credit- impaired)	—	883	1	596
Time deposits	*23*	(ii)	12m ECL	1,738,684	4,196,573	6,361,053	7,129,418
Restricted bank deposits	*23*	(ii)	12m ECL	122,520	316,440	9,025	7,495
Bank balances	*23*	(ii)	12m ECL	1,438,572	2,875,073	3,328,162	2,060,143

The Company

	Notes	Internal credit rating	12 m or life-time ECL	Gross carrying amount 31/12/2022	31/12/2023	31/12/2024	30/06/2025
				RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	*22*	N/A *(Note i)*	Life-time ECL (not credit- impaired)	22,902	67,877	83,086	111,297
Other receivables	*22*	(ii)	12m ECL	11,454	11,548	16,036	22,593
Amounts due from related parties	*31*	N/A *(Note i)*	Life-time ECL (not credit- impaired)	—	883	1	479
Amounts due from subsidiaries	*31*	N/A *(Note i)*	Life-time ECL (not credit- impaired)	238,807	1,025,561	1,493,268	443,034
Amounts due from subsidiaries	*31*	(ii)	12m ECL	417,344	3,607,155	1,653,166	3,386,524
Time deposits	*23*	(ii)	12m ECL	1,402,242	1,287,986	1,687,215	1,533,830
Restricted bank deposits	*23*	(ii)	12m ECL	112,346	305,802	1	7
Bank balances	*23*	(ii)	12m ECL	768,853	1,212,885	1,494,676	608,134

Notes:

(i) For trade receivables, amounts due from related parties and amounts due from subsidiaries in trade nature, the Group and the Company have applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors credit-impaired, the Group and the Company determine the ECL on these items on a collective basis, grouped by based on the aging of respective trade receivables.

As part of the Group's and the Company's credit risk management, the Group and the Company use debtors' aging to assess the impairment for its customers. Set out below is the information about the credit risk exposure on the Group's trade receivables using a collective basis:

The Group

	Less than 1 year	Total
	RMB'000	*RMB'000*
As at 31 December 2022		
Average loss rate	5.00%	5.00%
Total gross carrying amount	26,056	26,056
Lifetime ECL	(1,303)	(1,303)
	24,753	24,753
As at 31 December 2023		
Average loss rate	5.00%	5.00%
Total gross carrying amount	69,848	69,848
Lifetime ECL	(3,492)	(3,492)
	66,356	66,356
As at 31 December 2024		
Average loss rate	5.00%	5.00%
Total gross carrying amount	85,581	85,581
Lifetime ECL	(4,273)	(4,273)
	81,308	81,308
As at 30 June 2025		
Average loss rate	5.00%	5.00%
Total gross carrying amount	113,886	113,886
Lifetime ECL	(5,694)	(5,694)
	108,192	108,192

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Group provided approximately RMB1,303,000, RMB3,492,000, RMB4,273,000 and RMB5,694,000 impairment allowance for trade receivables which is not credit-impaired respectively. Impairment allowance of nil, nil, nil and nil were made on credit-impaired debtors respectively.

The Company

	Less than 1 year	Total
	RMB'000	*RMB'000*
As at 31 December 2022		
Average loss rate	5.00%	5.00%
Total gross carrying amount	22,902	22,902
Lifetime ECL	(1,145)	(1,145)
	21,757	21,757
As at 31 December 2023		
Average loss rate	5.00%	5.00%
Total gross carrying amount	67,877	67,877
Lifetime ECL	(3,394)	(3,394)
	64,483	64,483
As at 31 December 2024		
Average loss rate	5.00%	5.00%
Total gross carrying amount	83,086	83,086
Lifetime ECL	(4,154)	(4,154)
	78,932	78,932
As at 30 June 2025		
Average loss rate	5.00%	5.00%
Total gross carrying amount	111,297	111,297
Lifetime ECL	(5,565)	(5,565)
	105,732	105,732

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

As at 31 December 2022, 2023, 2024 and 30 June 2025, the Company provided approximately RMB1,145,000, RMB3,394,000, RMB4,154,000 and RMB5,565,000 impairment allowance for trade receivables which is not credit-impaired respectively. Impairment allowance of nil, nil, nil and nil were made on credit-impaired debtors respectively.

The following tables show the movement in lifetime ECL that has been recognised for trade receivables and amounts due from related parties under the simplified approach:

	The Group	The Company
	RMB'000	*RMB'000*
As at 1 January 2022	1,294	1,179
— impairment losses, net of reversal	9	(34)
As at 31 December 2022	1,303	1,145
— impairment losses, net of reversal	2,214	2,249
— others	(25)	—
As at 31 December 2023	3,492	3,394
— impairment losses, net of reversal	781	760
As at 31 December 2024	4,273	4,154
— impairment losses, net of reversal	1,421	1,411
As at 30 June 2025	5,694	5,565

(ii) For the purposes of internal credit risk management, the Group and the Company have applied the general approach in IFRS 9 to measure the loss allowance at 12m ECL as there is no significant increase in credit risk since initial recognition. The Group and the Company determine the expected credit losses for other receivables, amounts due from subsidiaries in non-trade nature, time deposits, restricted bank deposits and bank balances by assessment of probability of default. During each year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, in view of the nature of the balance and historical default rate and forward looking information, the Group and the Company consider the provision of impairment allowance for these balances are insignificant.

Liquidity risk

In the management of the liquidity risk, the Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's and the Company's contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows.

Liquidity table

The Group

	Weighted average interest rate	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2022						
Trade and other payables	N/A	1,305,795	—	—	1,305,795	1,305,795
Amounts due to a related party	N/A	1,584	—	—	1,584	1,584
Borrowings	1.91	3,235,989	—	—	3,235,989	3,207,429
Lease liabilities	4.75	17,870	48,256	60,787	126,913	98,746
		4,561,238	48,256	60,787	4,670,281	4,613,554

	Weighted average interest rate	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023						
Trade and other payables	N/A	1,712,467	—	—	1,712,467	1,712,467
Amounts due to a related party	N/A	19,920	—	—	19,920	19,920
Borrowings	1.79	3,036,536	228,941	—	3,265,477	3,235,888
Lease liabilities	4.75	17,532	41,812	108,113	167,457	108,964
		4,786,455	270,753	108,113	5,165,321	5,077,239

	Weighted average interest rate	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024						
Trade and other payables	N/A	2,347,778	—	—	2,347,778	2,347,778
Amounts due to a related party	N/A	6,946	—	—	6,946	6,946
Borrowings	1.51	6,592,443	—	—	6,592,443	6,551,337
Lease liabilities	4.75	17,466	36,109	97,455	151,030	98,495
		8,964,633	36,109	97,455	9,098,197	9,004,556

	Weighted average interest rate	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2025						
Trade and other payables	N/A	2,838,714	—	—	2,838,714	2,838,714
Amounts due to a related party	N/A	7,844	—	—	7,844	7,844
Borrowings	1.34	6,159,870	—	—	6,159,870	6,128,398
Lease liabilities	4.65	35,630	128,000	513,283	676,913	429,918
		9,042,058	128,000	513,283	9,683,341	9,404,874

The Company

	Weighted average interest rate	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2022						
Trade and other payables	N/A	3,267,185	—	—	3,267,185	3,267,185
Amounts due to a related party	N/A	1,584	—	—	1,584	1,584
Amounts due to subsidiaries	N/A	1,834,415	—	—	1,834,415	1,834,415
Borrowings	2.65	154,902	—	—	154,902	150,040
Lease liabilities	4.75	12,398	25,569	30,928	68,895	54,026
		5,270,484	25,569	30,928	5,326,981	5,307,250

	Weighted average interest rate	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023						
Trade and other payables	N/A	2,655,634	—	—	2,655,634	2,655,634
Amounts due to a related party	N/A	19,920	—	—	19,920	19,920
Amounts due to subsidiaries	N/A	3,222,121	—	—	3,222,121	3,222,121
Borrowings	2.50	280,000	—	—	280,000	278,950
Lease liabilities	4.75	11,876	18,525	82,109	112,510	67,620
		6,189,551	18,525	82,109	6,290,185	6,244,245

	Weighted average interest rate	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024						
Trade and other payables	N/A	1,146,626	—	—	1,146,626	1,146,626
Amounts due to related parties	N/A	6,946	—	—	6,946	6,946
Amounts due to fellow subsidiaries	N/A	3,683,682	—	—	3,683,682	3,683,682
Borrowings	2.44	651,610	—	—	651,610	651,242
Lease liabilities	4.75	10,774	12,503	79,527	102,804	59,724
		5,499,638	12,503	79,527	5,591,668	5,548,220

	Weighted average interest rate	On demand or less than 1 years	Between 1 and 5 years	Over 5 years	Total undiscounted cash flows	Carrying amounts
	%	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2025						
Trade and other payables	N/A	1,357,009	—	—	1,357,009	1,357,009
Amounts due to a related party	N/A	7,844	—	—	7,844	7,844
Amounts due to fellow subsidiaries	N/A	4,887,471	—	—	4,887,471	4,887,471
Lease liabilities	4.75	6,800	11,669	78,171	96,640	55,892
		6,259,124	11,669	78,171	6,348,964	6,308,216

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market—observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group establishes appropriate valuation techniques and inputs to the models utilised to estimate the fair value of the financial instruments.

The table below analyses the Group's financial instruments carried at fair value on a recurring basis by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Information about the valuation techniques and inputs used in determining the fair value of various assets is disclosed below.

(i) Fair value of financial instruments that are measured at fair value on a recurring basis

Some of the Group's and the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	The Group				The Company					
	Fair value				Fair value					
	As at 31 December			As at 30 June	As at 31 December			As at 30 June	Fair value hierarchy	Valuation technique(s) and key input(s)
	2022	2023	2024	2025	2022	2023	2024	2025		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*		
Listed equity security	—	98,659	141,346	—	—	—	—	—	Level 1	Quoted bid prices in an active market.
Investment in financial products issued by banks and other financial institutions	3,895,701	1,449,321	4,856,873	4,264,793	3,895,701	964,810	1,743,788	890,712	Level 2	Quoted value from banks and financial institutions based on expected return with reference to underlying investment
Investment in a fund	363,243	342,612	276,140	314,386	363,243	342,612	276,140	314,386	Level 3	Quoted value from fund administrators based on the fair value of underlying investments *(Note)*
	4,258,944	1,890,592	5,274,359	4,579,179	4,258,944	1,307,422	2,019,928	1,205,098		

Note: The key unobservable input used in the fair value measurement provided by the fund administrators included discount for lack of marketability. An increase in the discount rate for lack of marketability used in valuation would result in a decrease in the fair value measurement of the investment in a fund, and vice versa.

(ii) Reconciliation of Level 3 fair value measurements

	The Group			
	Financial assets at FVTPL			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January	380,574	363,243	342,612	276,140
Disposals/settlements	—	(24,074)	(20,241)	—
Fair value changes	(17,331)	3,443	(46,231)	38,246
At 31 December	363,243	342,612	276,140	314,386

	The Company			
	Financial assets at FVTPL			
	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January	380,574	363,243	342,612	276,140
Disposals/settlements	—	(24,074)	(20,241)	—
Fair value changes	(17,331)	3,443	(46,231)	38,246
At 31 December	363,243	342,612	276,140	314,386

There were no transfers between Level 1 and 2 during the Track Record Period.

(iii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amounts of the Group's and the Company's financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate their fair values at the end of each reporting period.

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

At the date of this report, the Company has direct and indirect interest in the following subsidiaries:

Name of companies	Place and date of incorporation/establishment	Authorised or registered/paid up issued capital	Equity interest attributable to the Group					Legal form	Principal activities	*Notes*
			As at 31 December			As at 30 June	As at the date of this report			
			2022	2023	2024	2025				
Directly held:										
廣州市東鵬食品飲料有限公司 Guangzhou Eastroc	Mainland China 5 April 2006	RMB80,000,000 RMB80,000,000	100%	100%	100%	100%	100%	Limited liability company	R&D Center and Manufacturing	(b) (c) (d)
安徽東鵬食品飲料有限公司 Anhui Eastroc Food and Beverage Co., Ltd.	Mainland China 28 August 2012	RMB300,000,000 RMB300,000,000	100%	100%	100%	100%	100%	Limited liability company	Manufacturing	(b) (c) (d)
廣東東鵬維他命飲料有限公司 Guangdong Eastroc Vitamin Beverage Co., Ltd.	Mainland China 10 November 2011	RMB10,000,000 RMB10,000,000	100%	100%	100%	100%	100%	Limited liability company	Manufacturing	(b) (c) (e)
南寧東鵬食品飲料有限公司 Nanning Eastroc	Mainland China 1 March 2017	RMB450,000,000 RMB450,000,000	100%	100%	100%	100%	100%	Limited liability company	Manufacturing	(b) (c) (d)
重慶東鵬維他命飲料有限公司 Chongqing Eastroc Vitamin Beverage Co., Ltd.	Mainland China 3 February 2015	RMB489,961,000 RMB489,961,000	100%	100%	100%	100%	100%	Limited liability company	Manufacturing	(b) (c) (e)
長沙東鵬維他命飲料有限公司 Changsha Eastroc Vitamin Beverage Co., Ltd.	Mainland China 9 August 2021	RMB130,000,000 RMB130,000,000	100%	100%	100%	100%	100%	Limited liability company	Manufacturing	(b) (c) (d)

Name of companies	Place and date of incorporation/establishment	Authorised or registered/paid up issued capital	Equity interest attributable to the Group				As at the date of this report	Legal form	Principal activities	Notes
			As at 31 December			As at 30 June				
			2022	2023	2024	2025				
Directly held:										
浙江東鵬維他命飲料有限公司 Zhejiang Eastroc Vitamin Beverage Co., Ltd.	Mainland China 29 November 2021	RMB170,000,000 RMB170,000,000	100%	100%	100%	100%	100%	Limited liability company	Manufacturing	(b) (c) (d)
廣東東鵬飲料有限公司 Guangdong Dongpeng Beverage Co., Ltd.	Mainland China 26 April 2017	RMB669,076,700 RMB669,076,700	100%	100%	100%	100%	100%	Limited liability company	Manufacturing	(b) (c) (d)
深圳市東鵬捷迅供應鏈管理有限公司 Eastroc Jiexun	Mainland China 23 April 2019	RMB100,000,000 RMB100,000,000	100%	100%	100%	100%	100%	Limited liability company	Supply Chain Management	(b) (c) (d)
東鵬飲料市場營銷(上海)有限公司 Eastroc Beverage Marketing (Shanghai) Co., Ltd.	Mainland China 22 June 2020	RMB10,000,000 RMB10,000,000	100%	100%	100%	100%	100%	Limited liability company	Distribution	(b) (c) (d)
東鵬飲料營銷(廣東)有限公司 Guangdong Marketing	Mainland China 9 November 2022	RMB10,000,000 RMB10,000,000	100%	100%	100%	100%	100%	Limited liability company	Distribution	(b) (c) (d)
東鵬飲料市場營銷(浙江)有限公司 Eastroc Beverage Marketing (Zhejiang) Co., Ltd.	Mainland China 4 January 2024	RMB10,000,000 RMB10,000,000	/	/	100%	100%	100%	Limited liability company	Distribution	(e) (h)
東鵬飲料市場營銷(天津)有限公司 Eastroc Beverage Marketing (Tianjin) Co., Ltd.	Mainland China 2 January 2024	RMB10,000,000 /	/	/	100%	100%	100%	Limited liability company	Distribution	(e) (h)

Name of companies	Place and date of incorporation/establishment	Authorised or registered/paid up issued capital	Equity interest attributable to the Group				As at the date of this report	Legal form	Principal activities	*Notes*
			As at 31 December			As at 30 June				
			2022	2023	2024	2025				
Directly held:										
深圳市東鵬飲料銷售管理有限公司 Shenzhen Eastroc Beverage Sales Management Co., Ltd.	Mainland China 14 July 2023	RMB10,000,000 RMB10,000,000	/	100%	100%	100%	100%	Limited liability company	Distribution	(c) (d) (h)
東鵬飲料(香港)有限公司 Eastroc Beverage (HongKong) Co., Limited.	Hong Kong 10 November 2021	US$190,000,000 US$190,000,000	100%	100%	100%	100%	100%	Limited liability company	Distribution and International Trade	(f)
東鵬飲料市場營銷(汕尾)有限公司 Eastroc Beverage Marketing (Shanwei) Co., Ltd.	Mainland China 15 October 2021	RMB10,000,000 RMB10,000,000	100%	100%	N/A	N/A	N/A	Limited liability company	Distribution	(b) (c) (g)
東鵬飲料市場營銷(深圳)有限公司 Eastroc Beverage Marketing (Shenzhen) Co., Ltd.	Mainland China 30 September 2021	RMB10,000,000 RMB10,000,000	100%	100%	N/A	N/A	N/A	Limited liability company	Distribution	(b) (g)

Notes:

(a) The English names of the subsidiaries incorporated in Mainland China represent the best efforts made by the management of the Group in translating their Chinese names as they do not have official English names.

(b) The statutory financial statements of this subsidiary established in the PRC were prepared in accordance with the relevant accounting principles and regulation in the PRC and were audited by 深圳市華圖會計師事務所 for the year ended 31 December 2022.

(c) The statutory financial statements of this subsidiary established in the PRC were prepared in accordance with the relevant accounting principles and regulation in the PRC and were audited by 深圳悦信會計師事務所 for the year ended 31 December 2023.

(d) The statutory financial statements of this subsidiary established in the PRC were prepared in accordance with the relevant accounting principles and regulation in the PRC and were audited by 深圳悦信會計師事務所 for the year ended 31 December 2024.

(e) The statutory financial statements of this subsidiary established in the PRC were prepared in accordance with the relevant accounting principles and regulation in the PRC and were audited by 深圳市鼎馨會計師事務所(普通合夥) for the year/period ended 31 December 2024.

(f) The statutory financial statements of this subsidiary were prepared in accordance with Hong Kong Small and Medium-sized Entity Financial Reporting Standard for the years ended 31 December 2022 and Hong Kong Financial Reporting Standards for the year ended 31 December 2023 and 2024, and were audited by Grandwealth & Co. Certified Public Accountants, Bentleys C.P.A. Company Limited for the years ended 31 December 2022 and 2023 and were audited by Deloitte Touche Tohmatsu, Certified Public Accountants for the year ended 31 December 2024, respectively.

(g) Eastroc Beverage Marketing (Shenzhen) Co., Ltd. and Eastroc Beverage Marketing (Shanwei) Co., Ltd. were deregistered on 18 January 2024 and 6 August 2024, respectively. No statutory financial statements were prepared by Eastroc Beverage Marketing (Shenzhen) Co., Ltd. for the year ended 31 December 2023 as it was deregistered shortly after the end of that year.

(h) These subsidiaries were established by the Group during the Track Record Period.

(i) The above table lists the subsidiaries of the Company that the directors of the Company believe to principally affect the results or assets of the Group. In the opinion of the directors of the Company, to give details of other subsidiaries would, result in particulars of excessive length.

(j) None of the subsidiaries has issued any debt securities as at 31 December 2022, 2023, 2024 and 30 June 2025 or at any time during the Track Record Period.

39. CAPITAL COMMITMENTS

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the Historical Financial Information	574,107	607,784	1,034,013	1,709,222

40. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the Track Record Period, an interim dividend in respect of the period ended 30 June 2025 of RMB25.0 per 10 ordinary shares, in an aggregate amount of approximately RMB1,300,033,000, has been approved by the shareholders of the Company in the extraordinary general meeting of shareholders. The interim dividend was paid as at 25 August 2025.

41. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 30 June 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

*The information set forth in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of three years ended December 31, 2024 and six months ended June 30, 2025 (the "**Accountants' Report**") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this document, and is included herein for information only.*

The unaudited **[REDACTED]** *financial information should be read in conjunction with the section headed "Financial Information" in this document and the Accountants' Report set forth in Appendix I to this document.*

A. UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The following unaudited **[REDACTED]** statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared in accordance with Rule 4.29 of the Listing Rules is for illustration only, and is set out below to illustrate the effect of the proposed **[REDACTED]** (as defined in this document) on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at June 30, 2025, as if the **[REDACTED]** had taken place on June 30, 2025. The unaudited **[REDACTED]** statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at June 30, 2025 or at any future dates.

[REDACTED]

[REDACTED]

This appendix mainly provides **[REDACTED]** with a summary of the Articles of Association. The following information is only a summary and may not include all the materials that may be important to potential **[REDACTED]**.

SHARES AND REGISTERED CAPITAL

The Company's shares are in the form of stock.

The issuance of the Company's shares follows the principles of openness, fairness, and justice. Each share of the same category shall have equal rights.

Shares of the same category issued at the same time shall have the same issuance conditions and price; any unit or individual subscribing to the shares shall pay the same amount per share.

INCREASE, DECREASE, REPURCHASE, AND TRANSFER OF SHARES

Increase and Decrease of Shares

The Company may increase its capital by the following methods in accordance with the needs of its operation and development, in compliance with laws, regulations, and the rules of the securities regulatory authorities of the place where the Company's shares are listed, and upon resolutions passed by the Shareholders' meeting:

(i) Issuing shares to non-specific objects;

(ii) Issuing shares to specific objects;

(iii) Distributing bonus shares to existing shareholders;

(iv) Converting capital reserve into share capital;

(v) Other methods approved by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and those stipulated by the CSRC and approved by the Hong Kong Stock Exchange.

The Company may reduce its registered capital. The reduction of the Company's registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law, the Hong Kong Listing Rules and other relevant regulations and the Articles of Association.

Repurchase of Shares

The Company may repurchase its own shares under the following circumstances in accordance with laws, administrative regulations, departmental rules, and the Articles of Association:

(i) To reduce the Company's registered capital;

(ii) To merge with another company holding the Company's shares;

(iii) To use the shares for employee stock ownership plans or equity incentives;

(iv) To repurchase shares from shareholders who object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(v) To use the shares for converting corporate bonds issued by the Company into shares;

(vi) As necessary to safeguard the Company's value and the rights and interests of shareholders.

Except for the above circumstances, the Company shall not engage in activities of buying and selling its own shares.

The Company may repurchase its own shares through public centralized trading or other methods recognized by laws, regulations, the securities regulatory rules of the Company's stock listing place, and recognized by the CSRC and the Hong Kong Stock Exchange.

The Company shall repurchase its own shares through public centralized trading under the circumstances specified in items (iii), (v), and (vi) above.

The Company shall repurchase its own shares upon a resolution of the Shareholders' meeting under the circumstances specified in items (i) and (ii) above. The Company shall repurchase its own shares upon a resolution of the Board of Directors with the attendance of more than two-thirds of the Directors under the circumstances specified in items (iii), (v), and (vi) above, provided that it complies with the applicable securities regulatory rules of the place where the Company's shares are listed.

After the Company repurchases its own shares in accordance with the above provisions, it shall cancel the repurchased shares within 10 days from the date of repurchase under the circumstances specified in item (i) above; it shall transfer or cancel the repurchased shares within 6 months under the circumstances specified in items (ii) and (iv) above; and it shall transfer or cancel the repurchased shares within 3 years under the circumstances specified in items (iii), (v), and (vi) above, provided that the total number of shares held by the Company shall not exceed 10% of the total number of shares issued by the Company, provided that it complies with the applicable securities regulatory rules of the place where the Company's shares are listed.

Notwithstanding the above provisions, if the applicable laws, regulations, other provisions of the Articles of Association, or the laws or securities regulatory authorities of the place where the Company's shares are listed have other provisions regarding the repurchase of the Company's shares, the Company shall comply with such provisions. The repurchase of the Company's H shares shall comply with the Hong Kong Listing Rules and other relevant laws, regulations, and regulatory provisions of the place where the Company's H shares are listed.

After the Company repurchases its own shares, it shall fulfill its information disclosure obligations in accordance with the Securities Law, the Hong Kong Listing Rules, and other applicable laws, regulations, and regulatory provisions of the place where the Company's shares are listed.

Transfer of Shares

The Company's shares shall be transferred in accordance with the law. Shares issued before the Company's public offering shall not be transferred within one year from the date the Company's shares are listed and traded on the Shanghai Stock Exchange.

Directors and senior management members of the Company shall report to the Company the shares (including preferred shares) they hold in the Company and any changes therein. During their term of office, they shall not transfer more than 25% of the total number of shares of the same category they hold in the Company each year; the shares they hold in the Company shall not be transferred within one year from the date the Company's shares are listed and traded. The above personnel shall not transfer the shares they hold in the Company within six months after leaving their positions.

If laws, administrative regulations, or the listing rules of the place where the Company's shares are listed have other provisions on the transfer restrictions of the Company's shares, such provisions shall prevail.

Shareholders, Directors, and senior management members who hold more than 5% of the Company's shares shall not sell the Company's shares or other equity securities they hold within six months after purchase, or purchase the Company's shares or other equity securities within six months after sale. Any profits obtained from such transactions shall belong to the Company, and the Company's Board of Directors shall recover such profits. However, this provision does not apply to securities companies that hold more than 5% of the Company's shares due to the purchase of remaining shares after underwriting, or other circumstances stipulated by the CSRC and the Hong Kong Stock Exchange.

The shares or other equity securities held by Directors, senior management members, and natural person shareholders as mentioned in the preceding paragraph include those held by their spouses, parents, children, and those held in other people's accounts.

If the Company's Board of Directors fails to execute the provisions of the first paragraph of this article, shareholders have the right to request the Board of Directors to execute within 30 days. If the Board of Directors fails to execute within the above period, shareholders have the right to directly file a lawsuit with the people's court in the name of the Company for the benefit of the Company. If the Board of Directors fails to execute the provisions of the first paragraph of this article, the responsible Directors shall bear joint and several liability according to law.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

General Provisions on Shareholders

The Company shall establish a register of shareholders based on the certificates provided by the securities registration institution. The register of shareholders is conclusive evidence of shareholders' ownership of the Company's shares. The original copy of the H share register of shareholders shall be kept in Hong Kong; the entrusted overseas agency shall ensure the consistency of the original and duplicate copies of the overseas listed share register of shareholders at all times. The Hong Kong branch of the register of shareholders must be available for shareholders to inspect, but the Company may suspend the registration of shareholders in accordance with applicable laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

Shareholders shall enjoy rights and bear obligations according to the types of shares they hold; shareholders holding the same type of shares shall enjoy equal rights and bear the same obligations.

Shareholders of the Company shall enjoy the following rights:

(i) To receive dividends and other forms of profit distribution according to the proportion of shares they hold;

(ii) To request, convene, preside over, attend, or appoint a shareholder proxy to attend the Shareholders' meeting and exercise corresponding speaking and voting rights;

(iii) To supervise the Company's operations and make suggestions or inquiries;

(iv) To transfer, donate, or pledge the shares they hold in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

(v) To inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders' meetings, resolutions of the Board of Directors, financial reports, and accounting books and vouchers of the Company if they meet the requirements;

(vi) To participate in the distribution of the Company's remaining assets according to the proportion of shares they hold when the Company is terminated or liquidated;

(vii) To request the Company to repurchase their shares if they object to the resolutions on the Company's merger or division made by the Shareholders' meeting;

(viii) Other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Shareholders requesting to inspect and copy the Company's relevant materials shall comply with the provisions of the PRC Company Law, the Securities Law, and other laws and administrative regulations.

If the content of the resolutions of the Shareholders' meeting or the Board of Directors violates laws or administrative regulations, shareholders have the right to request the people's court to determine the invalidity of the resolutions. If the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods violate laws, administrative regulations, or the Articles of Association, or if the content of the resolutions violates the Articles of Association, shareholders have the right to request the people's court to revoke the resolutions within 60 days from the date the resolutions are made. However, if the procedures for convening the Shareholders' meeting or the Board of Directors or the voting methods have only minor defects and do not have a substantial impact on the resolutions, this provision does not apply.

Shareholders of the Company shall bear the following obligations:

(i) To comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

(ii) To pay the share price according to the shares they subscribe for and the method of subscription;

(iii) Not to withdraw their capital except in circumstances stipulated by laws and regulations;

(iv) Not to abuse shareholder rights to damage the interests of the Company or other shareholders; not to abuse the Company's independent legal person status and shareholders' limited liability to damage the interests of the Company's creditors;

(v) Other obligations stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Shareholders who abuse their rights and cause losses to the Company or other shareholders shall bear compensation liability according to law. Shareholders who abuse the Company's independent legal person status and shareholders' limited liability to evade debts and seriously damage the interests of the Company's creditors shall bear joint and several liability for the Company's debts.

Controlling Shareholders and Actual Controllers

The Company's Controlling Shareholders and actual controllers shall exercise their rights and fulfill their obligations in accordance with laws, administrative regulations, the CSRC, the stock exchange where the Company's shares are listed, and the securities regulatory rules of the place where the Company's shares are listed, and shall safeguard the interests of the listed company.

The Company's Controlling Shareholders and actual controllers shall comply with the following provisions:

(i) To exercise shareholder rights according to law and not to abuse control rights or use affiliated relationships to damage the legitimate rights and interests of the Company or other shareholders;

(ii) To strictly fulfill the public statements and commitments made and not to change or exempt them without authorization;

(iii) To strictly fulfill information disclosure obligations in accordance with relevant regulations, actively cooperate with the Company in information disclosure work, and promptly inform the Company of major events that have occurred or are about to occur;

(iv) Not to occupy the Company's funds in any way;

(v) Not to force, instruct, or require the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

(vi) Not to use the Company's undisclosed major information to seek benefits, not to disclose the Company's undisclosed major information in any way, and not to engage in illegal activities such as insider trading, short-swing trading, and market manipulation;

(vii) Not to damage the legitimate rights and interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment, etc.;

(viii) To ensure the Company's asset integrity, personnel independence, financial independence, institutional independence, and business independence, and not to affect the Company's independence in any way;

(ix) Other provisions stipulated by laws, administrative regulations, the CSRC, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

If the Company's Controlling Shareholders or actual controllers do not serve as Directors of the Company but actually execute the Company's affairs, the provisions of the Articles of Association on Directors' duties of loyalty and diligence shall apply.

If the Company's Controlling Shareholders or actual controllers instruct Directors or senior management members to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior management members.

General Provisions on Shareholders' Meeting

The Shareholders' meeting is the Company's authority and shall exercise the following powers according to law:

(i) To elect and replace Directors and decide on matters related to Directors' remuneration;

(ii) To examine and approve the Board of Directors' report;

(iii) To examine and approve the Company's profit distribution plan and loss recovery plan;

(iv) To make resolutions on the Company's increase or decrease of registered capital;

(v) To make resolutions on the issuance of corporate bonds;

(vi) To make resolutions on the Company's merger, division, dissolution, liquidation, or change of corporate form;

(vii) To amend the Articles of Association;

(viii) To make resolutions on the appointment and dismissal of accounting firms undertaking the Company's audit business;

(ix) To examine and approve the guarantee matters stipulated in Article 47 of the Articles of Association;

(x) To examine and approve matters related to the Company's purchase or sale of major assets exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;

(xi) To examine and approve changes in the use of raised funds;

(xii) To examine and approve equity incentive plans and employee stock ownership plans;

(xiii) To examine and approve other matters that should be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the stock exchange where the Company's shares are listed (including but not limited to Chapter 14 and Chapter 14A of the Hong Kong Listing Rules), or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The following external guarantee behaviors of the Company must be reviewed and approved by the Shareholders' meeting:

(i) Any guarantee provided after the total external guarantees of the Company and its controlled subsidiaries exceed 50% of the Company's net assets as of the latest audited financial statements;

(ii) Any guarantee provided after the total external guarantees of the Company exceed 30% of the Company's total assets as of the latest audited financial statements;

(iii) Any guarantee provided within one year with a guarantee amount exceeding 30% of the Company's total assets as of the latest audited financial statements;

(iv) Any guarantee provided to a guarantee object with a debt-to-asset ratio exceeding 70%;

(v) Any single guarantee with an amount exceeding 10% of the Company's net assets as of the latest audited financial statements;

(vi) Any guarantee provided to shareholders, actual controllers, and their related parties;

(vii) Other guarantee circumstances stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and normative documents.

External guarantees that should be approved by the Shareholders' meeting must be reviewed and approved by the Board of Directors before being submitted to the Shareholders' meeting for approval. When the Shareholders' meeting reviews the guarantee matters stipulated in items (ii) and (iii) of this article, it must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting. When the Shareholders' meeting reviews the guarantee matters stipulated in item (vi) of this article, the shareholders or the shareholders controlled by the actual controller shall not participate in the voting, and the voting must be approved by more than

half of the voting rights held by other shareholders present at the meeting. If the Shareholders' meeting violates the approval authority and review procedures for external guarantees, the relevant shareholders who violate the approval authority and review procedures shall bear joint and several liability.

The Shareholders' meeting is divided into annual Shareholders' meetings and extraordinary Shareholders' meetings. The annual Shareholders' meeting shall be held once a year and shall be held within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall hold an extraordinary Shareholders' meeting within two months from the date of occurrence:

(i) When the number of Directors is less than the number stipulated by the PRC Company Law or two-thirds of the number stipulated by the Articles of Association;

(ii) When the Company's unrecovered losses reach one-third of the total share capital;

(iii) When shareholders who individually or jointly hold more than 10% of the Company's shares (including preferred shares with restored voting rights, etc.) request it;

(iv) When the Board of Directors deems it necessary;

(v) When the Audit Committee proposes to convene;

(vi) Other circumstances stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' meeting within the prescribed time limit.

With the consent of more than half of all independent Directors, independent Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders'

meeting within 5 days of making the board resolution; if the Board of Directors does not agree to convene an extraordinary Shareholders' meeting, it shall explain the reasons and make an announcement.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the proposal in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary Shareholders' meeting within 10 days of receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duties of convening the Shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold more than 10% of the Company's total issued share capital (excluding the Company's treasury shares and including preferred shares with restored voting rights) have the right to request the Board of Directors to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, provide written feedback within 10 days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary Shareholders' meeting. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within 10 days of receiving the request, shareholders who individually or jointly hold more than 10% of the Company's total issued share capital (excluding the Company's treasury shares and including preferred shares with restored voting rights) have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit the request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of the Shareholders' meeting within 5 days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the Shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the Shareholders' meeting, and shareholders holding more than 10% of

the Company's total issued share capital (excluding the Company's treasury shares) (including preferred shares with restored voting rights) separately or jointly for more than 90 consecutive days may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene the Shareholders' meeting on their own, they shall notify the Board of Directors in writing and file with the Shanghai Stock Exchange. Before the announcement of the Shareholders' meeting resolution, the shareholding ratio of the convening shareholders (including preferred shares with restored voting rights) shall not be less than 10% of the total issued share capital (excluding the Company's treasury shares). The Audit Committee or convening shareholders shall submit relevant proof materials to the Shanghai Stock Exchange when issuing the notice of the Shareholders' meeting and the announcement of the Shareholders' meeting resolution.

For Shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate. The Board of Directors shall provide the register of shareholders as of the record date.

The necessary expenses for the Shareholders' meeting convened by the Audit Committee or shareholders on their own shall be borne by the Company.

Proposals and Notices of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the Shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

When the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and shareholders holding more than 1% of the Company's total issued share capital (excluding the Company's treasury shares and including preferred shares with restored voting rights) separately or jointly have the right to submit proposals to the Company.

Shareholders holding more than 1% of the Company's total issued share capital (excluding the Company's treasury shares and including preferred shares with restored voting rights) separately or jointly may submit temporary proposals in writing to the convener 10 days before the Shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within 2 days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the Shareholders' meeting for review. However, temporary

proposals that violate laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, or do not fall within the scope of the Shareholders' meeting's authority, shall be excluded.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting.

Proposals not listed in the notice of the Shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the Shareholders' meeting.

The convener shall notify all shareholders in writing (including announcements) 21 days before the annual Shareholders' meeting and 15 days before the extraordinary Shareholders' meeting. If the Shareholders' meeting needs to be postponed due to the issuance of a supplementary notice of the Shareholders' meeting in accordance with the securities regulatory rules of the place where the Company's shares are listed, the Shareholders' meeting shall be postponed in accordance with the securities regulatory rules of the place where the Company's shares are listed.

The notice of the Shareholders' meeting shall include the following content:

(i) The time, place, and duration of the meeting;

(ii) The matters and proposals to be reviewed at the meeting;

(iii) A clear statement that all ordinary shareholders (including preferred shareholders with restored voting rights), shareholders holding special voting rights shares and other shareholders are entitled to attend the Shareholders' meeting and may appoint a proxy in writing to attend the meeting and vote, and the proxy does not need to be a shareholder of the Company;

(iv) The record date for shareholders entitled to attend the Shareholders' meeting;

(v) The name and telephone number of the standing contact person for the meeting;

(vi) The time and procedure for voting by network or other means.

Holding of the Shareholders' Meeting

All ordinary shareholders (including preferred shareholders with restored voting rights), shareholders holding special voting rights shares registered on the record date and other shareholders or their proxies are entitled to attend the Shareholders' meeting. They may attend the meeting in person or appoint a proxy to attend, speak, and vote in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association (unless individual shareholders are required to waive their voting rights on specific matters in accordance with the securities regulatory rules of the place where the Company's shares are listed).

Shareholders may attend Shareholders' Meetings in person or appoint a proxy to attend, speak and vote on their behalf. Individual shareholders attending the meeting in person shall present their ID cards or other valid identification documents; if appointing a proxy to attend the meeting, they shall present their valid ID cards and a power of attorney for the shareholder.

Corporate shareholders shall be represented by the legal representative or a proxy authorized by the legal representative. The legal representative attending the meeting shall present their ID card and valid proof of their legal representative status; the proxy attending the meeting shall present their ID card and a written power of attorney issued by the legal representative of the corporate shareholder, except for shareholders who are a recognized clearing house as defined in the relevant laws and regulations in force from time to time under the laws of Hong Kong or the securities regulatory rules of the place where the shares of the company are listed (the "**Recognized Clearing House**") or its proxy.

The power of attorney for appointing a proxy to attend the Shareholders' meeting shall specify the following content:

(i) The name or title of the principal and the category and quantity of shares held;

(ii) The name or title of the proxy;

(iii) Specific instructions of the shareholder, including instructions to vote for, against, or abstain on each matter listed on the agenda of the Shareholders' meeting;

(iv) The date of issuance and validity period of the power of attorney;

(v) The signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed; if the overseas corporate shareholder does not have a seal, it may be signed by a legally authorized person.

If the power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents shall be notarized. The notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or another place designated in the notice of the meeting.

If the principal is a legal person, it shall be represented by its legal representative or a person authorized by the Board of Directors or other decision-making body to attend the Company's Shareholders' meeting.

If the shareholder is a Recognized Clearing House (or its proxy), the shareholder may authorize one or more persons it deems appropriate to act as its representative at any Shareholders' meeting or creditors' meeting; however, if more than one person is authorized, the power of attorney shall specify the number and category of shares involved in the authorization for each authorized person, and the power of attorney shall be signed by an authorized person of the Recognized Clearing House. The authorized person may exercise the rights of the Recognized Clearing House (or its proxy) (without presenting shareholding certificates, notarized authorization, and/or further evidence of formal authorization) and shall enjoy the same statutory rights as other shareholders, including the right to speak and vote, as if the person were an individual shareholder of the Company.

If the Shareholders' meeting requires Directors and senior management members to attend the meeting, the Directors and senior management members shall attend and accept shareholders' inquiries.

The Shareholders' meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable or unwilling to perform his duties, a Director elected by more than half of the Directors shall preside. The Shareholders' 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 unwilling to perform his duties, an Audit Committee member elected by more than half of the Audit Committee members shall preside. The Shareholders' meeting convened by shareholders shall be presided over by the convener or a representative elected by the convener. If the meeting chairperson violates the rules of procedure during the Shareholders' meeting, making it impossible to continue the meeting, the Shareholders' meeting may elect a person to act as the meeting chairperson with the consent of more than half of the voting rights held by the shareholders present at the meeting, and continue the meeting.

Voting and Resolutions at the Shareholders' Meeting

Resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including shareholder proxies) present at the meeting. A special resolution of the Shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including shareholder proxies) present at the meeting.

The following matters shall be passed by the Shareholders' meeting as ordinary resolutions:

(i) The work report of the Board of Directors;

(ii) The profit distribution plan and loss recovery plan proposed by the Board of Directors;

(iii) The appointment and dismissal of board members and their remuneration and payment methods;

(iv) Other matters except those that, as stipulated by laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, or the Articles of Association, shall be passed by a special resolution.

The following matters shall be passed by the Shareholders' meeting as special resolutions:

(i) The increase or decrease of the Company's registered capital;

(ii) The division, split, merger, dissolution, and liquidation of the Company;

(iii) Amendments to the Articles of Association;

(iv) The Company's purchase or sale of major assets or provision of guarantees to others exceeding 30% of the Company's total assets as of the latest audited financial statements within one year;

(v) Equity incentive plans;

(vi) Other matters stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as matters that the Shareholders' meeting deems to have a significant impact on the Company and require a special resolution.

Shareholders (including shareholder proxies) shall exercise their voting rights based on the number of voting shares they represent, with each share having one vote, except for shareholders of different classes of shares.

When the Shareholders' meeting reviews major matters affecting the interests of small and medium investors, the votes of small and medium investors shall be counted separately. The results of the separate vote count shall be disclosed in a timely manner.

The Company's own shares held by the Company do not have voting rights, and such shares shall not be counted in the total number of voting shares present at the Shareholders' meeting.

According to applicable laws and regulations and the Hong Kong Listing Rules, if any shareholder is required to waive their voting rights on a resolution or is restricted to only voting for (or against) a resolution, the votes cast by such shareholder or their representative in violation of the relevant provisions or restrictions shall not be counted in the total number of voting shares.

If a shareholder purchases the Company's voting shares in violation of the provisions of Article 63, Paragraphs 1 and 2 of the Securities Law, the shares exceeding the prescribed proportion shall not exercise voting rights within 36 months after purchase and shall not be counted in the total number of voting shares present at the Shareholders' meeting.

The Company's Board of Directors, independent Directors, shareholders holding more than 1% of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the CSRC may publicly solicit shareholders' voting rights. The solicitation of shareholders' voting rights shall fully disclose specific voting intentions and other information to the solicited parties. It is prohibited to solicit shareholders' voting rights in a paid or disguised paid manner. Except for statutory conditions, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

When the Shareholders' meeting reviews related party transactions, related shareholders shall not participate in the voting, and the number of voting shares they represent shall not be counted in the total number of valid votes; the announcement of the Shareholders' meeting resolution shall fully disclose the voting situation of non-related shareholders.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors

The Directors of the Company may include executive Directors, non-executive Directors, and independent Directors. Non-executive Directors refer to Directors who do not hold management positions in the Company. Independent Directors refer to individuals who meet the requirements stipulated in Article 128 of the Articles of Association.

Directors of the Company shall be individuals. A person with any of the following circumstances shall not serve as a Director of the Company:

(i) Having no capacity for civil conduct or limited capacity for civil conduct;

(ii) Having been sentenced to a criminal penalty for embezzlement, bribery, infringement of property, misappropriation of property, or disrupting the socialist market economic order, or having had his/her political rights deprived due to a crime, and less than 5 years have elapsed since the expiration of the execution period, or if on probation, less than 2 years have elapsed since the expiration of the probation period;

(iii) Having served as a director, factory director, or manager of a company or enterprise undergoing bankruptcy liquidation and being personally liable for the bankruptcy of such company or enterprise, and less than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(iv) Having served as the legal representative of a company or enterprise whose business license has been revoked or has been ordered to close down due to illegal activities and being personally liable, and less than 3 years have elapsed since the revocation of the business license or the order to close down of such company or enterprise;

(v) Having a large-amount debt due but unpaid and being listed as a person subject to enforcement for bad credit by the people's court;

(vi) Having been subject to measures restricting access to the securities market by the CSRC and the time limit has not expired;

(vii) Other circumstances stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the Company's stock listing place.

Elections or appointments of Directors that violate the provisions of this section shall be invalid. If a Director becomes subject to any of the circumstances listed in this section during their tenure, the Company shall terminate their position.

Directors not appointed as employee representative Directors shall be elected or replaced by the Shareholders' meeting and may be removed from their positions by an ordinary resolution of the Shareholders' meeting before the expiration of their term, provided that such removal complies with the relevant applicable laws, administrative regulations, departmental rules, normative documents, and the provisions of the Hong Kong Listing Rules (however, such removal shall not affect the Director's right to claim damages under any contract). The term of office for Directors is three years, and upon the expiration of their term, they may be re-elected in accordance with the securities regulatory rules of the place where the Company's shares are listed.

The term of a Director is calculated from the date of assuming office until the expiration of the current Board of Directors' term. If the Directors are not timely re-elected upon the expiration of their term, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association until the newly elected Directors assume office. Subject to compliance with applicable laws, regulations, and regulatory rules in Hong Kong, any person appointed by the Board of Directors to fill a temporary vacancy or increase the number of Directors on the Board shall serve only until the first annual Shareholders' meeting after their appointment and shall be eligible for re-election at that time.

A Director may also hold the position of chief executive officer or other senior management positions, but the total number of Directors who also serve as senior management positions, as well as Directors who are employee representatives, shall not exceed half of the total number of Directors of the Company.

A Director may resign before the expiration of their term. A Director's resignation shall take effect on the date the Board of Directors receives the written resignation report, and the Board of Directors shall disclose the relevant information within the period required by the regulatory rules of the place where the Company's shares are listed. If the resignation of a Director results in the number of board members falling below the statutory minimum, the original Directors shall continue to perform their duties as Directors in accordance with laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association until the newly elected Directors assume office.

Board of Directors

The Company shall establish a Board of Directors, which shall be accountable to the Shareholders' meeting. The Board of Directors shall consist of no fewer than nine Directors, including one chairman, no fewer than three independent Directors, and one employee representative Director. The Board of Directors shall exercise the following powers and duties:

(i) Convening the Shareholders' meeting and reporting to the Shareholders' meeting;

(ii) Implementing the resolutions of the Shareholders' meeting;

(iii) Deciding on the Company's business plans and investment proposals;

(iv) Formulating the Company's profit distribution plans and loss recovery plans;

(v) Formulating plans for the Company's increase or decrease of registered capital, issuance of bonds or other securities, and listing;

(vi) Drafting plans for major acquisitions, repurchases of the Company's shares, mergers, divisions, dissolution, or changes in the Company's form;

(vii) Deciding on matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related-party transactions, and external donations, within the scope authorized by the Shareholders' meeting;

(viii) Deciding on the establishment of the Company's internal management structure;

(ix) Deciding on the appointment or dismissal of the chief executive officer, secretary of the Board, and other senior management members, and determining their remuneration and reward (or punishment); based on the chief executive officer's nomination, deciding on the appointment or dismissal of the executive president, vice presidents, chief financial officer, and other senior management members, and determining their remuneration and reward (or punishment);

(x) Formulating the Company's basic management systems;

(xi) Drafting amendments to the Articles of Association;

(xii) Managing the Company's information disclosure matters;

(xiii) Proposing to the Shareholders' meeting the appointment or replacement of the accounting firm auditing the Company;

(xiv) Listening to the work reports of the chief executive officer and reviewing the chief executive officer's work;

(xv) Other powers and duties granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Board of Directors shall determine the authority for the Company's external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth management, related party transactions, and external donations, and establish strict review and decision-making procedures. Major investment projects shall be evaluated by relevant experts and professionals and submitted to the Shareholders' meeting for approval.

The Board of Directors shall have one chairman. The chairman shall be elected by a majority vote of all Directors and shall serve a term of three years, with eligibility for reelection.

The chairman shall exercise the following powers and duties:

(i) Presiding over the Shareholders' meeting and convening and presiding over board meetings;

(ii) Supervising and inspecting the implementation of board resolutions;

(iii) Other powers and duties granted by the Board of Directors.

The Board of Directors shall hold at least four meetings each year, convened by the chairman, with written notice provided to all Directors at least 14 days before the meeting. Shareholders representing more than one-tenth of the voting rights, one-third of the Directors, or the Audit Committee may propose the convening of an extraordinary board meeting. The chairman shall convene and preside over the board meeting within 10 days of receiving such a proposal.

Extraordinary board meetings may be convened by personal delivery, mail, fax, or email, with notice provided to all Directors at least three days before the meeting.

A board meeting shall require the attendance of more than half of the Directors to be valid. Resolutions of the Board of Directors shall require the approval of more than half of all Directors. Each Director shall have one vote in board resolutions.

If a Director has a relationship with the enterprise or individual involved in a board resolution, the Director shall promptly report in writing to the Board of Directors. The Director with such a relationship shall not vote on the resolution or act as a proxy for another Director to vote. The board meeting may proceed with the attendance of more than half of the non-related Directors, and resolutions shall require the approval of more than half of the non-related Directors. If the number of non-related Directors attending the board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for review. If laws, regulations, or securities regulatory rules of the place where the Company's shares are listed impose additional restrictions on Directors' participation in board meetings and voting, such provisions shall prevail.

Board meetings shall be attended by Directors in person. If a Director is unable to attend, they may appoint another Director in writing to attend on their behalf. The written appointment shall specify the name of the proxy, the matters to be represented, the scope of authority, and the validity period, and shall be signed or sealed by the appointing Director. The proxy shall exercise the Director's rights within the scope of authority. If a Director does not attend the board meeting and does not appoint a proxy to attend, they shall be deemed to have waived their voting rights at that meeting.

Independent Directors

Independent Directors shall diligently perform their duties in accordance with laws, administrative regulations, the CSRC, the stock exchange where the Company's shares are listed, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. They shall play a role in decision-making, supervision, and professional consultation within the Board of Directors, safeguarding the overall interests of the Company and protecting the lawful rights and interests of minority shareholders.

Independent Directors must maintain independence. The following persons shall not serve as independent Directors:

(i) Persons employed by the Company or its affiliated enterprises, as well as their spouses, parents, children, and close relatives;

(ii) Natural persons who directly or indirectly hold more than 1% of the Company's issued shares or are among the top ten shareholders of the Company, as well as their spouses, parents, and children;

(iii) Persons employed by shareholders who directly or indirectly hold more than 5% of the Company's issued shares or are among the top five shareholders of the Company, as well as their spouses, parents, and children;

(iv) Persons employed by affiliated enterprises of the Company's Controlling Shareholders or actual controllers, as well as their spouses, parents, and children;

(v) Persons who have significant business dealings with the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, or who are employed by entities that have significant business dealings with the Company, and their controlling shareholders or actual controllers;

(vi) Persons who provide financial, legal, consulting, or underwriting services to the Company, its Controlling Shareholders, actual controllers, or their respective subsidiaries, including but not limited to project team members, reviewers, signatories, partners, Directors, senior management members, and principal responsible persons of intermediary institutions providing such services;

(vii) Persons who have had any of the above-mentioned circumstances within the past 12 months;

(viii) Other persons deemed not independent under laws, administrative regulations, the CSRC, the stock exchange of the place where the Company's shares are listed, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Affiliated enterprises of the Company's Controlling Shareholders or actual controllers referred to in items (iv) to (vi) above do not include enterprises controlled by the same state-owned assets management institution as the Company and that do not constitute related parties under relevant regulations.

Independent Directors shall conduct an annual self-assessment of their independence and submit the results to the Board of Directors. The Board of Directors shall annually evaluate the independence of incumbent independent Directors and issue a special opinion, which shall be disclosed together with the annual report.

The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all independent Directors:

(i) Related party transactions that require disclosure;

(ii) Proposals for the Company and related parties to change or waive commitments;

(iii) Decisions and measures taken by the Board of Directors of an acquired listed company in response to the acquisition;

(iv) Other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Company shall establish a special meeting mechanism composed entirely of independent Directors. Matters such as related party transactions to be reviewed by the Board of Directors shall first be approved by the special meeting of independent Directors. The Company holds special meetings of independent Directors regularly or irregularly. Matters listed in items (i) to (iii) of paragraph 1 of Article 133 and Article 134 of the Articles of Association shall be reviewed by the special meeting of independent Directors. The special meeting of independent Directors may discuss other matters of the Company as needed.

The special meeting of independent Directors shall be convened and presided over by one independent Director jointly recommended by more than half of the independent Directors. If the convener fails to perform their duties or is unable to do so, two or more independent Directors may convene the meeting and recommend one representative to preside.

Special Committees under the Board

The Company's Board of Directors shall establish an Audit Committee, which shall exercise the powers and duties of the Board of Supervisors as stipulated in the PRC Company Law.

The Audit Committee shall consist of non-executive Directors or independent Directors, currently three members, including two independent Directors, with the chairperson being an independent Director with accounting expertise.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits, and internal controls. The following matters shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all Audit Committee members:

(i) Disclosure of financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports;

(ii) Appointment or dismissal of the accounting firm auditing the listed company;

(iii) Appointment or dismissal of the Company's chief financial officer;

(iv) Changes in accounting policies, accounting estimates, or corrections of major accounting errors due to reasons other than changes in accounting standards;

(v) Other matters stipulated by laws, administrative regulations, the CSRC, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The Audit Committee shall hold at least one meeting per quarter. Extraordinary meetings may be convened upon the proposal of two or more members or if the chairperson deems it necessary. A meeting of the Audit Committee shall require the attendance of at least two-thirds of its members to be valid. Resolutions of the Audit Committee shall require the approval of more than half of its members. Each member shall have one vote in Audit Committee resolutions. Minutes of Audit Committee meetings shall be prepared, and attending members shall sign the minutes.

The working procedures of the Audit Committee shall be formulated by the Board of Directors.

The Board of Directors shall establish other special committees, such as the Nomination Committee, the Remuneration and Appraisal Committee, and the Strategy and ESG Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors. Proposals of these committees shall be submitted to the Board of Directors for review and decision. The working procedures of these special committees shall be formulated by the Board of Directors.

SENIOR MANAGEMENT MEMBERS

The Company shall have a general manager, also known as the chief executive officer, who shall be appointed or dismissed by the Board of Directors. The Company shall also have an executive president and several vice presidents. The executive president and vice presidents shall be nominated by the chief executive officer and appointed or dismissed by the Board of Directors.

The chief executive officer, executive president, vice presidents, chief financial officer, secretary of the Board, and other personnel designated by the Board of Directors shall constitute the senior management of the Company.

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director and the regulations on departure management shall also apply to senior management. The provisions of the Articles of Association regarding the fiduciary duties and diligence obligations of Directors shall also apply to senior management.

The chief executive officer shall be accountable to the Board of Directors and shall exercise the following powers and duties:

(i) Presiding over the Company's production, operation, and management activities, implementing the resolutions of the Board of Directors, and reporting to the Board of Directors;

(ii) Implementing the Company's annual business plans and investment proposals;

(iii) Drafting proposals for the establishment of the Company's internal management structure;

(iv) Drafting the Company's basic management systems;

(v) Formulating the Company's specific regulations;

(vi) Proposing to the Board of Directors the appointment or dismissal of the executive president, vice presidents and chief financial officer;

(vii) Deciding on the appointment or dismissal of management personnel other than those whose appointment or dismissal is to be decided by the Board of Directors;

(viii) Other powers and duties granted by the Articles of Association or the Board of Directors.

The chief executive officer shall attend meetings of the Board of Directors.

FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Financial Accounting System

The Company shall establish its financial accounting system in accordance with laws, administrative regulations, and the provisions of relevant national authorities.

Within four months after the end of each fiscal year, the Company shall submit and disclose its annual report to the local office of the CSRC and the stock exchange where the Company's shares are listed. Within two months after the end of the first half of each fiscal year, the Company shall submit and disclose its interim report to the local office of the CSRC and the stock exchange

where the Company's shares are listed. Within one month after the end of the first three months and the first nine months of each fiscal year, the Company shall submit and disclose its quarterly report to the local office of the CSRC and the stock exchange where the Company's shares are listed.

The Company shall not establish separate accounting books in addition to the statutory accounting books. The Company's assets shall not be stored in accounts opened in the name of any individual.

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits to the Company's statutory reserve fund. If the cumulative amount of the Company's statutory reserve fund exceeds 50% of the Company's registered capital, the Company may cease to make further allocations. If the Company's statutory reserve fund is insufficient to cover the losses of previous years, the Company shall use the current year's profits to cover the losses before allocating the statutory reserve fund as stipulated above. After allocating the statutory reserve fund from the after-tax profits, the Company may also allocate a discretionary reserve fund from the after-tax profits upon a resolution of the Shareholders' meeting.

After covering losses and allocating reserve funds, the remaining after-tax profits shall be distributed according to the proportion of shares held by shareholders, unless otherwise stipulated in the Articles of Association. If the Shareholders' meeting violates the PRC Company Law by distributing profits to shareholders, the shareholders must return the profits distributed in violation of the regulations to the Company; if the Company suffers losses as a result, the shareholders and the responsible Directors and senior management shall bear the liability for compensation. The Company's own shares held by the Company shall not participate in the distribution of profits.

The Company shall appoint one or more receiving agents in Hong Kong for H-share shareholders. The receiving agents shall collect and hold dividends and other payable amounts distributed by the Company to H-share shareholders on behalf of the relevant H-share shareholders, pending payment to such H-share shareholders. The receiving agents appointed by the Company shall comply with the requirements of laws, regulations, and the securities regulatory rules of the place where the Company's shares are listed.

The Company's reserve funds shall be used to cover the Company's losses, expand the Company's production and operation, or convert into additional capital. When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses cannot be fully covered, the capital reserve fund may be used in accordance with regulations. When converting the statutory reserve fund into additional registered capital, the remaining statutory reserve fund shall not be less than 25% of the Company's registered capital before the conversion.

Internal Audit

The Company shall implement an internal audit system, specifying the leadership structure, responsibilities and authorities, staffing, funding, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented after approval by the Board of Directors and shall be disclosed to the public.

Appointment of Accounting Firms

The Company shall engage an accounting firm that complies with the Securities Law to conduct audits of financial statements, verification of net assets, and other related consulting services. The engagement term shall be one year and may be renewed.

The appointment or dismissal of an accounting firm shall be submitted to the Board of Directors for review after obtaining the approval of more than half of all members of the Audit Committee and shall be decided by the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm before the decision of the Shareholders' meeting.

The Company shall ensure that the engaged accounting firm is provided with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misreport such materials.

The audit fees of the accounting firm shall be decided by the Shareholders' meeting.

When the Company dismisses or does not renew the engagement of an accounting firm, it shall notify the accounting firm 60 days in advance. When the Shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

If the accounting firm resigns, it shall explain to the Shareholders' meeting whether there are any improper circumstances in the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase, and Capital Reduction

The Company's merger can be in the form of an absorption merger or a consolidation merger. When one company absorbs other companies, it is an absorption merger, and the absorbed companies are dissolved. When two or more companies merge to form a new company, it is a consolidation merger, and all the merging companies are dissolved.

For a company merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within 10 days from the date of adopting the merger resolution and make an announcement in the Securities Times/Shanghai Securities News or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received the notice, request the Company to pay off its debts or provide corresponding guarantees.

When the Company merges, the credits and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

When the Company divides, its assets shall be divided accordingly. When the Company divides, it shall prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and make an announcement in the Securities Times/Shanghai Securities News or the National Enterprise Credit Information Publicity System within 30 days. The debts of the Company before the division shall be jointly assumed by the companies after the division, unless otherwise agreed in a written agreement between the Company and its creditors before the division.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a detailed inventory of assets. The Company shall notify its creditors within 10 days from the date of the Shareholders' meeting resolution on the capital reduction and make an announcement in the Securities Times/Shanghai Securities News or the National Enterprise Credit Information Publicity System within 30 days. Creditors may request the Company to settle its debts or provide corresponding guarantees within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice.

When the Company issues new shares to increase its registered capital, shareholders do not have preemptive rights to subscribe, unless otherwise stipulated in the Articles of Association or decided by a resolution of the Shareholders' meeting.

When the Company merges or divides, and the registration matters change, it shall apply for a change of registration with the Company registration authority in accordance with the law; when a company is dissolved, it shall apply for cancellation of registration in accordance with the law; when a new company is established, it shall apply for establishment registration in accordance with the law. When the Company increases or reduces its registered capital, it shall apply for a change of registration with the Company registration authority in accordance with the law.

Dissolution and Liquidation

The Company shall be dissolved for the following reasons:

(i) The business term stipulated in the Articles of Association expires or other dissolution reasons stipulated in the Articles of Association arise;

(ii) The Shareholders' meeting resolves to dissolve the Company;

(iii) The Company needs to be dissolved due to a merger or division;

(iv) The Company is legally revoked its business license, ordered to close, or revoked;

(v) The Company's operation and management encounter serious difficulties, and its continued existence would cause significant losses to shareholders' interests, and no other solutions can be found. Shareholders holding 10% or more of the Company's total voting rights may request the people's court to dissolve the Company.

When the Company has the dissolution reasons mentioned above, it shall publicize the dissolution reasons through the National Enterprise Credit Information Publicity System within ten days.

If the Company has the circumstances mentioned in items (i) and (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the Shareholders' meeting. To amend the Articles of Association or pass a resolution of the Shareholders' meeting in accordance with the preceding paragraph, it must be approved by more than two-thirds of the voting rights held by shareholders present at the Shareholders' meeting.

If a company is dissolved due to the circumstances mentioned in items (i), (ii), (iv), and (v) above, it shall be liquidated. The Directors are the liquidation obligors and shall establish a liquidation group within 15 days from the date the dissolution reason arises to commence liquidation. The liquidation group shall consist of Directors, unless otherwise stipulated in the

Articles of Association or the Shareholders' meeting resolves to appoint others. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing losses to the Company or creditors, they shall bear the liability for compensation.

During the liquidation period, the liquidation group shall exercise the following powers and duties:

(i) Cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets;

(ii) Notifying and announcing to creditors;

(iii) Handling the Company's unfinished business related to the liquidation;

(iv) Paying off the taxes owed and the taxes incurred during the liquidation process;

(v) Cleaning up claims and debts;

(vi) Distributing the remaining assets after the Company's debts are settled;

(vii) Representing the Company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its establishment and make an announcement in the Securities Times/Shanghai Securities News or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receiving the notice or within 45 days from the date of the announcement if they have not received the notice. When declaring claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation group shall register the claims.

During the claim declaration period, the liquidation group shall not settle claims with creditors.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the Shareholders' meeting or the people's court for confirmation. After paying off the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, paying off the taxes owed, and settling the Company's debts, the remaining assets shall be distributed to shareholders according to the proportion of shares held. During the liquidation period, the Company shall continue to exist but shall not engage in business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders before being settled in accordance with the preceding paragraph.

After cleaning up the Company's assets and preparing a balance sheet and a detailed inventory of assets, if the liquidation group finds that the Company's assets are insufficient to settle its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After the Company's liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the Shareholders' meeting or the people's court for confirmation, and submit it to the Company registration authority to apply for cancellation of the Company's registration.

If the Company is legally declared bankrupt, it shall implement bankruptcy liquidation in accordance with the relevant enterprise bankruptcy laws.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under the following circumstances:

(i) After the PRC Company Law or relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed are amended, the provisions of the Articles of Association conflict with the amended laws, administrative regulations, or securities regulatory rules of the place where the Company's shares are listed;

(ii) The Company's circumstances change and are inconsistent with the matters recorded in the Articles of Association;

(iii) The Shareholders' meeting resolves to amend the Articles of Association.

If the amendment of the Articles of Association passed by a resolution of the Shareholders' meeting requires approval by the competent authority, it shall be submitted to the competent authority for approval; if it involves company registration matters, the change of registration shall be processed in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting on the amendment of the Articles of Association and the approval opinions of the competent authority.

If the amendment of the Articles of Association involves information required to be disclosed by laws, regulations, or the securities regulatory rules of the place where the Company's shares are listed, it shall be announced in accordance with regulations.

FURTHER INFORMATION ABOUT OUR COMPANY

Establishment of our Company

Our Company was established under the PRC laws on June 30, 1994 under the name of Shenzhen Eastroc Beverage Industrial Company* (深圳市東鵬飲料實業公司) and was converted to a joint stock limited company on March 15, 2018 and listed on the Shanghai Stock Exchange on May 27, 2021 (stock code: 605499). As of the Latest Practicable Date, the issued share capital of our Company is RMB520,013,000.

Our registered office is located at 1/F, Building 3, Zhongguan Honghualing Industry Western District, 142 Zhuguang North Road, Taoyuan Community, Nanshan District, Shenzhen, the PRC. Our Company's place of business in Hong Kong is at 40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong and our Company has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on May 22, 2025.

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 provisions of our Articles of Association is set out in "Summary of Articles of Association" in Appendix III. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in "Regulatory Overview."

Changes in Share Capital of our Company

Save as disclosed below, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

As approved at the ninth meeting of the third session of the Board and the eighth meeting of the third session of the Supervisory Committee on August 30, 2024, our Company declared the distribution to all Shareholders of a cash dividend of RMB25 (tax inclusive) per 10 A Shares and a scrip dividend of 3 A Shares per 10 A Shares by way of conversion of equity premium in capital reserve. As disclosed in our Company's announcement dated September 26, 2024, as a result of the aforementioned distribution of scrip dividend of 120,003,000 A Shares in aggregate, the total issued share capital of our Company increased from RMB400,010,000 comprising 400,010,000 A Shares of nominal value of RMB1.00 each to RMB520,013,000 comprising 520,013,000 A Shares of nominal value of RMB1.00 each.

Changes in Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants' Report in Appendix I.

The following subsidiaries have been incorporated within the two years immediately preceding the date of this Document:

Name of Subsidiary	Place of Incorporation	Date of Incorporation
Tianjin Eastroc Vitamin Beverage Co., Ltd. (天津東鵬維他命飲料有限公司)	PRC	November 2, 2023
Hainan Eastroc Beverage Marketing Co., Ltd.[(1)] (海南東鵬飲料營銷有限公司)	PRC	December 12, 2024
Eastroc Beverage Marketing (Tianjin) Co., Ltd. (東鵬飲料市場營銷(天津)有限公司)	PRC	January 2, 2024
Eastroc Beverage Marketing (Zhejiang) Co., Ltd. (東鵬飲料市場營銷(浙江)有限公司)	PRC	January 4, 2024
Hainan Eastroc Food and Beverage Co., Ltd. (海南東鵬食品飲料有限公司)	PRC	December 12, 2024
PT. Long Way Ventures	Indonesia	October 21, 2024
Eastroc Beverage Malaysia Sdn. Bhd.	Malaysia	October 8, 2024
Long Way USA Corporation	Delaware, USA	January 14, 2025
Eastroc Beverage (USA) Corporation	Delaware, USA	January 16, 2025
Eastroc Holding Pte. Ltd.	Singapore	February 17, 2025
Eastroc Investment Pte. Ltd.	Singapore	February 17, 2025

(1) Hainan Eastroc Beverage Marketing Co., Ltd. was deregistered on March 27, 2025 to streamline the corporate structure of our Group.

Name of Subsidiary	Place of Incorporation	Date of Incorporation
Eastroc Beverage Sales (Shanwei) Co., Ltd. (東鵬飲料銷售(汕尾)有限公司)	PRC	March 28, 2025
Pittston Co-Packers Corp	Pennsylvania, USA	March 19, 2025
Eastroc Beverage (Japan) Co., Ltd. (東鵬飲料株式會社)	Japan	April 28, 2025
Guangdong Eastroc Beverage Supply Chain Management Co., Ltd. (廣東東鵬飲料供應鏈管理有限公司)	PRC	July 17, 2025
Eastroc Beverage Marketing (Jiangxi) Co., Ltd. (東鵬飲料營銷(江西)有限公司)	PRC	September 4, 2025
Eastroc Beverage Marketing (Jiangsu) Co., Ltd. (東鵬飲料營銷(江蘇)有限公司)	PRC	September 26, 2025

The following alterations in the share capital of our subsidiaries have taken place within the two years immediately preceding the date of this Document:

(1) Changsha Eastroc Vitamin Beverage Co., Ltd.* (長沙東鵬維他命飲料有限公司): The registered capital of Changsha Eastroc Vitamin Beverage Co., Ltd.* (長沙東鵬維他命飲料有限公司) was increased from RMB100 million to RMB130 million on October 13, 2023.

(2) Zhejiang Dongpeng Vitamin Eastroc Co., Ltd.* (浙江東鵬維他命飲料有限公司): The registered capital of Zhejiang Eastroc Vitamin Beverage Co., Ltd.* (浙江東鵬維他命飲料有限公司) was increased from RMB100 million to RMB170 million on April 19, 2024.

(3) Shenzhen Pengdaida Small Loan Co., Ltd.* (深圳市鵬貸達小額貸款有限公司): The registered capital of Shenzhen Pengdaida Small Loan Co., Ltd.* (深圳市鵬貸達小額貸款有限公司) was increased from RMB150 million to RMB300 million on August 3, 2023.

Save as disclosed above, there had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

Resolutions of our Shareholders in Relation to the [REDACTED]

At the annual Shareholders' meeting of our Company held on April 2, 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 Hong Kong Stock Exchange;

(b) the number of H Shares to be **[REDACTED]** before the exercise of the **[REDACTED]** shall not exceed **[REDACTED]**% of the enlarged share capital of our Company upon completion of the **[REDACTED]** and granting the **[REDACTED]** the **[REDACTED]** of no more than **[REDACTED]**% of the above number of H Shares to be **[REDACTED]**;

(c) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association, which shall become effective on **[REDACTED]**; and

(d) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the **[REDACTED]**, the **[REDACTED]** and **[REDACTED]** of H Shares on the Hong Kong Stock Exchange.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that is or may be material:

(a) [•]; and

(b) the **[REDACTED]**.

Intellectual Property Rights

As of the Latest Practicable Date, our Group has registered the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration Number	Owner	Date of Registration	Expiry date	Place of Registration
1.		304691061	Eastroc Beverage (HongKong)	October 8, 2018	October 7, 2028	Hong Kong
2.		306221448	Eastroc Beverage (HongKong)	April 18, 2023	April 17, 2033	Hong Kong
3.		306221457	Eastroc Beverage (HongKong)	April 18, 2023	April 17, 2033	Hong Kong
4.		306221466	Eastroc Beverage (HongKong)	April 18, 2023	April 17, 2033	Hong Kong
5.	東鵬飲料	306221475	Eastroc Beverage (HongKong)	April 18, 2023	April 17, 2033	Hong Kong
6.		306221501	Eastroc Beverage (HongKong)	April 18, 2023	April 17, 2033	Hong Kong
7.	東鵬	306221583	Eastroc Beverage (HongKong)	April 18, 2023	April 17, 2033	Hong Kong

No.	Trademark	Registration Number	Owner	Date of Registration	Expiry date	Place of Registration
8.		273658	The Company	May 2, 1986	December 29, 2026	PRC
9.		572703	The Company	November 6, 1990	November 29, 2031	PRC
10.		1294375	The Company	February 27, 1998	July 13, 2029	PRC
11.		1314192	The Company	February 27, 1998	September 13, 2029	PRC
12.		3053188	The Company	December 27, 2001	March 13, 2033	PRC
13.		3057041	The Company	December 30, 2001	March 13, 2033	PRC
14.		5041802	The Company	December 5, 2005	December 13, 2028	PRC
15.		11228780	The Company	July 19, 2012	December 13, 2033	PRC
16.		11528072	The Company	September 21, 2012	February 27, 2034	PRC
17.		12010363	The Company	January 7, 2013	June 27, 2034	PRC
18.		12015187	The Company	January 8, 2013	June 27, 2034	PRC
19.		14540486	The Company	May 19, 2014	June 27, 2035	PRC
20.		15824383	The Company	December 1, 2014	January 27, 2026	PRC

No.	Trademark	Registration Number	Owner	Date of Registration	Expiry date	Place of Registration
21.		15824388	The Company	December 1, 2014	January 27, 2026	PRC
22.		15877964	The Company	December 8, 2014	February 6, 2026	PRC
23.		17723347	The Company	August 21, 2015	October 6, 2026	PRC
24.		18336864	The Company	November 16, 2015	December 20, 2026	PRC
25.		19563907	The Company	April 8, 2016	May 27, 2027	PRC
26.		19659016	The Company	April 18, 2016	June 6, 2027	PRC
27.		19659017	The Company	April 18, 2016	August 20, 2027	PRC
28.		20899068	The Company	August 8, 2016	November 27, 2027	PRC
29.		21420061	The Company	September 26, 2016	November 20, 2027	PRC
30.		22621799	The Company	January 16, 2017	February 13, 2028	PRC
31.		22621798	The Company	January 16, 2017	February 13, 2028	PRC
32.		22621804	The Company	January 16, 2017	February 13, 2028	PRC
33.		22621805	The Company	January 16, 2017	February 13, 2028	PRC

No.	Trademark	Registration Number	Owner	Date of Registration	Expiry date	Place of Registration
34.	多润	23888730	The Company	May 2, 2017	April 20, 2028	PRC
35.	东鹏	26584422	The Company	September 25, 2017	September 20, 2028	PRC
36.	东鹏特饮	26584421	The Company	September 25, 2017	September 20, 2028	PRC
37.	WATER	27427339	The Company	November 13, 2017	November 27, 2028	PRC
38.	东鹏	28283299	The Company	December 25, 2017	May 6, 2030	PRC
39.	由柑	32259129	The Company	July 16, 2018	April 6, 2029	PRC
40.		36693829	The Company	March 7, 2019	November 6, 2029	PRC
41.	东鹏饮料	36678019	The Company	March 7, 2019	November 6, 2029	PRC
42.	东鹏饮料	36700509	The Company	March 7, 2019	November 6, 2029	PRC
43.	由柑	36683224	The Company	March 7, 2019	November 13, 2029	PRC
44.	东鹏饮料	36693931	The Company	March 7, 2019	November 13, 2029	PRC
45.	东鹏饮料	36686926	The Company	March 7, 2019	November 13, 2029	PRC
46.	东鹏饮料 EASTROC BEVERAGE	36678043	The Company	March 7, 2019	November 13, 2029	PRC
47.	东鹏饮料	36697732	The Company	March 7, 2019	November 20, 2029	PRC

No.	Trademark	Registration Number	Owner	Date of Registration	Expiry date	Place of Registration
48.		36700519	The Company	March 7, 2019	December 20, 2029	PRC
49.	由 柑	37192128	The Company	March 29, 2019	November 20, 2029	PRC
50.	东鹏特饮	39759720	The Company	July 18, 2019	March 20, 2030	PRC
51.	东鹏特饮	39759723	The Company	July 18, 2019	March 20, 2030	PRC
52.		39740118	The Company	July 18, 2019	March 20, 2030	PRC
53.	东鹏饮料	39759712	The Company	July 18, 2019	March 20, 2030	PRC
54.	王炸	42635716	The Company	November 27, 2019	September 13, 2030	PRC
55.	王炸	42722730	The Company	November 29, 2019	September 20, 2030	PRC
56.		46996830	The Company	June 5, 2020	February 6, 2031	PRC
57.		47007513	The Company	June 5, 2020	February 6, 2031	PRC
58.		47986337	The Company	July 10, 2020	March 6, 2031	PRC
59.	東鵬饮料	48507614	The Company	July 29, 2020	April 6, 2031	PRC
60.	東鵬特饮	48495004	The Company	July 29, 2020	April 6, 2031	PRC
61.	東鹏饮料	48490806	The Company	July 29, 2020	April 6, 2031	PRC

No.	Trademark	Registration Number	Owner	Date of Registration	Expiry date	Place of Registration
62.	東鵬特饮	48494159	The Company	July 29, 2020	April 6, 2031	PRC
63.	捷迅	49063538	The Company	August 19, 2020	February 13, 2032	PRC
64.	送东鹏 财运爆鹏	49113886	The Company	August 21, 2020	March 27, 2031	PRC
65.		49440859	The Company	September 2, 2020	April 27, 2031	PRC
66.	由柑柠檬茶	50879653	The Company	October 30, 2020	July 20, 2031	PRC
67.	东鹏冰咖	50902268	The Company	November 2, 2020	August 20, 2031	PRC
68.		52130145	The Company	December 14, 2020	September 6, 2031	PRC
69.		52389471	The Company	December 22, 2020	August 20, 2031	PRC
70.		52367395	The Company	December 22, 2020	September 13, 2031	PRC
71.	东鹏饮料	52383904	The Company	December 22, 2020	September 13, 2031	PRC
72.	东鹏饮料	52374887	The Company	December 22, 2020	October 13, 2032	PRC
73.		52375863	The Company	December 22, 2020	October 27, 2032	PRC
74.	东鹏运动能量	52574209	The Company	December 29, 2020	August 27, 2031	PRC
75.	捷迅	52746576	The Company	January 5, 2021	April 6, 2032	PRC

No.	Trademark	Registration Number	Owner	Date of Registration	Expiry date	Place of Registration
76.		53534095	The Company	February 3, 2021	September 27, 2031	PRC
77.		53534156	The Company	February 3, 2021	September 27, 2031	PRC
78.		53534151	The Company	February 3, 2021	September 27, 2031	PRC
79.		53523392	The Company	February 3, 2021	October 6, 2031	PRC
80.		53539413	The Company	February 3, 2021	November 27, 2031	PRC
81.		53788474	The Company	February 22, 2021	September 20, 2031	PRC
82.		54571649	The Company	March 23, 2021	June 13, 2032	PRC
83.	东鹏 高山泉水	56558576	The Company	June 1, 2021	December 27, 2031	PRC
84.		57300706A	The Company	June 29, 2021	March 6, 2032	PRC
85.		57300706	The Company	June 29, 2021	November 27, 2032	PRC
86.	东鹏大咖 摇摇拿铁	57319605A	The Company	June 30, 2021	March 6, 2032	PRC
87.	东鹏大咖 摇摇拿铁	57333932A	The Company	June 30, 2021	March 6, 2032	PRC
88.		58402288	The Company	August 11, 2021	August 6, 2032	PRC
89.		59082131	The Company	September 8, 2021	March 20, 2032	PRC

No.	Trademark	Registration Number	Owner	Date of Registration	Expiry date	Place of Registration
90.		59092800	The Company	September 8, 2021	March 27, 2032	PRC
91.		61206939A	The Company	December 7, 2021	July 27, 2032	PRC
92.	东鹏耐力罐	66038818	The Company	July 19, 2022	June 20, 2033	PRC
93.		66702157	The Company	August 19, 2022	July 6, 2033	PRC
94.		67048011	The Company	September 6, 2022	June 13, 2033	PRC
95.		67051965	The Company	September 6, 2022	July 27, 2033	PRC

Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be or may be material to our business:

No.	Patent	Type	Patent Number	Registered Owner	Date of Application	Place of Registration	Status
1.	A Beverage Mixing Tank Water Rinsing System Device (一種飲料調配缸水沖洗系統裝置)	Utility model	ZL201620505792.2	The Company	May 27, 2016	PRC	Valid
2.	A Weight-Sensing Beverage Preparation and Volume Control Device (一種重量感應式飲料配製定容裝置) .	Utility model	ZL201620882574.0	Guangzhou Eastroc Beverage Co., Ltd	August 16, 2016	PRC	Valid

No.	Patent	Type	Patent Number	Registered Owner	Date of Application	Place of Registration	Status
3.	An All-Directional Automatic Rejection Device for Unqualified Packaging (一種全方位自動剔除包裝不合格裝置).	Utility model	ZL201720736470.3	Guangzhou Eastroc Beverage Co., Ltd	June 23, 2017	PRC	Valid
4.	An Anti-Vortex Device for Tank Cleaning Process (一種罐體清洗過程中的防漩渦裝置)	Utility model	ZL201720736537.3	Guangzhou Eastroc Beverage Co., Ltd	June 23, 2017	PRC	Valid
5.	A Weight Sensor Rejection Device (一種重量感應器剔除裝置)	Utility model	ZL201720736539.2	Guangzhou Eastroc Beverage Co., Ltd	June 23, 2017	PRC	Valid
6.	A Safe Operation Homogenization Sterilization Control Device (一種運行安全的均質殺菌控制裝置).	Utility model	ZL201821578769.1	Guangzhou Eastroc Beverage Co., Ltd	September 27, 2018	PRC	Valid
7.	An Online Continuous Detection Device for Beverage Semi-Finished Products (一種飲料半成品在線連續檢測裝置).	Utility model	ZL201821578825.1	Guangzhou Eastroc Beverage Co., Ltd	September 27, 2018	PRC	Valid
8.	A Self-Inspection and Braking Alarm Device for Internal Leakage in Three-Way Valves (三通閥內漏液自檢製動報警裝置) .	Utility model	ZL201821578840.6	Guangzhou Eastroc Beverage Co., Ltd	September 27, 2018	PRC	Valid
9.	A Respirator for Cans (一種罐用呼吸器)	Utility model	ZL201920909925.6	Guangzhou Eastroc Beverage Co., Ltd	June 14, 2019	PRC	Valid

No.	Patent	Type	Patent Number	Registered Owner	Date of Application	Place of Registration	Status
10.	A Device for Deodorization, Dust Removal, Purification, and Noise Reduction (一種祛味除塵淨化降噪裝置) . .	Utility model	ZL201920909936.4	Guangzhou Eastroc Beverage Co., Ltd	June 14, 2019	PRC	Valid
11.	A Device for Removing Fallen Bottled Water on the Production Line (一種剔除生產線上倒地瓶裝水的裝置).	Utility model	ZL201920909937.9	Guangzhou Eastroc Beverage Co., Ltd	June 14, 2019	PRC	Valid
12.	A Warning Device for Bottle Cleaning and Disinfection (一種瓶體清洗消毒的預警裝置)	Utility model	ZL201920909939.8	Guangzhou Eastroc Beverage Co., Ltd	June 14, 2019	PRC	Valid
13.	A Closed-Loop Extraction Device (一種封閉式循環浸提裝置)	Utility model	ZL202022221158.5	The Company	September 30, 2020	PRC	Valid
14.	A Dry Sterilization Device for Preforms in Aseptic Filling Lines (一種無菌灌裝線瓶坯乾法殺菌裝置) . .	Utility model	ZL202122003612.4	Guangzhou Eastroc Beverage Co., Ltd	August 24, 2021	PRC	Valid
15.	An Automatic Quantitative Weighing Device (一種自動定量稱重設備) .	Utility model	ZL202122816524.6	Guangzhou Eastroc Beverage Co., Ltd	November 17, 2021	PRC	Valid
16.	A Device for Measuring Internal Pressure and Recycling Empty Beverage Cans (一種飲料金屬罐內壓測量與空罐回收裝置) . . .	Utility model	ZL202122818889.2	Guangzhou Eastroc Beverage Co., Ltd	November 17, 2021	PRC	Valid
17.	A Bottle Washing Water Recycling System for a Filling Machine (一種灌裝機的洗瓶水回收利用系統) .	Utility model	ZL202222247598.7	Guangzhou Eastroc Beverage Co., Ltd	August 25, 2022	PRC	Valid

No.	Patent	Type	Patent Number	Registered Owner	Date of Application	Place of Registration	Status
18.	A Recycling System for Washing Water and Thermal Energy from Empty Cans (一種易拉罐空罐洗罐水及其熱能的回收利用系統).	Utility model	ZL202222247600.0	Guangzhou Eastroc Beverage Co., Ltd	August 25, 2022	PRC	Valid
19.	A Condensate Water Recycling Device for High-Temperature and High-Pressure Sterilizers (一種高溫高壓滅菌器的冷凝水回收利用裝置).	Utility model	ZL202222247623.1	Guangzhou Eastroc Beverage Co., Ltd	August 25, 2022	PRC	Valid
20.	A Waste Residue Dehydration Device for Extraction Equipment (一種用於浸提設備的廢渣脫水裝置) . . .	Utility model	ZL202222301997.7	Guangzhou Eastroc Beverage Co., Ltd	August 31, 2022	PRC	Valid
21.	An Automatic Feeding System (一種自動投料系統).	Utility model	ZL202321744275.7	Guangzhou Eastroc Beverage Co., Ltd	July 4, 2023	PRC	Valid
22.	A Nitrogen Injection Nozzle, Nitrogen Injection Device, and Filling System (一種注氮噴嘴、注氮裝置及灌裝系統)	Utility model	ZL202322031993.6	Guangzhou Eastroc Beverage Co., Ltd	July 31, 2023	PRC	Valid
23.	A Steam Condensate Thermal Energy Recovery System (一種蒸汽冷凝水熱能回收系統)	Utility model	ZL202322039861.8	Guangzhou Eastroc Beverage Co., Ltd	July 31, 2023	PRC	Valid
24.	A Device for Pitting and Pulping Fresh Olives (一種橄欖鮮果去核打漿裝置) . .	Utility model	ZL202322500306.0	Guangzhou Eastroc Beverage Co., Ltd	September 14, 2023	PRC	Valid

No.	Patent	Type	Patent Number	Registered Owner	Date of Application	Place of Registration	Status
25.	An Automatic Removal Device for Defective Packaged Beverages (一種不合格箱裝飲料的自動剔除裝置)	Utility model	ZL202322511435.X	Guangzhou Eastroc Beverage Co., Ltd	September 15, 2023	PRC	Valid
26.	An Automatic Removal Device for Defective Appearance Bottled Beverages (一種不合格外觀灌裝飲料瓶的自動剔除裝置)	Utility model	ZL202322546539.4	Guangzhou Eastroc Beverage Co., Ltd	September 19, 2023	PRC	Valid
27.	Circulating Extraction Device with a Double Helical Ribbon Mixer (一種設有雙螺旋帶式攪拌器的循環萃取設備)	Utility model	ZL202322527477.2	Guangzhou Eastroc Beverage Co., Ltd	September 18, 2023	PRC	Valid
28.	A Preparation Process for a Preserved Tangerine Peel Beverage (一種陳皮飲料的製備工藝).	Invention	ZL201210342615.3	Guangzhou Eastroc Beverage Co., Ltd	September 17, 2012	PRC	Valid
29.	A Medium-Temperature Filling Process for Acidic Beverages (一種酸性飲料的中溫灌裝工藝)	Invention	ZL201210343251.0	Guangzhou Eastroc Beverage Co., Ltd	September 17, 2012	PRC	Valid
30.	A Natural Green Salted Olive for Throat Soothing and Hangover Relief (一種天然綠色潤喉解酒的鹹橄欖) . .	Invention	ZL201710034427.7	Guangzhou Eastroc Beverage Co., Ltd	January 18, 2017	PRC	Valid
31.	A Preparation Method for Salted Olives (一種鹹橄欖的製備方法)	Invention	ZL201710034763.1	Guangzhou Eastroc Beverage Co., Ltd	January 18, 2017	PRC	Valid

No.	Patent	Type	Patent Number	Registered Owner	Date of Application	Place of Registration	Status
32.	A Preparation Method and Application of Rice Wine (一種製備米酒的方法及其應用)	Invention	ZL202211413328.7	Guangzhou Eastroc Beverage Co., Ltd	November 11, 2022	PRC	Valid
33.	A Plant-Ingredient Cola with Enhanced Filling Stability and Its Preparation Method (一種增強灌裝穩定性的含植物成分的可樂及其製備方法)	Invention	ZL202211490291.8	Guangzhou Eastroc Beverage Co., Ltd	November 25, 2022	PRC	Valid
34.	A Fermented Vegetable and Fruit Juice Containing Carrot Juice, Its Preparation Method, and Application (一種含胡蘿蔔汁的蔬果汁發酵液及其的製備方法和應用)	Invention	ZL202310446349.7	Guangzhou Eastroc Beverage Co., Ltd	April 24, 2023	PRC	Valid
35.	A Beverage for Throat Soothing and Its Preparation Method (一款清咽潤喉的飲料及其製備方法)	Invention	ZL202410363427.1	Guangzhou Eastroc Beverage Co., Ltd	March 28, 2024	PRC	Valid
36.	A Beverage Workshop Production Refinement Management System Based on Computer Vision (一種基於計算機視覺的飲料車間生產精細化管理系統) . .	Invention	ZL202410436096.X	Guangzhou Eastroc Beverage Co., Ltd	April 11, 2024	PRC	Valid
37.	A Fermented Vegetable Juice Beverage and Its Preparation Method (一種複合蔬菜汁發酵飲料及其製備方法).	Invention	ZL202410481583.8	Guangzhou Eastroc Beverage Co., Ltd	April 22, 2024	PRC	Valid

No.	Patent	Type	Patent Number	Registered Owner	Date of Application	Place of Registration	Status
38.	A System and Method for Detecting Sodium and Potassium Content in Electrolyte Beverage Processing (一種電解質飲料加工中鈉、鉀含量檢測系統與方法)	Invention	ZL202410575795.2	Guangzhou Eastroc Beverage Co., Ltd	May 10, 2024	PRC	Valid
39.	A Probiotic Composite Fermentation Composition and Its Preparation Method (一種益生菌複合發酵組合物及其製備方法)	Invention	ZL202411111059.8	Guangzhou Eastroc Beverage Co., Ltd	August 14, 2024	PRC	Valid
40.	Packaging Bottle (Quench & Nourish) (包裝瓶(多喝多潤)).	Appearance design	ZL202330056040.8	The Company	February 16, 2023	PRC	Valid
41.	Packaging Bottle (Eastroc Water Boost) (包裝瓶(東鵬補水啦)).	Appearance design	ZL202330043640.0	The Company	February 10, 2023	PRC	Valid
42.	Packaging Bottle (Nourish) (包裝瓶(多潤))	Appearance design	ZL202230650478.4	The Company	September 29, 2022	PRC	Valid
43.	Packaging Bottle (包裝瓶).	Appearance design	ZL201930608999.1	The Company	November 6, 2019	PRC	Valid
44.	Packaging Box (Amla Juice Lemon Tea) (包裝盒(由柑檸檬茶)).	Appearance design	ZL201930094757.5	The Company	March 8, 2019	PRC	Valid
45.	Packaging Bottle (with Label) (包裝瓶(帶標籤))	Appearance design	ZL201730634629.6	The Company	December 13, 2017	PRC	Valid
46.	Packaging Bottle (without Label) (包裝瓶(不帶標籤)) .	Appearance design	ZL201730634636.6	The Company	December 13, 2017	PRC	Valid

No.	Patent	Type	Patent Number	Registered Owner	Date of Application	Place of Registration	Status
47.	Packaging Bottle (Amla Juice Lemon Tea) (包裝瓶(油柑檸檬茶)).	Appearance design	ZL201730012266.2	The Company	January 12, 2017	PRC	Valid
48.	Olive Water Packaging Bottle (橄欖水包裝瓶).	Appearance design	ZL201630499003.4	The Company	October 11, 2016	PRC	Valid
49.	Packaging Bottle (2) (包裝瓶(2))	Appearance design	ZL201630530079.9	The Company	November 3, 2016	PRC	Valid
50.	Packaging Bottle (1) (包裝瓶(1))	Appearance design	ZL201630531379.9	The Company	November 3, 2016	PRC	Valid
51.	Packaging Bottle (2) (包裝瓶(2))	Appearance design	ZL201530519341.5	The Company	December 10, 2015	PRC	Valid
52.	Packaging Bottle (1) (包裝瓶(1))	Appearance design	ZL201530519366.5	The Company	December 10, 2015	PRC	Valid

Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Owner	Registration Number	Registration Date	Place of Registration
1	Golden Can Eastroc Super Drink Vitamin Functional Beverage Main Scene of Great Peng Spreading Its Wings (金罐東鵬特飲維生素功能飲料大鵬展翅篇主畫面)	The Company	Yue Zuo Deng Zi-2018-F-00009076	May 18, 2018	PRC
2	Nine-aged Preserved Mandarin Peel Beverage (9制陳皮特飲)	The Company	Yue Zuo Deng Zi-2019-F-00008034	May 23, 2019	PRC
3	Nine-aged Preserved Mandarin Peel Beverage Label (9制陳皮特飲標籤).	The Company	Yue Zuo Deng Zi-2019-F-00006632	May 14, 2019	PRC

No.	Copyright	Owner	Registration Number	Registration Date	Place of Registration
4	Eastroc Beverage – Made with a Combination of Amla and Lemon (東鵬飲料 – 由柑檸檬組合)	The Company	Yue Zuo Deng Zi-2020-F-00009531	May 06, 2020	PRC
5	Amla Lemon Tea (由柑檸檬茶)	The Company	Yue Zuo Deng Zi-2020-F-00009533	May 06, 2020	PRC
6	Eastroc Beverage – Amla Lemon Tea (東鵬飲料 – 由柑檸檬茶標籤)	The Company	Yue Zuo Deng Zi-2020-F-00009535	May 06, 2020	PRC
7	Eastroc Super Drink Advertisement Audio (東鵬特飲廣告音頻)	The Company	Yue Zuo Deng Zi-2020-S-00000083	September 07, 2020	PRC
8	Eastroc Super Drink Advertisement Script Concept (東鵬特飲廣告片腳本創意)	The Company	Yue Zuo Deng Zi-2020-L-00002355	September 07, 2020	PRC
9	Gift Packaging Design for Sending Eastroc For Good Fortune (送東鵬財運爆鵬 – 禮品包裝設計)	The Company	Yue Zuo Deng Zi-2020-F-00024545	September 07, 2020	PRC
10	Worn out? Time for Eastroc! – Main Visual (累了困了喝東鵬特飲 – 主畫面)	The Company	Yue Zuo Deng Zi-2020-F-00024544	September 07, 2020	PRC
11	Preserved Mandarin Peel Beverage Poster (陳皮特飲海報)	The Company	Yue Zuo Deng Zi-2020-F-00024543	September 07, 2020	PRC
12	Eastroc Super Drink Vitamin Functional Beverage Label (Carton Pack) (東鵬特飲維生素功能飲料標籤(紙盒裝))	The Company	Yue Zuo Deng Zi-2020-F-00013173	June 09, 2020	PRC

No.	Copyright	Owner	Registration Number	Registration Date	Place of Registration
13	Eastroc Super Drink Vitamin Functional Beverage Label (東鵬特飲維生素功能飲料標籤)	The Company	Yue Zuo Deng Zi-2020-F-00013169	June 09, 2020	PRC
14	Eastroc Super Drink Advertisement Film (東鵬特飲廣告片).	The Company	Yue Zuo Deng Zi-2020-I-00000657	November 09, 2020	PRC
15	Eastroc Zero Sugar Super Drink Packaging Design (東鵬0糖特飲包裝設計)	The Company	Yue Zuo Deng Zi-2021-F-00012076	April 27, 2021	PRC
16	Eastroc Zero Sugar Super Drink Outer Packaging Design (東鵬0糖特飲外包裝設計).	The Company	Yue Zuo Deng Zi-2021-F-00012077	April 27, 2021	PRC
17	Beverage Bottle Series (飲料瓶型系列)	The Company	Guo Zuo Deng Zi-2021-L-00267399	November 18, 2021	PRC
18	Carbonated Beverage Bottle Series (含氣飲料瓶型系列).	The Company	Guo Zuo Deng Zi-2021-L-00267401	November 18, 2021	PRC
19	Eastroc Water Boost (東鵬 補水啦) . .	The Company	Guo Zuo Deng Zi-2023-F-00184071	August 24, 2023	PRC

Domain Names

As of the Latest Practicable Date, we have registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1.	szeastroc.com	The Company	May 6, 2024	May 6, 2034

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

Interests and short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Save as disclosed in the section headed "Substantial Shareholders" and below, immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised), so far as our Directors are aware, none of our Directors and chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) 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 in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules:

Name	Capacity/Nature of interest	Description of Shares	Number of Shares[1]	Approximate percentage of shareholding in the A Shares immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[2]	Approximate percentage of shareholding in the total Share capital immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[2]
Mr. Lin	Beneficial owner	A Shares	258,657,634	**[REDACTED]**%	**[REDACTED]**%
	Interest in controlled corporations [3]	A Shares	2,171,145	**[REDACTED]**%	**[REDACTED]**%
Mr. LIN Mugang	Beneficial owner	A Shares	27,151,626	**[REDACTED]**%	**[REDACTED]**%
Ms. Jiang Weiwei	Beneficial owner	A Shares	520,000	**[REDACTED]**%	**[REDACTED]**%
Mr. Lu Yifu	Beneficial owner	A Shares	481,000	**[REDACTED]**%	**[REDACTED]**%

Notes:

1. All interests stated are long positions in the Shares.

2. The calculation is based on the total number of 520,013,000 A Shares and **[REDACTED]** H Shares in **[REDACTED]** immediately after completion of the **[REDACTED]**, assuming that the **[REDACTED]** is not exercised.

3. Mr. Lin (i) directly owns approximately 99.998% partnership interests as a limited partner in Dongpeng Yuandao, which beneficially owns 2,080,034 A Shares; (ii) directly owns approximately 99.89% partnership interests as a limited partner in Dongpeng Zhiyuan, which beneficially owns 65,082 A Shares; (iii) directly owns approximately 99.87% partnership interests as a limited partner in Dongpeng Zhicheng, which beneficially owns 26,029 A Shares. By virtue of the SFO, Mr. Lin is deemed to be interested in the Shares held by Dongpeng Yuandao, Dongpeng Zhiyuan and Dongpeng Zhicheng.

Interests of the substantial shareholders in member of our Group (excluding our Company)

So far as the Directors are aware, the following person (other than our Company, and any subsidiaries of our Group) is entitled to exercise, or control the exercise of, 10% or more of voting power at the shareholders' meetings of the following member of our Group (excluding our Company):

Name of the subsidiary	Name of the shareholder	Percentage of interest in the subsidiary
Eastroc Beverage (Malaysia) SDN. BHD.	Creative Zest Holdings SDN. BHD.	25.00%

Particulars of Directors' Service Contracts and Appointment Letters

Each of the Directors [has] entered into a service contract or a letter of appointment with our Company. The principal particulars of these service contracts and letters of appointment include (a) the term of service, (b) subject to termination in accordance with their respective term, and (c) a dispute resolution provision. The service contracts and letters of appointment may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, we have not entered into, and do not propose to enter into any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 8 to the Accountants' Report set out in Appendix I for the financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, none of our Directors received other remunerations of benefits in kind from us.

Directors' Competing Interests

None of our Directors is interested in any business apart from our Group's business which competes or is likely to compete, directly or indirectly, with the business of our Group and is required to be disclosed under Rule 8.10 of the Listing Rules.

Disclaimers

Save as disclosed in the sections headed "Substantial Shareholders" and "Directors and Senior Management":

(a) none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our 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, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are **[REDACTED]** on the Stock Exchange;

(b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the **[REDACTED]** (without taking into account any H Shares which may be **[REDACTED]** and **[REDACTED]** pursuant to the exercise of the **[REDACTED]**), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group;

(d) to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date:

(e) none of our Directors or any of the parties listed in "— Qualifications of Experts" in this Appendix is:

i. interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

ii. materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business;

(f) save in connection with the **[REDACTED]**, none of the persons listed in "— Qualifications of Experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to **[REDACTED]** for or to nominate persons to **[REDACTED]** for securities in any member of our Group; and

(g) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

Joint Sponsors

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will receive an aggregate fee of US$990,000 for acting as sponsors for the **[REDACTED]**.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Promoters

The promoters of the Company are all of the then Shareholders as of March 18, 2018 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to the promoters in connection with the **[REDACTED]** and the related transactions described in this Document.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors confirm that up to the date of this Document, there has been no material adverse change in our financial, operational or trading positions or prospects since June 30, 2025, being the end of the period reported on as set out in the Accountants' Report included in Appendix I to this Document.

Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Document are as follows:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) of the regulated activities as defined under the SFO
Morgan Stanley Asia Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities as defined under the SFO
UBS Securities Hong Kong Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) of the regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditors
DeHeng Law Offices	PRC legal adviser
Frost & Sullivan	Independent industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries 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.

Consents of Experts

Each of the experts as referred to "— Qualifications of Experts" in this Appendix has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respectively included.

Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this Document:

(a) within the two years preceding the date of this Document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

(b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) there are no arrangements under which future dividends are waived or agreed to be waived;

(e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;

(g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(i) save for the A shares of our Company that are listed on the Shanghai Stock Exchange, no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any other stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;

(j) our Company has no outstanding convertible debt securities or debentures;

(k) our Company is a joint stock limited company and is subject to the PRC Company Law; and

(l) our Company has adopted a code of conduct regarding Directors' securities transactions on terms no less than those as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of each of the material contracts referred to in "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" in Appendix IV to this Document; and

(ii) the written consents referred to in "Statutory and General Information — Other Information — Consents of Experts" in Appendix IV to this Document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange's website at **www.hkexnews.hk** and **www.szeastroc.com** during a period of 14 days from the date of this Document:

(a) the Articles of Association;

(b) the Accountants' Report from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this Document;

(c) the audited consolidated financial statements of our Group for the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025;

(d) the report from Deloitte Touche Tohmatsu on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out in Appendix II to this Document;

(e) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. referred to in "Industry Overview" in this Document;

(f) the PRC legal opinion issued by DeHeng Law Offices, our PRC Legal Adviser, in respect of, among other things, certain general corporate matters and property interests matters of our Group;

(g) the material contracts referred to in "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" in Appendix IV to this Document;

(h) the written consents referred to in "Statutory and General Information — Other Information — Consents of Experts" in Appendix IV to this Document;

(i) the contracts and appointment letters referred to in the section headed "Statutory and General Information — Further Information About Our Directors, Senior Management and Substantial Shareholders — Particulars of Directors' Service Contracts and Appointment Letters" in Appendix IV to this Document; and

(j) the PRC Company Law, Securities Law, and the Overseas Listing Trial Measures, together with unofficial English translations thereof.