This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of 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 **[REDACTED]** *in the* **[REDACTED]**.

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

OVERVIEW

We are a large-scale and fast-growing snack and beverage retailer, with our GMV increasing at a CAGR of 156.4% from 2023 to 2025. In terms of GMV of snack and beverage in 2025, we ranked as the second-largest snack and beverage retailer in China, according to CIC and our nationwide brand *Haoxianglai* ranked as the No. 1 snack and beverage retail brand in China. *Haoxianglai* was the first brand of value retail for snack and beverage to surpass 10,000 stores nationwide in 2024, with the second brand in the industry reaching this milestone in 2025, according to the same source. We primarily operate the snack and beverage retail business under a franchise model. We also engage in the cultivation and sale of fresh edible fungi products to consumers nationwide. In 2025, we generated 98.8% of revenue from selling snacks and beverages and 1.2% from selling edible fungi products.

We mainly operate as a value retailer for snack and beverage, which refers to a retailer that offers multi-brand, multi-category snack and beverage products at competitive prices through a streamlined and cost-efficient supply chain. Building on this positioning, we are committed to offering consumer a shopping experience with a broad selection of affordable products of consistent quality through our advantages of scale and highly efficient supply chain.

- **Our scale.** As of December 31, 2025, our network had 18,314 stores across 30 provinces, municipalities and autonomous regions in China. We hold a leading position in regions with strong consumer spending such as the Yangtze River Delta and in populous provinces including the Shanhe Four Provinces (namely Shandong, Shanxi, Henan and Hebei). According to CIC, in 2025, our Group was the largest value retailer for snack and beverage in both the Yangtze River Delta and the Shanhe Four Provinces, with market shares of approximately 63% and 55%, respectively, and GMV of 2.3 times and 1.6 times that of the respective second-largest competitors. We primarily employ a franchise model to grow our store network. In 2025, revenue from our franchised stores accounted for 98.0% of our total revenue. Our scale is further reinforced by a loyal consumer base. We had around 190 million registered members as of December 31, 2025 and over 144 million active members in 2025. In December 2025, the average monthly purchasing frequency of our active members was 3.0 times.

- **Our efficiency.** Our costs of sales include costs for procuring snacks and beverages from suppliers. By streamlining layers of distribution and enhancing fulfillment, our supply chain achieves high efficiency. As of December 31, 2024 and 2025, approximately 94% and 96% of our products were sourced directly from brand owners and distributed through 48 ambient and nine cold-chain warehouses nationwide. This model enables us to offer retail prices that are on average 20-30% lower than comparable products in hypermarkets, supermarkets and convenience stores, according to CIC, while allowing both our franchise partners and us to maintain healthy profit margins.

Notes:

(1) In 2025.

(2) As of December 31, 2025.

(3) Representing ranking of our Group and *Haoxianglai* in the snack and beverage retail market, in terms of GMV of snack and beverage in 2025, according to CIC.

(4) On average 20-30% lower than comparable products in hypermarkets, supermarkets and convenience stores, according to CIC.

Our Market Opportunity

We currently focus on the snack and beverage market, a trillion-scale segment with strong growth momentum, and intend to extend our proven model across the wider value retail market for fast-moving consumer goods.

According to CIC, the overall snack and beverage market in China reached RMB4.3 trillion in 2025. Within the snack and beverage retail industry, value retail accounted for below 5%, significantly below penetration levels in mature markets such as the United States and Germany. At the same time, value retail for snack and beverage represents the fastest-growing channel, with a projected CAGR of 27.7% from 2025 to 2030. By 2030, such segment is expected to reach RMB725.9 billion, accounting for 13.0% of the overall snack and beverage market.

We believe that, with our nationwide store network, highly efficient supply chain, digital infrastructure, and a collaborative franchise ecosystem, we are well positioned to replicate our success beyond snack and beverage. Over time, we expect to further develop into a full-fledged value retail model, drive efficiency and upgrades in offline retail, and seize significant growth opportunities of the value retail industry. According to CIC, the market size of China's value retail industry is expected to reach RMB1,145.7 billion by 2030, representing a CAGR of 25.0% from 2025 to 2030.

Our Financial Performance

During the Track Record Period, we achieved rapid growth and scaled profitability. Our revenue increased by 247.9% from RMB9.3 billion in 2023 to RMB32.3 billion in 2024. Our revenue further increased by 59.2% from RMB32.3 billion in 2024 to RMB51.5 billion in 2025. We recorded adjusted net loss (non-IFRS measure) of RMB28.2 million in 2023, adjusted net profit (non-IFRS measure) of RMB830.3 million in 2024 and adjusted net profit (non-IFRS measure) of RMB2.6 billion in 2025.

According to CIC, the value retailers for snack and beverage industry typically experience high order volume and relatively lower margin. To maintain and further improve profitability, we have implemented and will continue to pursue the following measures: (i) reduce procurement costs through improved bargaining power driven by our growing order volume; (ii) co-develop products with suppliers to achieve mutually beneficial business development and stronger bargaining power; (iii) deepen collaboration with suppliers and develop differentiated private label products to further improve gross profit margin; (iv) achieve economies of scale and reduce operating expenses along with the growth of our store network, as logistics, branding and IT costs can be shared across more stores; (v) boost membership outreach and launch more marketing activities, leading to more frequent revisits and more consumer purchases and (vi) upgrade digitalization to improve effectiveness and efficiency across all stages of business, such as logistics, inventory management, consumer insights and market analysis.

OUR STRENGTHS

We believe that the following competitive advantages contribute to our success and distinguish us from competitors: (i) largest snack and beverage retail brand and the second-largest snack and beverage retailer in China; (ii) a unified shopping experience enabled by curated assortments and affordable product offerings; (iii) strong consumer engagement through membership operations and integrated marketing; (iv) efficient, scalable and integrated supply chain; (v) comprehensive franchise support and long-term partnerships; (vi) end-to-end digitalization driving scalability and efficiency; and (vii) seasoned leadership team driving transformational growth. For details, see "Business — Our Strengths".

OUR STRATEGIES

We intend to further entrench our competitive strengths and implement the following strategies: (i) scaling and upgrading our store network; (ii) continuously refining product offerings through consumer insights; (iii) empowering suppliers and franchisees for mutual growth; (iv) strengthening warehousing and logistics efficiency; (v) upgrading digital infrastructure to drive intelligent operations; and (vi) pursuing strategic investments and acquisitions. For details, see "Business — Our Strategies".

OUR OFFERINGS

We are primarily engaged in the snack and beverage retail business, offering consumers a unified shopping experience that turns snacking into a daily affordable pleasure. We primarily employ a franchise model to grow our store network, and generated 98.0% of our total revenue from sales of goods to our franchised stores in 2025. We also generated 0.6% of our total revenue from self-operated stores during the same year, which allow us to explore new markets and business models, as well as from wholesale sales, where we supply products in bulk to enterprise customers. In addition to our snack and beverage retail business, we also generate revenue from the sale of edible fungi products.

The table below sets forth a breakdown of our revenue by business segments for the years indicated.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)					
Snack and beverage retail business	8,759,025	94.2	31,790,207	98.3	50,856,923	98.8
Edible fungi business	534,715	5.8	538,623	1.7	602,226	1.2
Total	**9,293,740**	**100.0**	**32,328,830**	**100.0**	**51,459,149**	**100.0**

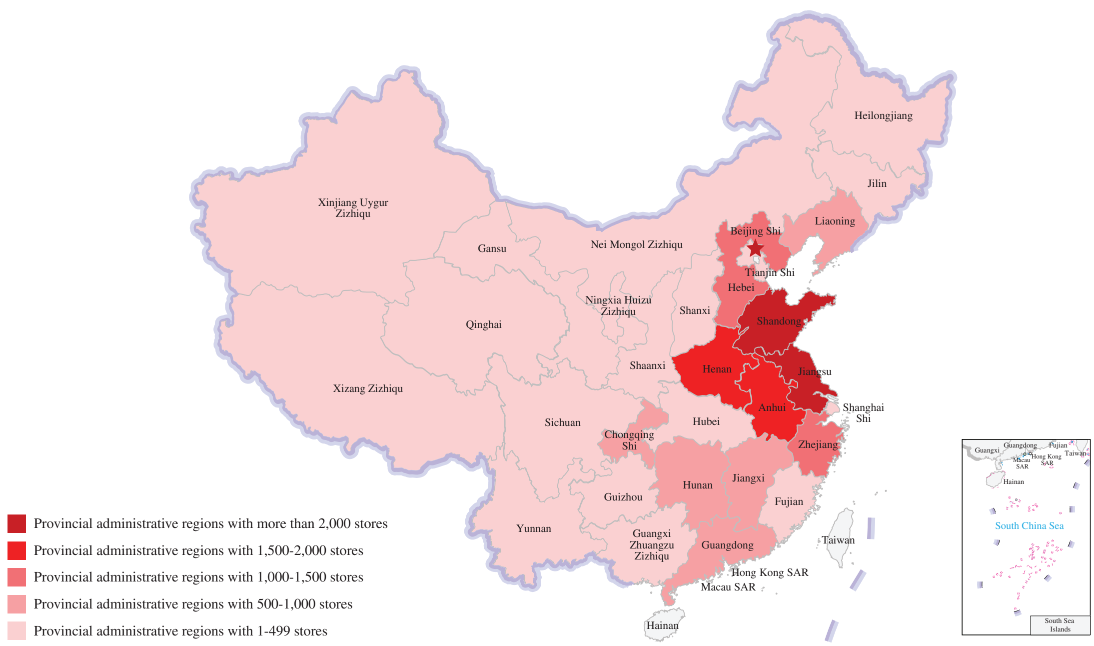
Our revenue from snack and beverage retail business increased during the Track Record Period, primarily due to the growth of our store network and the number of orders. The changes in revenue of our edible fungi business were primarily due to the changes of sales volume as a result of market conditions. See "Financial Information — Period-to-period Comparison of Results of Operations."

SNACK AND BEVERAGE RETAIL BUSINESS

As we recognized attractive growth prospects within the snack and beverage sector and sought to further diversify our revenue streams, supported by the relevant industry insights and experience of Mr. Wang Zening and other senior management, we commenced our strategic expansion into the snack and beverage retail market in August 2022. Between August 2022 and September 2023, we successively acquired certain snack-related assets including the brands *Lu Xiao Chan, Haoxianglai, Lai You Pin, Ya Di Ya Di* and *Laopo Daren*, and brought in the deeply experienced management teams of *Haoxianglai, Lai You Pin, Ya Di Ya Di* and *Laopo Daren*, which laid the foundation of our snack and beverage retail business. In October 2023, we consolidated *Lu Xiao Chan, Haoxianglai, Lai You Pin* and *Ya Di Ya Di* into our nation-wide flagship brand, *Haoxianglai* and grew our store network organically to the scale today. These acquisitions were conducted and these brands were selected after careful evaluation against criteria including brand recognition, regional footprint, team experience, compliance, scale and financial performance, thereby enabling regional market penetration, operational synergies and long-term growth. For details of the commencement and development of our snack and beverage business, see the section headed "History, Development and Corporate Structure — Corporate Development and Major Changes in Share Capital and Shareholdings — Commencement and Development of Our Snack and Beverage Retail Business".

Our Store

As of December 31, 2025, our store network had 18,314 offline stores spanning across 30 provinces, municipalities and autonomous regions. Our nationwide presence combines broad coverage with deep penetration in core regions, as demonstrated by high store density in the Yangtze River Delta, one of China's regions with high income level, and the Shanhe Four Provinces, one of China's regions with large population bases. Jiangsu province featured most stores among all our covered provinces, amounting to approximately 3,000 stores as of December 31, 2025. The following map illustrates the presence of our stores across China as of the same date:



Note: For illustrative purpose only, the map (Map Review Number (審圖號): GS(2016)2885) is presented to demonstrate our store network in China.

We mainly operate under the franchise model, authorizing our franchisees to sell snack and beverage through franchised stores under our brands. In addition, we strategically operate self-operated stores to enhance brand recognition and gain market intelligence. During the Track Record Period, our store network experienced significant growth, primarily driven by the increase in the number of our franchised stores.

The following table sets forth the number of our stores by distribution channels as of the dates indicated:

	As of December 31,					
	2023		2024		2025	
	Count	*%*	*Count*	*%*	*Count*	*%*
			(count, except percentages)			
Franchised stores	4,560	96.5	14,098	99.3	18,282	99.8
Self-operated stores	166	3.5	98	0.7	32	0.2
Total	**4,726**	**100.0**	**14,196**	**100.0**	**18,314**	**100.0**

The following table sets forth the key operating metrics relating to our stores as of the dates or for the years indicated.

	For the Year Ended/As of December 31,		
	2023	2024	2025
Total GMV *(RMB in million)*	11,151	42,596	73,316
Total number of orders *(in million)*	306	1,198	2,390
Total number of stores (count)	4,726	14,196	18,314
Average monthly GMV per store *(RMB in thousand)*[1]	406	412	382[3]
Average daily order volume per store[2]	394	402	419

Notes:

(1) The average monthly GMV per store is calculated by dividing the total GMV for a particular year by the aggregate number of months of operation of our stores during the same year.

(2) The average daily order volume per store is calculated by dividing the aggregate number of orders placed by consumers for a particular year by the aggregate number of days of operation of stores within our store network during the same year.

(3) The average monthly GMV per store in 2025 reflects an improvement during the second half of 2025, with the average monthly GMV per store increasing from approximately RMB371 thousand in the first half of 2025 to approximately RMB392 thousand in the second half of 2025.

Our Product

We provide consumers with a wide choice of affordable products of consistent quality that meet diverse and evolving needs. During the Track Record Period, our product mix covered twelve core categories: drinking water and liquid beverages, dairy products, meat snacks, puffed snacks, biscuits and pastries, nuts and roasted seeds, instant food, dried fruits and candied products, candies and chocolates, vegetarian delicacies, jelly and pudding snacks, and powdered and instant drinks. We review a broad range of SKUs and narrow them down to a curated national assortment of over 4,000 SKUs, with each store typically carrying around 1,800-2,000 SKUs. In 2025, we launched an average of approximately 220 new SKUs per month while regularly phasing out underperforming SKUs, keeping freshness of offerings while maintaining operational efficiency through constant optimization.

Leveraging our consumer insights, we collaborate with upstream manufacturers and develop private-label products that translate consumer demand into differentiated offerings. This not only enables us to adapt to ever-evolving consumer preferences with agility, but also allows us to deliver products that are either priced with affordability or differentiated in quality and features. We have launched two private-label series under *Haoxianglai*: *Haoxianglai Value* (好想來超值), which focuses on essential categories with affordability and *Haoxianglai Select* (好想來甄選), which offers premium and differentiated items. Together, these initiatives strengthen our brand positioning, unlock additional revenue potential for suppliers, and enhance franchisee competitiveness through higher margins and stronger consumer appeal.

Our Operations

We primarily operate our snack and beverage retail business under a franchise model, under which we authorize our franchisees to sell snack and beverage pre-selected by us through franchised stores under our brands. Our franchisees are accountable for the profit or loss of the stores they operate.

According to CIC, the franchise model is a common market practice in China's snack and beverage retail industry. It has fueled our rapid and efficient expansion by leveraging the entrepreneurship and local market knowledge of carefully selected franchisees, while preserving our centralized brand image, quality standards, and supply-chain advantages that arise from our economies of scale. As we delegate daily store operations to franchisees, we can focus more on brand-level marketing campaigns, seasonal promotions and digital consumer engagement initiatives that drive overall foot traffic and sales.

We empower our franchisees during the full lifecycle of store operation, drawing from our accumulated experience and market insights. From site selection, product selection and shelf display, to day-to-day operation, we have established a set of standardized procedures, trainings and digital tools to help our franchisees achieve optimal store performances. Through regular performance reviews and field audits, we help franchisees maintain optimal store standards and keep improving store-level performances. While we can determine the product prices for franchisees and provide a selected menu of products from which franchisees may choose suitable items to stock, franchisees have certain discretion in ultimately deciding which products to order and sell. We also provide guidance on their product orders based on our data insights.

As of December 31, 2025, we had 18,282 franchised stores, ranking as the second largest value retailer for snack and beverage in terms of number of stores, with a presence in 97% of provinces in Chinese Mainland, achieving one of the most extensive retail footprints in the industry, according to CIC. The number of our franchised stores increased from 4,560 as of December 31, 2023 to 14,098 as of December 31, 2024, and further to 18,282 as of December 31, 2025, which demonstrates our strong growth. See "Our Stores — Our Store Network" for more information. During the Track Record Period, the closure rates of our franchised stores were 1.6%, 1.5% and 3.0%, respectively, which were significantly lower than the average of over 10% for the snack and beverage retail industry, according to CIC. Closures of franchised stores during the Track Record Period were mainly due to certain stores not fully meeting our operational standards, as well as other factors beyond our control. The following table sets forth the movements in our franchised stores during the Track Record Period.

	For the Year Ended December 31,		
	2023	2024	2025
	Count	*Count*	*Count*
Number of franchised stores at the beginning of the year	160	4,560	14,098
Number of new franchised stores opened during the year other than through acquisitions	3,128	9,746	4,759
Number of new franchised stores acquired[1]	1,347	0	0
Number of franchised stores closed during the year	(75)	(208)	(575)
Number of franchised stores at the end of the year	**4,560**	**14,098**	**18,282**

Note:

(1) This figure represents the number of stores acquired since the acquisition of brands in 2023.

EDIBLE FUNGI BUSINESS

We engage in the cultivation and sale of fresh edible fungi, supplying products that are green, environmentally friendly and safe to consumers nationwide. Leveraging modern biotechnology and a factory-based production model, we operate two major production bases in Zhangzhou, Fujian Province and Nanjing, Jiangsu Province.

As of December 31, 2025, our total designed daily production capacity reached approximately 382 tonnes, comprising 325 tonnes of enoki mushrooms (金針菇), 45 tonnes of hypsizygus tessulatus (真姬菇) and 12 tonnes of velvet antler mushrooms (鹿茸菇). Our products are primarily sold fresh to distributors and supermarket chains across China.

CUSTOMERS

Our customers include franchisees who operate franchised stores pursuant to the franchise agreements with us and fungi distributors who sell our fungi products pursuant to the distribution agreements.

In 2023, among the five largest customers, one customer was our edible fungi distributor and the other four were franchisees of our snack and beverage retail business. In 2024 and 2025, all of our five largest customers engaged in the snack and beverage retail business. All five largest customers in 2024 and 2025 were our franchisees.

In 2023, 2024 and 2025, revenue from our five largest customers accounted for 2.2%, 1.7% and 1.0% of our total revenue for the respective years. Revenue from our largest customer in each year during the Track Record Period accounted for 0.5%, 0.5% and 0.3% of our total revenue, respectively. During the Track Record Period, we were not subject to any material customer concentration risk. See "Business — Customers".

SUPPLIERS

In 2023, 2024 and 2025, our suppliers comprised snack and beverage producers, brand owners and trading companies. In 2023, 2024 and 2025, purchases from our largest supplier in each year during the Track Record Period accounted for 9.8%, 2.0% and 3.2% of our total purchase amount, respectively. Purchases from our five largest suppliers in each year during the Track Record Period accounted for 15.6%, 9.6% and 12.2% of our total purchase amount during the same years, respectively. During the Track Record Period, we were not subject to any material supplier concentration risk. To our best knowledge, each of the five largest suppliers in each year during the Track Record Period that were related parties but not connected persons will not become our connected persons. See "Business — Suppliers".

COMPETITION

China's snack and beverage retail industry and value retail market for snack and beverage are highly competitive and dynamic. We compete with other retailers in our industry in aspects such as franchisee empowerment, store network and consumer experience.

According to CIC, we are a large-scale and fast-growing snack and beverage retailer, ranking as the second-largest snack and beverage retailer in China in terms of GMV of snack and beverage in 2025. We believe that, with our nationwide store network, highly efficient supply chain, digital infrastructure, and a collaborative franchise ecosystem, we are well positioned to reinforce our leadership.

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks, including risks relating to (i) our business and industry; (ii) doing business in the jurisdiction where we operate; and (iii) the [**REDACTED**]. Some of the major risks we face include, but are not limited to: (i) Our operating history may not be indicative of our results of operations, financial performance or business prospects in the future; (ii) Our future growth depends on our ability to strategically and continuously extend the footprint of our store network and successfully manage the operational performance of our extensive store network; (iii) We primarily employ a franchise model to grow our store network, under which substantially all of our stores are operated by franchisees. Our results of operations depend to a large extent on the performance of our stores, as well as our ability to maintain existing franchisees and attract new franchisees; (iv) We operate in a highly competitive and fast-changing market and may lose our market share if we fail to compete successfully; and (v) Any significant changes in food safety and quality, retail store operation and hygiene regulations and policies could materially and adversely affect our business.

OUR CONTROLLING SHAREHOLDERS AND VOTING PROXY AGREEMENTS

Mr. Wang Zening, Ms. Wang Liqing, Mr. Chen Wenzhu, Fujian Mimosa and Zhangzhou Jinwanchen constitute a group of Controlling Shareholders of our Company. Calculated on the basis of a total number of 191,293,385 A Shares in issue as of the Latest Practicable Date, the total issued share capital of our Company was directly held as to approximately 16.05% by Fujian Mimosa, approximately 11.85% by Zhangzhou Jinwanchen, approximately 10.04% by Mr. Wang Zening and approximately 0.07% by Ms. Wang Liqing. Fujian Mimosa was in turn held as to 80.00% by Mr. Wang Zening, 19.00% by Mr. Chen Wenzhu and 1.00% by Ms. Wang Liqing. Zhangzhou Jinwanchen was in turn held as to approximately 53.33% by Mr. Wang Zening, 37.67% by Ms. Wang Liqing and approximately 9.00% by various other minority shareholders in aggregate as of the Latest Practicable Date. Mr. Chen Wenzhu held no direct shareholding in the Company as of the Latest Practicable Date.

Additionally, pursuant to the 2024 Voting Proxy Agreement, Mr. Wang Zening is entitled to the voting rights attached to A Shares representing an aggregate of approximately 11.52% of the total share capital of our Company as of the Latest Practicable Date. Mr. Wang Zening has also entered into the 2025 Voting Proxy Agreement, under which he was entitled to the voting rights attached to 12,291,000 A Shares representing an aggregate of approximately 6.43% of the total share capital of our Company as of the Latest Practicable Date. Details of the 2024 Voting Proxy Agreement and the 2025 Proxy Arrangements are disclosed in the sections headed "History, Development and Corporate Structure — Voting Proxy Agreements" and "History, Development and Corporate Structure — Significant Acquisitions and Disposals — Acquisition of the minority interest in Nanjing Wanyou".

Together, our Controlling Shareholders controlled an aggregate of 55.97% of voting rights in our Company as at the Latest Practicable Date, and will control an aggregate of [**REDACTED**]% of voting rights in our Company immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised, no new A Shares are issued under the Share Award Plans and there are no changes to the shareholding of our Company between the Latest Practicable Date and the [**REDACTED**]). Calculated on the basis of a total number of [**REDACTED**] Shares in issue following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised, no new A Shares are issued under the Share Award Plans and there are no changes to the shareholding of our Company between the Latest Practicable Date and the [**REDACTED**]), the total issued share capital of our Company will be held directly as to approximately [**REDACTED**]% by Fujian Mimosa, approximately [**REDACTED**]% by Zhangzhou Jinwanchen, approximately [**REDACTED**]% by Mr. Wang Zening and approximately [**REDACTED**]% by Ms. Wang Liqing.

For further information, see the section headed "Relationship with our Controlling Shareholders".

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute non-exempt or partially-exempt continuing connected transactions of our Company under the Hong Kong Listing Rules following the [**REDACTED**]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted], certain waivers from strict compliance with Chapter 14A of the Listing Rules in respect of these transactions. For details, see the section headed "Continuing Connected Transactions".

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

	Years ended December 31,											
	2023				2024				2025			
	Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total		Results before biological assets fair value adjustments	Biological assets fair value adjustments	Total	
	RMB	*RMB*	*RMB*	*%*	*RMB*	*RMB*	*RMB*	*%*	*RMB*	*RMB*	*RMB*	*%*
	(RMB in thousands, except percentages)											
Revenue												
Snack and beverage retail business ("Snack")	8,759,025	–	8,759,025	94.2	31,790,207	–	31,790,207	98.3	50,856,923	–	50,856,923	98.8
Edible fungi business ("Fungi")	534,715	–	534,715	5.8	538,623	–	538,623	1.7	602,226	–	602,226	1.2
Subtotal	**9,293,740**	**–**	**9,293,740**	**100.0**	**32,328,830**	**–**	**32,328,830**	**100.0**	**51,459,149**	**–**	**51,459,149**	**100.0**
Cost of sales												
Snack	(7,925,134)	–	(7,925,134)	(85.3)	(28,336,922)	–	(28,336,922)	(87.7)	(44,590,086)	–	(44,590,086)	(86.6)
Fungi	(504,500)	(25,882)	(530,382)	(5.7)	(514,345)	(17,204)	(531,549)	(1.6)	(494,301)	(105,537)	(599,838)	(1.2)
Subtotal	**(8,429,634)**	**(25,882)**	**(8,455,516)**	**(91.0)**	**(28,851,267)**	**(17,204)**	**(28,868,471)**	**(89.3)**	**(45,084,387)**	**(105,537)**	**(45,189,924)**	**(87.8)**
Gross profit												
Snack	833,891	–	833,891	9.0	3,453,285	–	3,453,285	10.7	6,266,837	–	6,266,837	12.2
Fungi	30,215	(25,882)	4,333	0.0	24,278	(17,204)	7,074	0.0	107,925	(105,537)	2,388	0.0
Subtotal	**864,106**	**(25,882)**	**838,224**	**9.0**	**3,477,563**	**(17,204)**	**3,460,359**	**10.7**	**6,374,762**	**(105,537)**	**6,269,225**	**12.2**
Other income	11,199	–	11,199	0.2	133,176	–	133,176	0.5	196,451	–	196,451	0.4
Other gains and (losses), net	(19,357)	(5,595)	(24,952)	(0.3)	(44,456)	26,148	(18,308)	(0.1)	(29,897)	108,202	78,305	0.2
Selling and distribution costs	(433,843)	–	(433,843)	(4.7)	(1,430,819)	–	(1,430,819)	(4.4)	(1,544,440)	–	(1,544,440)	(3.0)
Administrative expenses	(476,785)	–	(476,785)	(5.1)	(1,053,468)	–	(1,053,468)	(3.3)	(1,676,198)	–	(1,676,198)	(3.3)
Finance costs	(28,745)	–	(28,745)	(0.3)	(50,848)	–	(50,848)	(0.2)	(54,065)	–	(54,065)	(0.1)
(Loss)/Profit before taxation	(83,425)	(31,477)	(114,902)	(1.2)	1,031,148	8,944	1,040,092	3.2	3,266,613	2,665	3,269,278	6.4
Income tax expense	(61,304)	–	(61,304)	(0.7)	(429,180)	–	(429,180)	(1.3)	(842,703)	–	(842,703)	(1.7)
(Loss)/Profit for the year and total comprehensive (expense)/income for the year	(144,729)	(31,477)	(176,206)	(1.9)	601,968	8,944	610,912	1.9	2,423,910	2,665	2,426,575	4.7
(Loss)/Profit for the year and total comprehensive (expense)/income for the year attributable to:												
Owners of the Company			(113,110)	(1.2)			301,174	0.9			1,347,264	2.6
Non-controlling interests			(63,096)	(0.7)			309,738	1.0			1,079,311	2.1
			(176,206)	(1.9)			610,912	1.9			2,426,575	4.7

Non-IFRS Measures

To supplement our consolidated financial statements presented in accordance with IFRS, we use adjusted net profit/(loss) (non-IFRS measure) for the year as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company. We believe that this measure provides useful information to [**REDACTED**] in understanding and evaluating our consolidated results of operations in the same manner as it helps management. However, our presentation of adjusted net profit/(loss) (non-IFRS measure) for the year may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net profit/(loss) (non-IFRS measure) as profit/(loss) for the year, adjusted for share-based compensation expenses, which are non-cash in nature, and [**REDACTED**].

The following table reconciles our non-IFRS measure for the years presented with the nearest measures prepared in accordance with IFRS Accounting Standards.

	For the Year Ended December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Profit/(Loss) for the year	(176,206)	610,912	2,426,575
Add back:			
Share-based compensation expenses, net	147,971	219,374	144,186
[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net profit/(loss) (non-IFRS measure)	**(28,235)**	**830,286**	**2,574,191**

During the Track Record Period, our revenue, gross profit margin and net profit/(loss) experienced fluctuations primarily in line with the rapid expansion of our snack and beverage retail business. Revenue increased significantly from 2023 to 2025, mainly due to the continuous expansion of our store network, the growth of our franchise model, and increasing consumer orders. Gross profit margin improved gradually over the same year, reflecting enhanced supply chain efficiency and economies of scale as our store base and procurement volume expanded. Our net results changed from a loss in 2023 to profitability in 2024 and 2025, primarily due to the transition from self-operated to franchised stores and initial marketing and administrative investments during the rapid scale-up phase. As our business matured, operational efficiency improved and margins were released, supported by optimized cost structure, centralized procurement and better expense control. See "Financial Information – Period-to-period Comparison of Results of Operations."

Summary of Our Consolidated Statements of Financial Position

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

	As of December 31,			As of February 28,
	2023	2024	2025	2026
				(unaudited)
	(RMB in thousands)			
Non-current assets	1,574,556	1,482,043	1,154,059	1,168,766
Current assets	2,345,872	5,751,594	8,876,031	7,057,496
Total assets	**3,920,428**	**7,233,637**	**10,030,090**	**8,226,262**
Non-current liabilities	589,331	663,984	1,227,626	1,172,185
Current liabilities	2,635,415	5,100,783	6,241,463	3,811,859
Total liabilities	**3,224,746**	**5,764,767**	**7,469,089**	**4,984,044**
Total assets less current liabilities	**1,285,013**	**2,132,854**	**3,788,627**	**4,414,403**
Net current (liabilities)/assets	(289,543)	650,811	2,634,568	3,245,637
Net assets	**695,682**	**1,468,870**	**2,561,001**	**3,242,218**
Capital and reserves				
Share capital	154,694	179,990	188,891	191,293
Reserves	490,540	925,688	1,304,548	1,663,316
Equity attributable to owners of the Company	645,234	1,105,678	1,493,439	1,854,609
Non-controlling interests	50,448	363,192	1,067,562	1,387,609
Total equity	**695,682**	**1,468,870**	**2,561,001**	**3,242,218**

During the Track Record Period, our net current assets substantially increased, primarily in line with our business expansion and capital activities. Our net current assets increased by RMB1,983.8 million from RMB650.8 million as of December 31, 2024 to RMB2,634.6 million as of December 31, 2025, primarily due to the increases in bank balances and cash and trade and other receivables, partially offset by the increase in trade and bills payable as well as other payables and accruals.

Our net assets of RMB1,468.9 million as of December 31, 2024 increased to net assets of RMB2,561.0 million as of December 31, 2025, primarily attributable to profit and total comprehensive income for the year of RMB2,426.6 million, partially offset by acquisition of non-controlling interest of RMB1,399.3 million and dividend declared of RMB199.4 million.

Summary of Consolidated Statements of Cash Flows

The following table presents our consolidated cash flow data for the years indicated.

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash from operating activities	1,007,506	777,052	3,587,455
Net cash used in investing activities	(236,492)	(57,102)	(9,711)
Net cash from/(used in) financing activities	267,640	335,648	(1,138,034)
Net increase in cash and cash equivalents	**1,038,654**	**1,055,598**	**2,439,710**
Cash and cash equivalents at beginning of the year	115,036	1,153,690	2,209,288
Cash and cash equivalents at end of the year	**1,153,690**	**2,209,288**	**4,648,998**

For details, see "Financial Information — Liquidity and Capital Resources".

Key Financial Ratios

The following table sets forth some of our key financial ratios for the years or as of the dates indicated.

	For the Year Ended/As of December 31,		
	2023	2024	2025
Revenue growth	1,592.0%	247.9%	59.2%
Gross profit margin	9.0%	10.7%	12.2%
Adjusted net profit/(loss) margin (non-IFRS measure)	(0.3%)	2.6%	5.0%
Cash conversion cycle *(days)*[1]	(5.9)	(1.3)	(3.0)

Note:

(1) The cash conversion cycle is calculated by inventory turnover days added by trade receivables turnover days, then subtracting trade and bills payables turnover days.

Biological Assets and Valuation

Our biological assets consist of edible fungi and are stated at fair value less costs to sell as at the valuation dates. Our biological assets increased from RMB47.6 million as of December 31, 2023 to RMB49.8 million as of December 31, 2024, primarily due to the decrease in the cost of raw material. Our biological assets increased from RMB49.8 million as of December 31, 2024 to RMB54.7 million as of December 31, 2025, primarily due to the increase in market prices of certain mushrooms. The following table sets forth the value of our biological assets as at the dates indicated:

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
At the beginning of the year	66,965	47,645	49,784
Increase due to new plantations	418,346	401,179	381,404
Harvested and transferred to inventories	(432,071)	(425,188)	(484,674)
Net changes in fair value less costs to sell (unrealized)	(127)	7,524	10,189
Net changes in fair value less costs to sell (realized)	(5,468)	18,624	98,013
At the end of the year	**47,645**	**49,784**	**54,716**

Our financial results have been, and will continue to be, affected by changes in the fair value of our biological assets. We are required under IFRS Accounting Standards to recognize such changes under gains/losses arising from net changes in fair value less costs to sell, which include both the unrealized and realized portions. This line item represents the changes in fair value of biological assets primarily due to the changes in market price and the stock volume for our edible fungi products. We measure our biological assets at their fair value less costs to sell. The fair value is measured by reference to local market selling prices. Changes in fair value of biological assets are recognized in profit or loss in the year in which they arise. During the Track Record Period, our biological assets were revalued at each reporting date by the Valuer. We recognized losses of RMB5.6 million, gains of RMB26.1 million and gains of RMB108.2 million for the changes in fair value of our biological assets in 2023, 2024 and 2025, respectively.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our business has continued to keep up the momentum following the Track Record Period. Our total GMV increased from RMB10,868 million in January and February 2025 to RMB15,705 million in January and February 2026. Our store network also continued to grow to over 19,500 stores as of February 28, 2026. Furthermore, the average monthly GMV per store increased from RMB372 thousand in January and February 2025 to RMB406 thousand in January and February 2026.

Our Directors have confirmed that, up to the date of this Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of the periods reported on in the Accountants' Report set out in Appendix I to this Document, and there had been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this Document.

LISTING ON THE SHENZHEN STOCK EXCHANGE

Our shares were previously listed on the NEEQ on August 18, 2015 (former stock code: 833260). We voluntarily delisted from NEEQ on January 6, 2021 in anticipation of our listing on the ChiNext Market of the Shenzhen Stock Exchange. Since April 2021, our A Shares have been listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300972). Our Directors confirmed that as at the Latest Practicable Date, we had no instance of non-compliance with the applicable rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects since our listing on the ChiNext Market of the Shenzhen Stock Exchange and, to the best knowledge of our Directors after 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 ChiNext Market of the Shenzhen Stock Exchange. Based on the filings on the website of the Shenzhen Stock Exchange and the information available in the public domain, our PRC Legal Advisor is of the view that the above confirmation of our Directors 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 Advisor's view above, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' confirmation with regard to the compliance record of the Company on the ChiNext Market of the Shenzhen Stock Exchange.

[**REDACTED**]

Based on the [**REDACTED**] of HK$[**REDACTED**] (being the mid-point of our [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per [**REDACTED**]), the total [**REDACTED**] (including [**REDACTED**]) payable by our Company are estimated to be approximately HK$[**REDACTED**] (equivalent to approximately RMB[**REDACTED**]), assuming the [**REDACTED**] is not exercised. These [**REDACTED**] mainly comprise professional fees paid and payable to the professional parties, and [**REDACTED**] payable to the [**REDACTED**], for their services rendered in relation to the [**REDACTED**] and the [**REDACTED**].

As of December 31, 2025, we incurred [**REDACTED**] of RMB[**REDACTED**] for the [**REDACTED**]. We estimate that an additional [**REDACTED**] of RMB[**REDACTED**] (including [**REDACTED**] of RMB[**REDACTED**], assuming the [**REDACTED**] is not exercised and based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]), accounting for [**REDACTED**]% of our gross [**REDACTED**], will be further incurred by us, of which RMB[**REDACTED**] is expected to be charged to our consolidated statements of profit or loss and RMB[**REDACTED**] is expected to be charged against equity upon the [**REDACTED**].

DIVIDENDS

Any declaration and payment, as well as the amount of dividends, are subject to our Articles of Association and the relevant PRC laws. In 2024 and 2025, we declared dividends of RMB36.0 million and RMB100.3 million, respectively. We did not declare dividends in 2023. In 2025, we paid dividends of RMB136.3 million.

Any dividends we pay will be determined at the absolute discretion of our Board and approved at our shareholders' meeting, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. We currently do not have any fixed dividend payout ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting [**REDACTED**], fees and estimated expenses payable by us in connection with the [**REDACTED**], assuming no [**REDACTED**] is exercised, and based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the midpoint of the indicative [**REDACTED**] stated in this Document.

In line with our strategies, we intend to use the net [**REDACTED**] from the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

Approximately HK$ in millions	Percentage of Net [REDACTED]	Future Plans
[**REDACTED**]	[REDACTED]%	Expand our store network and strengthen our store management and store-level competitiveness
[**REDACTED**]	[REDACTED]%	Further enhance our product assortment and broaden our product mix by introducing more new products and extending into additional categories
[**REDACTED**]	[REDACTED]%	Strengthen our digital capabilities, supporting the digitalization of key business functions
[**REDACTED**]	[REDACTED]%	Strengthen our brand recognition and consumer engagement
[**REDACTED**]	[REDACTED]%	Enhance our warehousing and logistics infrastructure to support the expansion of our store network and the growing diversity of our product mix
[**REDACTED**]	[REDACTED]%	Potential investments in or acquisitions of businesses to support our strategic development and enhance the breadth and the depth of our value chain
[**REDACTED**]	[REDACTED]%	Working capital and other general corporate purposes

See "Future Plans and Use of [**REDACTED**]" for further information relating to our future plans and use of [**REDACTED**] from the [**REDACTED**].