We have entered into certain agreements with parties that will be considered as our connected persons (as defined under Chapter 14A of the Hong Kong Listing Rules). The transactions set out in this section are expected to continue after the [**REDACTED**] which will constitute our non-exempt and partially-exempt continuing connected transactions under the Hong Kong Listing Rules.

OUR CONNECTED PERSONS

Following the [**REDACTED**], we expect to continue our transactions with the following parties which will be connected persons of our Company under the Hong Kong Listing Rules:

Name of Connected Person	Connected Relationship
Mimosa (Jiangsu) Food Co., Ltd. (含羞草(江蘇)食品有限公司) ("**Mimosa Food**", together with its subsidiary, Jiangsu Mimosa Agriculture Co., Ltd. (江蘇含羞草農業有限公司), the "**Mimosa Food Group**")	As of the Latest Practicable Date, 100% of the equity interests in Mimosa Food were directly held by Mr. Wang Jiankun (王健坤), who is a former director of the Company, and the sibling, father and spouse, respectively, of our executive Director Ms. Wang Liqing, executive Director Mr. Wang Zening and non-executive Director Ms. Lin Gaichun. Therefore, Mimosa Food and its subsidiaries will be connected persons of our Company upon [**REDACTED**] under Rule 14A.12 of the Hong Kong Listing Rules.
Nanjing Wanxing Commercial Management Co., Ltd. (南京萬興商業管理有限公司) ("**Nanjing Wanxing**", together with its subsidiaries, "**Nanjing Wanxing Group**")	As of the Latest Practicable Date, our executive Director Mr. Wang Zening directly held 48.0% of the equity interests in Nanjing Wanxing, which is a subsidiary of our Company. Therefore, Nanjing Wanxing and its subsidiaries will be connected subsidiaries and therefore connected persons of our Company upon [**REDACTED**] under Rule 14A.16 of the Hong Kong Listing Rules.
Nanjing Wanpin Commercial Management Co., Ltd. (南京萬品商業管理有限公司) ("**Nanjing Wanpin**", together with its subsidiaries, "**Nanjing Wanpin Group**")	As of the Latest Practicable Date, our executive Director Mr. Wang Zening directly held 24.5% of the equity interests in Nanjing Wanpin, which is a subsidiary of our Company. Therefore, Nanjing Wanpin and its subsidiaries will be connected subsidiaries and therefore connected persons of our Company upon [**REDACTED**] under Rule 14A.16 of the Hong Kong Listing Rules.

For the purposes of this section only, our Group, excluding the Nanjing Wanxing Group and the Nanjing Wanpin Group, shall be referred to as the "**Other Group Members**".

SUMMARY OF NON-EXEMPT AND PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

	Transactions	Applicable Listing Rule	Waiver	Proposed annual caps for the Year Ending December 31,		
				2026	2027	2028
					(RMB million)	
A.	***Mimosa Food Framework Agreement***					
	Non-exempt continuing connected transactions					
1. . .	Procurement of food products from Mimosa Food Group by our Group	14A.35 14A.36 14A.52 14A.53 14A.105	Announcement and independent Shareholders' approval requirement	550.00	700.00	800.00

	Transactions	Applicable Listing Rule	Waiver	Proposed annual caps for the Year Ending December 31, 2026	2027	2028
				(RMB million)		
B.	***Intragroup Business Operations Framework Agreement*** *Partially-exempt continuing connected transactions*					
1.1 .	Provision of goods and products by Other Group Members to Nanjing Wanxing Group	14A.35 14A.76(2)(a) 14A.105	Announcement requirement	29.79	38.73	46.47
1.2 .	Provision of goods and products by Other Group Members to Nanjing Wanpin Group	14A.35 14A.76(2)(a) 14A.105	Announcement requirement	31.23	40.60	48.72
1.3 .	Provision of goods and products by Nanjing Wanxing Group to Nanjing Wanpin Group	14A.35 14A.76(2)(a) 14A.105	Announcement requirement	58.35	75.86	91.03
1.4 .	Provision of goods and products by Nanjing Wanxing Group to Other Group Members	14A.35 14A.76(2)(a) 14A.105	Announcement requirement	4.80	6.24	7.49
2.1 .	Grant of software licenses by Other Group Members to Nanjing Wanxing Group	14A.35 14A.76(2)(a) 14A.105	Announcement requirement	23.39	30.41	36.49
2.2 .	Grant of software licenses by Other Group Members to Nanjing Wanpin Group	14A.35 14A.76(2)(a) 14A.105	Announcement requirement	8.50	11.05	13.26
3. . .	Procurement of marketing services by the other members of the Group from Nanjing Wanxing Group	14A.35 14A.76(2)(a) 14A.105	Announcement requirement	35.00	35.00	35.00

MIMOSA FOOD FRAMEWORK AGREEMENT

On [●], 2026, our Company (for itself and on behalf of its subsidiaries) entered into a framework agreement (the "**Mimosa Food Framework Agreement**") with Mimosa Food (for itself and on behalf of the Mimosa Food Group), pursuant to which we agree, among others, to purchase from Mimosa Food Group food and snack products manufactured and supplied by Mimosa Food Group, including but not limited to dried fruits, confectionery and nuts, for a term commencing from the [**REDACTED**] and ending on December 31, 2028, which may be renewed as the parties may mutually agree in compliance with the requirements of the Hong Kong Listing Rules and other applicable laws and regulations.

During the Track Record Period, our Company entered into annual framework agreements with Mimosa Food Group, the pricing basis and major terms of which are reflected in, and consistent with, the Mimosa Food Framework Agreement. Such annual framework agreements are subject to the supervision of the regulators in the A-share market, with purchase orders to be placed by our Company for specific transactions thereunder. The Mimosa Food Framework Agreement was additionally entered into primarily to comply with the requirements of Chapter 14A of the Listing Rules.

Subject to the terms as provided in the Mimosa Food Framework Agreement, we will enter into specific sub-agreements with members of Mimosa Food Group to set out the specific terms and conditions for each transaction or purchase order under the Mimosa Food Framework Agreement.

Pricing Basis

The prices to be paid by our Group to the Mimosa Food Group for the procurement of food and snack products under the Mimosa Food Framework Agreement shall be determined between the parties on an arm's length basis with reference to the following factors:

(i) the quality of the food and snack products supplied by the Mimosa Food Group compared with those supplied by other suppliers in the market who are Independent Third Parties;

(ii) the quantity of each order, the timeline for meeting the order and the stability of our Group's orders over the mid-to-long term;

(iii) the pricing charged by Mimosa Food Group when supplying the same or similar products to Independent Third Parties;

(iv) Mimosa Food Group's costs for manufacturing the food and snack products supplied;

(v) the market prices of similar goods and products sold by other suppliers who are Independent Third Parties for similar goods and products; and

(vi) the historical pricing basis under annual framework agreements entered into between our Company and Mimosa Food Group during the Track Record Period.

To ensure the prices to be paid by our Group are on normal commercial terms, are fair and reasonable and in the interests of our Shareholders as a whole, before entering into any sub-agreement or purchase order under the Mimosa Food Framework Agreement, the procurement department of the Group will require Mimosa Food Group to provide the transaction prices at which it sells the same or similar products to other Independent Third Parties. Concurrently, the procurement department of the Group will also take into account market prices and transaction terms offered by Independent Third Parties for products of the same or similar type to ensure the terms offered by Mimosa Food Group are similar and not less favorable to our Group compared with the terms offered by Independent Third Parties. Our procurement department also monitors procurement pricing of food and snack products in the market on a continuous basis to ensure that the subsequent procurement prices are fair and reasonable and are consistent with market prices.

The major terms (including pricing terms) under the Mimosa Food Framework Agreement are in line with and no less favourable to our Group than (i) those between our Group and our other suppliers who are Independent Third Parties for comparable products, and (ii) those between Mimosa Food Group and its other customers for comparable products. In particular, during the Track Record Period,

(i) the average unit price of products transacted between our Group and Mimosa Food Group was generally in line with or lower than (a) those charged by our other suppliers who are Independent Third Parties for comparable products; and (b) those charged by Mimosa Food Group to its other customers for comparable products subject to a pricing adjustment attributable to the differences in order delivery schedule and batch sizes; and

(ii) there were no material differences between the major terms of transactions between our Group and Mimosa Food Group, including payment terms, delivery arrangements, quality inspection standards and product return and exchange policies, and (a) those applicable to comparable transactions with our other suppliers who were Independent Third Parties; and (b) those applicable to comparable transactions between Mimosa Food Group and its other customers.

Historical Amounts, Annual Caps and Basis for Annual Caps

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to the procurement of food and snack products from Mimosa Food Group were approximately RMB141.08 million, RMB441.35 million and RMB459.54 million, respectively. The fluctuations in historical transaction amounts are primarily driven by the sustained expansion of our Company's revenue, particularly the increase in our store count, as well as the launch of new products by Mimosa Food Group. As at December 31, 2023, 2024 and 2025, the number of Company's stores reached 4,726, 14,196, and 18,314, respectively. According to the information provided by Mimosa Food Group, our Group's purchase amounts represented approximately 24.64%, 59.74% and 88.92% of Mimosa Food Group's revenue in each of 2023, 2024 and 2025. According to Mimosa Food Group, such increase was driven by changes in the performance of its customers — while the purchases by our Group increased consistently due to the rapid growth in our Group's snack and beverage retail business from 2023 to 2025, purchases from its other independent customers experienced mild decline during the same period due to the slowing down of those customers' own sales.

The proposed annual caps of the transaction fees contemplated under the Mimosa Food Framework Agreement with respect to the procurement of goods and products from Mimosa Food Group are RMB550.00 million, RMB700.00 million and RMB800.00 million for the years ending December 31, 2026, 2027 and 2028.

In arriving at the proposed annual caps of the transaction fees above, the Board has considered the following factors:

(i) the historical transaction amounts between our Group and Mimosa Food Group for the procurement of goods and products by our Group during the Track Record Period, which showed an increasing trend. In particular, the transaction amount incurred more than doubled in the year ended December 31, 2024 compared to the year ended December 31, 2023;

(ii) the expected increase in the number of our Company's stores, taking into account the significant growth in the number of our Company's stores during the Track Record Period;

(iii) the expected increase in the number of SKUs to be supplied by the Mimosa Food Group over the next three years, driven by the increasing popularity of their products among consumers and their growing brand recognition, taking into account (i) the increase in the number of SKUs supplied by Mimosa Food Group in the year of December 31, 2025 as compared to those in the year of December 31, 2024, and (ii) the expansion of the scope of products procured from Mimosa Food Group since the second half of 2025 with new product categories including multi-flavor milk cakes, mango strips, mango rolls and dried fruit products, such as dried blueberries;

(iv) the expected increase in the volume of food and snack products procurement by our Group, which is expected to remain substantial and steady over the next three years, as a result of the Group's expected business growth over the next three years. The annual caps were calculated based on the following assumptions and estimation: based on the transaction amount in 2025, the annual transaction amounts for 2026, 2027 and 2028 were estimated to increase based on the year-on-year growth rates of 40%-20%, which was backed by the Group's relevant business growth rate for the years ending December 31, 2026, 2027, and 2028, respectively; and

(v) the historical prices charged by the Mimosa Food Group for food and snack products and our expectation that the average pricing will remain generally steady.

Reason for the Transaction

Mimosa Food Group is a manufacturer and supplier of a wide variety of snack and food products; its customers are retail and supermarket businesses in China. According to the information provided by Mimosa Food Group, Mimosa Food Group recorded approximately RMB796.9 million in revenue and had over 900 employees in 2024.

Having considered the quality, variety and brand recognition of its products, and its reliability as a supplier, we consider the procurement of products from Mimosa Food Group to be consistent with the business and commercial objectives of the Group.

Our Directors, including the independent non-executive Directors, are of the view that (i) the Mimosa Food Framework Agreement is entered into in the ordinary and usual course of our business, (ii) the Mimosa Food Framework Agreement is on normal commercial terms or better, and (iii) the respective terms and the proposed annual caps thereof are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Hong Kong Listing Rules implications

As the highest applicable percentage ratio in respect of the above continuing connected transaction is expected to exceed 5% on an annual basis, the transactions contemplated under the Mimosa Food Framework Agreement will, upon [**REDACTED**], constitute a non-exempt continuing connected transaction of the Company and will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

INTRAGROUP BUSINESS OPERATIONS FRAMEWORK AGREEMENT

On [●], 2026, the Company (for itself and on behalf of the Other Group Members) entered into a framework agreement (the "**Intragroup Business Operations Framework Agreement**") with Nanjing Wanxing (for itself and on behalf of the Nanjing Wanxing Group) and Nanjing Wanpin (for itself and on behalf of the Nanjing Wanpin Group), to regulate transactions between Nanjing Wanxing Group, Nanjing Wanpin Group and/or Other Group Members pertaining to, among others:

- the procurement of various types of goods and products;
- grant of software licenses; and
- procurement of marketing services.

The initial term of the Intragroup Business Operations Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2028, which may be renewed as the parties may mutually agree in compliance with the requirements of the Hong Kong Listing Rules and other applicable laws and regulations.

Subject to the terms as provided in the Intragroup Business Operations Framework Agreement, the parties will enter into specific sub-agreements or purchase orders to set out the specific terms and conditions for each transaction under the Intragroup Business Operations Framework Agreement.

For the avoidance of doubt, since Nanjing Wanxing and Nanjing Wanpin are subsidiaries of the Company, transactions between Nanjing Wanxing Group, Nanjing Wanpin Group and Other Group Members are intragroup transactions of the Group, and therefore the transaction amounts under the Intragroup Business Operations Framework Agreement are not costs or expenses of the Group in the Group's consolidated financial statements.

1. Provision of Goods and Products

Our Group members (including Nanjing Wanxing Group and Nanjing Wanpin Group) have historically been purchasing and selling various goods and products, including but not limited to snacks, baked goods, beverages, foodware and drinkware, from and to each other in the ordinary course of the Group's business. To avoid disruption to the continued operations of the Group, we expect to continue the aforementioned transaction among the following parties upon and following the [**REDACTED**]:

- provision of goods and products by Other Group Members to Nanjing Wanxing Group;
- provision of goods and products by Other Group Members to Nanjing Wanpin Group;
- provision of goods and products by Nanjing Wanxing Group to Nanjing Wanpin Group; and
- provision of goods and products by Nanjing Wanxing Group to Other Group Members.

The background of such transactions is as follows:

(a) Nanjing Wanxing Group and Nanjing Wanpin Group contract with and supply food products (such as snacks, baked goods and beverages) to our franchised stores in our Group's ordinary course of business. Certain members of the Other Group Members have warehouses which are shared within our Group. As part of our centrally coordinated supply chain management system, we would dispatch products from our closest warehouses to fulfill orders by our franchised stores, which means that orders by franchised stores of Nanjing Wanxing Group or Nanjing Wanpin Group may be fulfilled by the stock of Other Group Members. In this case, Nanjing Wanxing Group or Nanjing Wanpin Group would purchase the products from the relevant Other Group Members as intra-group transactions.

(b) Our Group members (including members of Nanjing Wanpin Group) may also purchase goods (such as snacks, baked goods and beverages) from Nanjing Wanxing Group from time to time for the Group's business development or promotional activities. Such products may be those sold by Nanjing Wanxing Group to Independent Third Parties in its ordinary course of business, or products acquired by Nanjing Wanxing Group in bulk for the Group.

Pricing Basis

The prices to be charged for the purchase of goods and products under the Intragroup Business Operations Framework Agreement shall be determined as follows:

(a) for intra-group purchases of food products to fulfill orders by the franchised stores, the prices charged intra-group shall be the same as the prices at which the Other Group Members acquired such products from our suppliers, which are the same across all of our Group members; plus warehouse and logistics costs to reflect intra-group cost sharing of the warehouse facilities and delivery logistics. The said warehouse and logistics costs shall be assessed on a per-order basis, typically ranging from 2% to 5% of the value of the goods, depending on facility and equipment rental costs, labor expenses, and delivery radius; and

(b) for intra-group purchases of products from Nanjing Wanxing Group for the Group's business development or promotional activities, the prices charged intra-group shall be the same as the prices charged by Nanjing Wanxing Group to Independent Third Parties (in the case of products sold by Nanjing Wanxing Group to external parties in its ordinary course of business) or the prices at which Nanjing Wanxing Group acquired the goods from Independent Third Parties (for products acquired by Nanjing Wanxing Group for the Group).

Historical Amounts, Annual Caps and Basis for Annual Caps

The table below sets out the historical transactions amounts for the years ended December 31, 2023, 2024 and 2025 and the proposed annual caps of the transaction fees for the years ending December 31, 2026, 2027 and 2028:

	Historical transaction amount			Proposed annual cap		
	For the Year Ended December 31,					
	2023	2024	2025	2026	2027	2028
	(RMB million)					
Provision of goods and products by Other Group Members to Nanjing Wanxing Group.	2.19	22.22	17.81	29.79	38.73	46.47
Provision of goods and products by Other Group Members to Nanjing Wanpin Group	38.56	29.77	9.51	31.23	40.60	48.72
Provision of goods and products by Nanjing Wanxing Group to Nanjing Wanpin Group .	Nil	Nil	31.62	58.35	75.86	91.03
Provision of goods and products by Nanjing Wanxing Group to Other Group Members..	Nil	0.20	3.86	4.80	6.24	7.49

As Nanjing Wanxing Group and Nanjing Wanpin Group are subsidiaries of the Company and the above-described transactions are of substantially the same nature, we have aggregated the said transactions pursuant to Rule 14A.83 of the Hong Kong Listing Rules.

As explained above, Nanjing Wanxing Group and Nanjing Wanpin Group contract with and supply food products to our franchised stores in our Group's ordinary course of business, while certain members of the Other Group Members have warehouses which are shared within our Group; the intra-group purchases of goods and services were primarily a result of our centrally coordinated supply chain management system. As such, the fluctuations in historical transaction amounts were primarily driven by the Group's overall revenue from the snack and beverage retail business and the number and distribution of our warehouses.

- In 2024 and 2025, to meet the increasing demand for storage capacity and delivery coverage, certain members of Nanjing Wanxing Group and Nanjing Wanpin Group established their own warehouses, thereby reducing the need to purchase goods and services from the Other Group Members, leading to a decreasing trend in the transaction amounts from 2023 to 2024 and into 2025.

- In 2025, certain members of Nanjing Wanpin Group adjusted their business model to procure products from the shared warehouses operated by members of Nanjing Wanxing Group, thereby leading to an increasing trend in the transaction amounts for the provision of goods and products by Nanjing Wanxing Group to Nanjing Wanpin Group from 2024 to 2025. Concurrently, Nanjing Wanxing Group expanded its business from primarily engaging in the sale of snack gift boxes to a centralized procurement of imported products for the Group, with these imported products being procured by Nanjing Wanxing Group and subsequently resold to Other Group Members, resulting in an increasing trend in the transaction amounts for the provision of goods and products by Nanjing Wanxing Group to Other Group Members from 2024 to 2025.

In arriving at the proposed annual caps of the transaction fees above, the Board has considered the following factors:

(i) the expected amount and value of orders to be received by the Group from its franchised stores, which is expected to increase substantially and consistently over the next three years. The annual caps were calculated based on the following assumptions and estimation: based on the transaction amount in 2025, the annual transaction amounts for 2026, 2027 and 2028 were estimated to increase based on the year-on-year growth rates of 40%-20%, which was backed by the Group's relevant business growth rate for the years ending December 31, 2026, 2027, and 2028, respectively;

(ii) the above increasing trend is moderated by the expectation that the Group will increase the density of its warehousing network, which will reduce the amount of intra-group goods purchases for order fulfillment purposes;

(iii) the expected amount of goods needed for the Group's business and development or promotional activities, which is expected to remain stable and immaterial; and

(iv) the expected increase in the number of our Company's stores, taking into account the significant growth in the number of our Company's stores during the Track Record Period.

2. Grant of Software Licenses

Certain Other Group Members have historically and will continue to grant to Nanjing Wanxing Group and Nanjing Wanpin Group certain software licenses for various applications, including but not limited to management of warehousing, logistics, inventory, supply chains, franchisees, human resources and enterprise resource planning. The software subject to license grant transactions contemplated under the Intragroup Business Operations Framework Agreement pertain to both software developed by the Group and to software originally developed by and licensed to the Other Group Members from Independent Third Parties. No historical transactions for the software license grants to Nanjing Wanxing Group and Nanjing Wanpin Group occurred in 2023 and 2024, as the related software was only acquired by the Group in December 2024, with costs allocated to subsidiaries hereafter.

Pricing Basis

The fees to be charged for the software licenses under the Intragroup Business Operations Framework Agreement shall be determined on the following basis: the overall costs incurred by Other Group Members for the software provided (which primarily comprise, where the software is developed by the Group, the development and maintenance costs of the software, or, where the software is originally licensed from an Independent Third Party, the costs of obtaining such license) shall be shared by the members of the Nanjing Wanxing Group and Nanjing Wanpin Group.

Depending on the nature or purpose of the relevant software, the cost sharing shall be determined primarily based on usage (e.g. the number of warehouses, the number of members in the Nanjing Wanxing Group or Nanjing Wanpin Group (as applicable), or the number of persons that utilize the relevant software).

Historical Amounts, Annual Caps and Basis for Annual Caps

The table below sets out the historical transactions amounts for the years ended December 31, 2023, 2024 and 2025 and the proposed annual caps of the transaction fees for the years ending December 31, 2026, 2027 and 2028:

	Historical transaction amount			Proposed annual cap		
	For the Year Ended December 31,					
	2023	2024	2025	2026	2027	2028
	(RMB million)					
Grant of software licenses by Other Group Members to Nanjing Wanxing Group and Nanjing Wanpin Group	Nil	Nil	22.86	31.89	41.46	49.75

In arriving at the proposed annual caps of the transaction fees above, the Board has considered the following factors:

(i) the Group's expected development and maintenance costs for self-developed software and the expected costs of licensing software from external Independent Third Parties, which are expected to remain relatively stable;

(ii) the expected increase in the usage of the relevant softwares due to the growth of our Group's business; and

(iii) as the above mentioned costs and usage are closely related to the number of stores in our Group, the annual caps were calculated based on the following assumptions and estimation: based on the transaction amount in 2025, the annual transaction amounts for 2026, 2027 and 2028 were estimated to increase based on the year-on-year growth rates of 40%-20%, which was backed by the Group's relevant business growth rate for the years ending December 31, 2026, 2027, and 2028.

3. Procurement of Marketing Services

Nanjing Wanxing is one of our main Group members that enter into contracts for marketing services, including but not limited to product displays and online and offline promotional activities, with external Independent Third Parties for our Group. The other members of the Group then share the cost of such marketing services by purchasing parts of such marketing services from Nanjing Wanxing Group as intra-group transactions. To avoid disruption to the continued operations of the Group, we expect to continue to procure marketing services from Nanjing Wanxing Group.

Pricing Basis

The fees to be charged for the marketing services under the Intragroup Business Operations Framework Agreement shall be determined on the following basis: the overall costs incurred by Nanjing Wanxing Group for the marketing services purchased from external Independent Third Parties shall be shared by the other members of the Group primarily based on the revenue contribution of that Group member to the Group; which may be adjusted taking into account other factors (e.g. the geographical coverage of the marketing service) to more fairly reflect the actual benefits received by the Group member from the relevant marketing service.

Historical Amounts, Annual Caps and Basis for Annual Caps

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to the procurement of marketing services by the other members of the Group from Nanjing Wanxing Group were approximately nil, RMB10.91 million and RMB29.28 million, respectively.

The proposed annual caps of the transaction fees contemplated under the Intragroup Business Operations Framework Agreement with respect to the procurement of marketing services by the other members of the Group from Nanjing Wanxing Group are RMB35.00 million, RMB35.00 million and RMB35.00 million for the years ending December 31, 2026, 2027 and 2028.

In arriving at the proposed annual caps of the transaction fees above, the Board has considered the following factors:

(i) the historical transaction amounts between the other members of the Group and Nanjing Wanxing Group for the provision of marketing services during the Track Record Period with an increase in the marketing service transaction amounts recorded in the second half of 2025 due to the Group's marketing plans;

(ii) the evolution of the Group's marketing strategy as its business matures, resulting in a more disciplined and cost-controlled approach to marketing expenditure following the establishment of its brand recognition and market share; and

(iii) the expectation that there will be no material increase to the scope or amount of marketing services to be procured by the other members of the Group in the next three financial years compared with the current levels. As such, the annual caps for each of the next three financial years are kept as the same as the amount in the full financial year of 2024.

Reason for the Transactions

Nanjing Wanxing and Nanjing Wanpin have been and still remain subsidiaries of the Company. There have historically been a number of intragroup transactions among (i) Nanjing Wanxing Group, (ii) Nanjing Wanpin Group and (iii) Other Group Members. Our Directors are of the view that these intragroup transactions are mutually beneficial and are in the best interests of the Group and the Shareholders as a whole, as they provide members of the group cost-effective opportunities to leverage common resources for the purposes of, among other things, order fulfillment, warehousing, sourcing of goods and products; use of intellectual property licenses; and marketing activities.

Our Directors, including the independent non-executive Directors, are of the view that (i) the Intragroup Business Operations Framework Agreement is entered into in the ordinary and usual course of our business, (ii) the Intragroup Business Operations Framework Agreement is on normal commercial terms or better, and (iii) the respective terms and the proposed annual caps thereof are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Hong Kong Listing Rules implications

As the highest applicable percentage ratio in respect of each of the above continuing connected transactions (including the transactions aggregated in the manner described in the paragraph headed "Continuing Connected Transactions — Intragroup Business Operations Framework Agreement — Provision of Goods and Products — Historical Amounts, Annual Caps and Basis for Annual Caps" above) is expected to be above 0.1% but below 5% on an annual basis, the transactions contemplated under the Intragroup Business Operations Framework Agreement are subject to the reporting, annual review and announcement requirements, but exempt from independent Shareholders' approval requirement pursuant to Rule 14A.76 of the Hong Kong Listing Rules.

WAIVERS

Partially-exempt and non-exempt continuing connected transactions

In respect of the partially-exempt continuing connected transactions described above, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement requirements under the Hong Kong Listing Rules pursuant to Rule 14A.105 of the Hong Kong Listing Rules.

In respect of the non-exempt continuing connected transactions described above, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement, circular and independent shareholders' approval requirements under the Hong Kong Listing Rules pursuant to Rule 14A.105 of the Hong Kong Listing Rules.

Full-exempt continuing connected transactions

Upon [**REDACTED**], we will have certain other continuing connected transaction which are expected to be fully exempt pursuant to Rule 14A.76 of the Hong Kong Listing Rules. For details, please refer to Note 34 to the Accountants' Report set out in Appendix I to this Document.

1. Warehousing and Logistics Services

On October 1, 2023, our Group entered into agreements (the "**Warehousing and Logistics Services Agreements**") with Ningbo Daku Trading Co., Ltd. (寧波大庫商貿有限公司) ("**Ningbo Daku**") for a period from October 1, 2023 to September 30, 2026 relating to the provision of warehousing and logistics services, including:

- storage and sorting of goods, handling and verification of warehouse receipts, and product delivery; and
- rental of warehousing logistics distribution equipment.

The prices to be charged under the Warehousing and Logistics Services Agreements shall be determined as follows:

- for the provision of storage and delivery and related services, the prices were calculated based on the number of units dispatched from the warehouse, at a fixed unit price per item, which was determined with reference to the scope of the warehousing and distribution services; and
- for the rental of equipment, the prices were based on a fixed monthly rental fee.

The historical transactions under the Warehousing and Logistics Services Agreements amounted to RMB7,024,000, RMB34,644,000 and RMB38,974,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

Hong Kong Listing Rules implications

Ningbo Daku is controlled by Mr. Yuan Zhenqin (袁振勤), a connected person of the Company at subsidiary level. As Ningbo Daku is his associate, the transactions contemplated under the Warehousing and Logistics Services Agreements constitute connected transactions of the Company. As the Warehousing and Logistics Services Agreements were entered into and have been conducted in the ordinary and usual course of business and on normal commercial terms or better, and the highest applicable percentage ratio for the fees payable by our Group to Ningbo Daku is expected to be less than 1% on an annual basis, such transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1).

2. *Guarantees*

Mr. Wang Jiankun and Ms. Lin Gaichun have jointly provided guarantees for the Group's repayment obligations under certain interest-bearing bank borrowings taken out by the Group in its ordinary course of business to support its day-to-day operations (the "**Guarantees**"), which are expected to survive the [**REDACTED**]. Historically, the Group's interest-bearing borrowings covered by the Guarantees amounted to RMB334,104,000, RMB346,451,000 and RMB405,986,000 as at December 31, 2023, 2024 and 2025. As at December 31, 2025, the Group's unutilized banking facilities not subject to any guarantees by Mr. Wang Jiankun and/or Ms. Lin Gaichun amounted to RMB1,354,416,000. As such, the Company considers that it has sufficient unutilized banking facilities not subject to guarantees from Mr. Wang Jiankun and/or Ms. Lin Gaichun available for use and it is able to operate independently from Mr. Wang Jiankun and Ms. Lin Gaichun.

Hong Kong Listing Rules implications

The Guarantees constitute financial assistance provided by connected persons of our Company for the benefit of the Group. As they are (i) on normal commercial terms or better as they are provided unilaterally by Mr. Wang Jiankun and Ms. Lin Gaichun to guarantee our obligations under the bank borrowings without any reciprocal obligation from our Group to Mr. Wang Jiankun and Ms. Lin Gaichun and (ii) not secured by the assets of our Group, the Guarantees will be fully exempt from the annual review, reporting, announcement and independent Shareholders' approval requirements under Rule 14A.90 of the Listing Rules.

JOINT SPONSORS' VIEW

Based on the documentation, information and data provided by the Company and participation in the due diligence and discussion with the Company, the Joint Sponsors are of the view that: (i) the Mimosa Food Framework Agreement and the Intragroup Business Operations Framework Agreement for which waivers have been sought have been entered into in the ordinary and usual course of business of the Company on normal commercial terms or better, are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole, and (ii) the proposed annual caps of each of the Mimosa Food Framework Agreement and the Intragroup Business Operations Framework Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES

In order to ensure that (i) the terms under the relevant framework agreements mentioned above are fair and reasonable, and no more favorable to the relevant connected party than terms available to Independent Third Parties, and (ii) the transactions thereunder are carried out under normal commercial terms or better, we will adopt the following internal control procedures upon the [**REDACTED**]:

- our Board and the finance department of our Group will be jointly responsible for evaluating the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps to ensure compliance with the Hong Kong Listing Rules;

- the legal department and the finance department of our Group will be jointly responsible for reviewing our Group's list of connected persons and information about the continuing connected transactions to ensure such information is consistent, accurate and complete, and in compliance with the Hong Kong Listing Rules;

- the legal department and the finance department of our Group will regularly monitor the fulfillment status of the annual caps and the transaction updates under the relevant agreement;

- the legal department and the finance department of our Group will regularly monitor the continuing connected transactions and shall timely report to our Board once they are made aware of any non-compliant matters or that certain connected transactions have been restricted by any regulatory authorities; and

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions and provide annual confirmation to ensure that, in accordance with the Hong Kong Listing Rules, the transactions are conducted in accordance with the terms and pricing policies of the relevant agreement, and are on normal commercial terms or better.