***An* [REDACTED] *in our H Shares involves significant 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 Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, financial condition, and results of operations. The* [REDACTED] *of our H Shares could significantly decrease due to any of these risks, 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 "Forward-looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we are unable to respond effectively to changes in market trends and customer preferences, our market share and result of operations could be adversely affected.

The success of our business relies heavily on our ability to accurately identify and quickly react to the shifts in consumer behaviors, lifestyle preferences, product expectation and broad market trends. The new generation of consumers increasingly seeks products that reflect personal identity and values, rather than solely fulfilling basic functional needs. This evolution in consumer mindset has driven rising demand for personalized experiences and premium product offerings with emotional resonance, quality assurance and aesthetic appeal. Failure to anticipate or respond to these shifting preferences may lead to diminished brand equity, reduced consumer engagement, or a loss of competitiveness for both our proprietary brands and cooperated brands. In addition, the consumer goods industry in Chinese Mainland is undergoing rapid digital transformation, with online retail sales accounting for a growing proportion of total consumption. E-commerce platforms such as Tmall and content-driven platforms such as Douyin are increasingly shaping brand awareness, consumer engagement and purchase decisions. This evolving platform landscape requires us to remain agile in adapting our product development, marketing strategies and service models to meet fast-changing consumer expectations and channel dynamics. Any failure to anticipate or respond to such transformations, including the continued rise of content-driven consumption and shifting digital touchpoints, could adversely affect our market share, brand value, and overall financial performance.

Our success is tied to the business needs and performance of existing and future brand partners that we serve. If the complexities and challenges faced by brand partners seeking to sell online diminish, or if they choose to enhance their in-house e-commerce capabilities of their own accord instead of utilizing our services, demand for our services could be adversely affected.

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

One of the key attractions of our services to brand partners is our ability to help navigate the complexities and difficulties they face in the e-commerce markets in Chinese Mainland. Should their complexities lessen due to changes in the market or if our brand partners choose to enhance their in-house support capabilities of their own accord instead of utilizing our services, our services may become less important or attractive to our brand partners, and demand for our services may decline as a result.

In addition, the Chinese and overseas e-commerce markets are intensely competitive. If our brand partners were to experience a significant drop in online sales due to quality or other reasons, decreased product popularity, financial difficulties, brand impairment, or any other reasons affecting profitability or demand, it could adversely affect our results of operations and hinder our growth potentials. Our business could also be adversely affected if our brand partners' product sales, marketing, brands or retail stores are not successful or if our brand partners reduce their marketing efforts.

We face challenges in adapting to e-commerce channel changes and driving technological innovation.

The e-commerce markets are characterized by rapid technological changes and frequent updates to rules, specifications and other requirements for our brand partners to be able to sell their products on particular channels. We face the challenges of keeping pace with these changes while also driving technological innovation. Our ability to retain and attract brand partners largely depends on our ability to improve our existing services and introduce new services that can quickly adapt to these changes in channel technologies. To achieve market acceptance for our services, we must effectively anticipate and offer services that meet frequently changing channel requirements in a timely manner. If we fail to do so, our ability to renew our contracts with existing brand partners and increase demand for our services will be impaired.

Our investments in innovations and new technologies, which may be significant, may not enhance our competitiveness or generate financial returns in the short term, or at all. We may also become unsuccessful in adopting and implementing new technologies, such as AI, big data and data technologies, to tackle competition in the market effectively. The changes and developments taking place in our industry may also require us to re-evaluate our business model and adopt significant changes to our long-term strategies and business plans. Our failure to innovate and adapt to these changes and developments would have a material adverse effect on our business, financial condition and results of operations. For example, we might become unsuccessful in executing efficient supply chain management, store operations, content marketing, and consumer management and integrate offline scenarios and distribution networks to provide brands with integrated operational services. Even if we timely innovate and adopt changes in our strategies and plans, we may nevertheless fail to realize the anticipated benefits of such changes or generate lower levels of revenue as a result.

We rely heavily on a limited number of online platforms for a substantial portion of our revenue during the Track Record Period and our core business operations.

Our business is inherently tied to the continuous functionality and our operations on online platforms including Tmall, JD.com, Amazon, Douyin and RedNote. These platforms serve as an essential infrastructure for our sales, providing the technological backbone, consumer traffic, and promotional tools necessary for our digital storefronts to function effectively.

The stability of these systems can be affected by various technical and operational factors beyond our control, including but not limited to periodic maintenance requirements, unexpected system outages, telecommunications disruptions, cybersecurity incidents, or other technological failures that may temporarily impair platform accessibility or functionality. Any such interruptions, or any deterioration or termination of our relationships with these platforms, may materially and adversely affect our business, financial condition and results of operations.

We cannot assure you that we will be able to maintain our operations on online platforms or maintain our sales at historical levels thereon. These platforms are not obliged to continue to cooperate with us, and changes to platform policies or algorithms could disrupt our store operations, reduce online visibility, and negatively impact customer engagement. If contract terms between us and such platforms become less favorable, involve higher operational or marketing costs, or fail to deliver expected promotional support, our ability to attract and retain consumers may be impaired. Moreover, if these platforms experience reputational issues, such as data security breaches, counterfeit product concerns, or consumer dissatisfaction, our stores may suffer reduced traffic and reputational spillover. Should any of these key platforms terminate their business relationship with us entirely, we may not be able to secure new online sales platforms to compensate for loss of business. Given our reliance on these platforms, any disruption, deterioration, or increased cost in these relationships could materially and adversely affect our business, financial condition, results of operations, and prospects.

We are highly reliant on our technology infrastructure and systems in our business operations, and failure to continue to improve and effectively utilize our technology infrastructure and systems or fully monetize and realize the benefits from new technologies could harm our business operations, reputation and prospects.

Technology is critical to our intelligent e-commerce solutions and capabilities and our business operations in general. While we have been continuously enhancing our technology infrastructure, we may not be able to continue to improve our technology capabilities and develop new technologies to meet the future needs of our business. If we are unable to maintain, improve and effectively utilize our technologies or to realize the expected results from our R&D investment, our business, financial condition, results of operations and prospects, as well as our reputation, could be materially and adversely affected. Any problem with the functionality and effectiveness of our software or systems could also result in unanticipated system disruptions, slower response times, delays in reporting accurate operating and financial information among other things. In addition, enhancing our technology infrastructure requires significant investment of time and financial and managerial resources, including recruiting and training new technology personnel, adding new hardware and updating software and strengthening research and development. If our technology investments are unsuccessful, our business could suffer and we may be unable to recover the resources we commit to such initiatives.

In addition, to keep pace with changing technologies and customer demand, we must correctly interpret and address market trends and enhance the features and functionality of our technology infrastructure and systems in response to these trends, which may lead to significant ongoing research and development costs. We may be unable to accurately determine the needs of our customers and the trends in digital brand operations and intelligent e-commerce markets or to design and implement the appropriate features and functionality of our technology infrastructure and systems in a timely and cost-effective manner, which could result in decreased demand for our services and services and a corresponding negative impact on our financial performance. We may be unable to detect defects in existing or new versions of our proprietary technologies, or errors may arise in our technologies. Any failure to identify and address such defects or errors could result in loss of revenue or market share, liability to customers or others, diversion of resources, damage to our reputation, and increased service and maintenance costs. Correction of such errors could be very costly, and responding to resulting claims or liability could similarly involve substantial cost.

Moreover, we may not be able to fully monetize and realize the benefits of the technology capabilities we develop. First, our technology capabilities may not be commercially viable for an indefinite amount of time or at all, or may not result in adequate return of capital on our investments. Second, unidentified issues may not be discovered in the development stage of our new technologies, which could cause us to fail to realize the anticipated benefits and incur unanticipated costs. If our technologies suffer unanticipated or atypical failures that were not anticipated in the design stage, our cost may materially increase, which may adversely impact our operating results. Third, to the extent that our customers decide not to accept our upgraded technology capabilities until there is more performance history for our upgraded technology capabilities, our operating results may be adversely impacted.

We rely on our information systems to process transactions, summarize results and manage our business. Any malfunction of our systems could harm our ability to conduct our operations.

We rely on a variety of information technology systems, including systems owned and managed by third-party vendors, for the efficient functioning of our business, including, without limitation, transaction processing and the management of our employees, facilities, logistics, inventories, stores and operations. However, if we are unable to maintain our cooperation with the provider of our information technology systems, we may not be able to continue to effectively use such information technology systems in our business operations and we may also not be able to find any suitable alternatives at commercially reasonable terms in a timely manner. As a result, our business operations, results of operations and financial condition would be materially and adversely affected. The failure of such technologies to perform effectively or as expected may cause us to misjudge and mismanage store-level inventories, in which case the business of the affected stores, and our operations and financial condition may be adversely affected. Additionally, our technology systems are subject to damage or interruption from power surges and outages, facility damage, physical theft, computer and telecommunications failures, inadequate or ineffective redundancy, malicious code (including computer viruses, worms, ransomware, or similar), cyberattacks (including account compromise; phishing; denial of service attacks; and application, network or system vulnerability exploitation), software upgrade failures or code defects, natural disasters and human error. Design defects or damage or interruption to these systems may require a significant investment to fix or replace, disrupt our operations, result in the loss or corruption of critical data, and harm our reputation, all of which could materially adversely affect our business or results of operations.

We also rely on our information technology staff. Failure to meet our staffing needs may negatively affect our ability to fulfill our technology initiatives while continuing to provide maintenance on existing systems. We rely on third parties to maintain and periodically upgrade many of these systems so that they can continue to support our business. We license the software programs supporting many of our systems from independent software developers. The inability of these vendors, developers or us to continue to maintain and upgrade these systems and software programs could disrupt or reduce the efficiency of our operations if we were unable to convert to alternate systems in an efficient and timely manner and could expose us to greater risk of a cyberattack. In addition, costs and delays associated with the implementation of new or upgraded systems and technology, including the migration of applications to the cloud, or with maintenance or adequate support of existing systems also could disrupt or reduce the efficiency of our operations, fail to operate as designed, result in the potential loss or corruption of data or information, disrupt operations and affect our ability to meet business and reporting requirements and adversely affect our profitability.

We operate in highly competitive markets. The intensifying competition could materially and adversely impact our market share and result of operations if we fail to compete effectively.

We face intense competition in the markets for brand e-commerce services, and we expect competition to continue to intensify in the future. For instance, while our brand partners usually grant us exclusive selling rights within specific channels when we establish online brand flagship stores for them, our contracts with our brand partners are generally non-exclusive on an overall basis and we generally do not have contractual rights to exclusively sell the products of our brand partners on all channels. As a result, we may face competitions with other brand e-commerce service providers that our brand partners work with. Increased competition may result in reduced pricing or service scope for our services or a decrease in our market share, any of which could negatively affect our ability to retain existing brand partners and attract new brand partners, our future financial and operating results, and our ability to grow our business.

A number of competitive factors could cause us to lose potential sales or to sell our services at lower prices or at reduced profitability, including (i) potential brand partners may choose to use or develop applications or build e-commerce teams or infrastructures in-house, rather than pay for our services and services; (ii) the e-commerce platforms and channels themselves, which typically offer, often free, software tools that allow brand partners to connect to the e-commerce channels, may decide to compete more vigorously with us; (iii) competitors may adopt more aggressive pricing policies and offer more attractive sales terms, adapt more quickly to new technologies and changes in brand partners' requirements, and/or devote greater resources to the promotion and sales of their products and services than we can; (iv) current and potential competitors may offer software or services that addresses one or more online channel management and logistics functions at a lower price point or with greater depth than our services and may be able to devote greater resources to those services than we can; and (v) software vendors could bundle channel management services with other services or offer such products at a lower price as part of a larger product sale.

In addition, competition may intensify as our competitors raise additional capital and as established companies in other market segments or geographic markets expand into our market segments or geographic markets. If we become unable to compete successfully against our competitors, our business and our operating and financial results could be adversely affected.

We have limited control over the operations of our downstream distributors and we may be subject to risks relating to the acts of our distributors.

Our agreements with brand partners set out our rights and obligations in dealing with their products, such as the types of products we are allowed to sell, the range of recommended retail price for each type of product, and the permitted e-commerce platforms on which we are allowed to sell such products. We need to abide by our agreements with brand partners in operating our business. A portion of our sales during the Track Record Period was generated through distributors that further resell products procured from us. To ensure these distributors comply with the policies of our brand partners as we do, we typically require our downstream distributors to carry out their business by following policies in respect of the designated sales channels, marketing activities, recommended retail price and customer service that are pre-determined by our brand partners. However, given that we cannot control the acts of third-party distributors, there is no guarantee that our downstream retailers will carry out their business in full compliance with both our and our brand partners' policies and standards. Any of such unauthorized activities by our distributors may subject us to a breach of contract liability. For example, our downstream distributors may use unauthorized discounts to liquidate excessive inventories, which may damage the image and the value of the products and brands we offer. In the event of such circumstances, our reputation and relationship with brand partners may be harmed, which in turn could adversely affect our business, results of operations and financial condition. The remedies available to us upon a breach by downstream distributors under the relevant distribution agreements may not be sufficient to cover all losses we may incur. Furthermore, our downstream retailers' operation of stores or other sales channels must comply with the relevant PRC laws and regulations. If any of our downstream retailers is required to suspend or cease its operations as a result of non-compliance with the relevant PRC laws and regulations, our results of operations, market share, geographical coverage and brand image may be adversely affected.

Product quality issues could adversely affect our reputation and financial results.

We source goods from our brand partners directly or through the distributors authorized by our brand partners and also sell and promote products of brands incubated by us. However, these quality control measures for these products may not always be adequate. Although we have indemnity clauses in most of our contracts with our brand partners, sales could decrease and we may suffer reputational harm.

We may face regulatory scrutiny in the event of product quality issues, potentially resulting in corrective actions, compensation claims, or administrative penalties depending on the severity of the issue. If consumers encounter problems with the products sold or promoted by us, we may be subject to lawsuits, severe administrative penalties and criminal liability. We believe our reputation is extremely important to our success and our competitive position. The discovery of product quality issues may severally damage our reputation among brand partners, and they may refrain from adopting our services in the future, which would materially and adversely affect our business operations and financial results.

Any misconduct or negative publicity involving our distributors, brand partners, suppliers or other business partners may subject us to potential liability and harm our reputation.

Our business operations and reputation are closely tied to the conduct of our distributors, brand partners, supplier and other business partners. Despite our efforts to implement stringent oversight mechanisms and ethical guidelines, it may not always be possible to prevent, detect or deter any misconduct by these parties.

Any misconduct by these parties, including fraudulent activities, non-compliance with laws and regulations, unethical business practices, inappropriate speech or behaviors, or any other actions inconsistent with our corporate policies and values, could result in legal proceedings, regulatory and other penalties, further damaging our reputation, eroding consumer trust and leading to loss of business, decreased market share and potential difficulties in attracting and retaining business partners. Any negative publicity concerning our distributors, brand partners, suppliers or other business partners or any entity using a similar brand name, even if untrue, could adversely affect our reputation and business prospects. In particular, as part of our brand-building and marketing operations for both our proprietary and brand partners' brands, we frequently leverage a diverse range of influential public figures, including celebrities, brand ambassadors, and key opinion leaders. Given their influential role in shaping consumer perceptions and purchasing decisions, any deterioration of their public image, non-compliance with applicable laws, or a breakdown in our cooperation with them or their agencies could further undermine our marketing effectiveness and adversely affect the reputation and value of the brands we operate. In addition, to the extent our distributors, brand partners, suppliers, or other business partners were incompliant with any laws or regulations or became involved in lawsuits, disputes, or other legal proceedings or became subject to administrative measures, penalties or investigations by regulatory authorities, we may also suffer negative publicity or harm to our reputation. As a result, we may be required to spend significant time and incur substantial costs in response to allegations and negative publicity.

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

A negotiated portion of the revenue we generate from certain brand partners when we provide services to them is variable based on GMV generated through such partners' authorized flagship stores and other brand stores that we operate. If that GMV were to decline, does not grow as expected, or if our partners demand pricing terms that do not provide for variability based on the value of purchases transacted and settled on the stores operated by us, our revenue, profitability and business prospects may be adversely affected.

In addition, the ratio of our revenue as a percentage of GMV generated through brand partners' authorized flagship stores and other brand stores that we operate could vary as their bargaining power increases or our services scope reduces, which could adversely affect our financial results. There is no guarantee that we will successfully achieve a higher ratio of our revenue as a percentage of GMV generated through the brand partner's authorized flagship stores and other brand stores that we operate, and our failure to do so could adversely affect our financial results.

We rely on the sales performance of certain product categories that we focus on, and any significant downward industry trend of such categories may materially and adversely affect our business and results of operations.

We currently serve brand partners in various categories including nutrition and health, consumer electronics, as well as beauty and personal care. Currently, we have a substantial amount of our revenue and GMV derived from brand partners in these categories. If the sales performance of any of the major product categories we focus on is not successful in general, our business and results of operations may be materially and adversely affected.

Our expansion into new product categories may expose us to new challenges and more risks.

Our brand partners cover various categories including maternal and infant nutrition, consumer electronics, and beauty and personal care. In the future, we may provide services to brand partners in new product categories in which we have limited experience and operating history. Our product mix also affects our revenue mix and profitability. This may make predicting our future results of operations more difficult than it otherwise would be. Therefore, our past results of operations should not be taken as indicative of our future performance. If we cannot successfully manage our product mix, address new challenges or compete effectively, we may not be able to recover costs of our investments and eventually achieve profitability, and our future results of operations and growth prospects may be materially and adversely affected.

Our success depends on the continuing efforts of our senior management team and experienced and capable personnel.

Our future success is significantly dependent upon the continued service of our senior management team, as well as certain experienced and capable personnel who are critical to our day-to-day operations. Under the leadership of our chairman and chief executive officer, Mr. Xiong, our strategically minded management team has played a pioneering role in maintaining our leadership in the new consumer space. If we lose the services of any member of our senior management and any other key personnel, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit a new one, which could severely disrupt our business, strategic direction and growth. If any of our senior management team and key staff members joins a competitor or forms a competing business, we may lose business opportunities, know-how. Competition for skilled personnel and talents our industry is intense, and the pool of qualified candidates is limited. We may be unable to retain existing talent or attract experienced individuals to fill critical roles, which could adversely impact our long-term development.

Our rapid growth also requires us to hire, train, retain and motivate a wide range of talents who can adapt to a dynamic, competitive and challenging business environment. We have cultivated a deep bench of talent over the years. We may need to offer attractive compensation and other benefits packages, including share-based compensation, to retain them and attract new talents. To cater to our evolving strategies and changing business environment, we may constantly optimize our organizational structure. These adjustments may cause additional costs and expenses and temporary disruptions to our operations, and we cannot assure that they will always lead to our desirable results. Occurrence of any of the foregoing could severely disrupt our business and growth, negatively affect our reputation, or cause other adverse consequences.

We may not be able to recoup the capital expenditures we incur to strengthen our technology and innovation capabilities and upgrade our technology platform.

We have invested and will continue to expend financial resources to strengthen our technology and innovation capabilities and upgrade our technology platform, in order to serve a wider variety of brand partners and other customers with a broader array of services. For example, we have invested in our proprietary "Data + AI" system platform and OPS operational model, designed to support our business operations and help our brand partners optimize their offerings to end consumers. For details, see "Business — Our Proprietary Intelligent Operations." If we are unable to strengthen our technology and innovation capabilities and upgrade our technology platform successfully in a timely manner, our business and results of operations may be adversely affected. If we become unable to generate ideal results from our research and development, there may be a waste of capital and human resources, which may adversely affect our business, results of operations and financial condition.

We believe that technology will continue to be an important driving force for our business growth. We have invested, and we intend to continue to invest significantly, in technology, automation and business intelligence tools, to optimize our operations. However, technological changes are rapid, and we may become unable to keep abreast of the latest development; as a result, our technology systems may become obsolete. We may encounter practical difficulties in deploying or commercializing our technology and innovations. As a result, we may not be able to recover the expenditures associated with these investments, and any recovery of such expenses may take longer than expected. There is no guarantee that our investments in technology initiatives will generate sufficient returns or that they will have the expected effects on our business operations. If our technology investments do not meet our expectations for the above or other reasons, our prospects, cash flow and results of operations may be adversely affected.

We may not have sufficient insurance coverage.

We face various risks in connection with our business and may lack adequate insurance coverage or have no relevant insurance coverage. In line with general market practice, we do not maintain any other business interruption insurance, insurance policies covering damages to our network infrastructures or information technology systems or product liability insurance, which are not mandatory under PRC laws. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured facilities or assets could have a material adverse effect on our results of operations. We cannot assure you that our insurance coverage is sufficient to prevent us from any losses, or that we will be able to successfully claim for losses under our current insurance policies on a timely basis, or at all. If we incur losses that are not covered by our insurance policies, or if the amount reimbursed is significantly less than our actual losses, our business, financial condition and results of operations could be materially and adversely affected.

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

We experienced growth in our business size during the Track Record Period. Our revenue increased from RMB1,378.7 million in 2024 to RMB1,607.7 million in 2025. Our gross profit increased from RMB269.2 million in 2024 to RMB371.6 million in 2025. However, we cannot assure you that we are able to sustain our historical growth rates for various reasons, including uncertainty of our incubation of new brands and successful identification of popular products for consumers in Chinese Mainland. Our revenue, expenses and operating results may vary from period to period due to factors beyond our control. As a result of these, and other factors, we cannot assure you that our future revenues will increase or that we will continue to be profitable. Accordingly, investors should not rely on our historical results as an indication of our future financial or operating performance.

Our ability to accurately predict our future operating results and prospects is limited and subject to a number of uncertainties. If we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

We face various challenges and uncertainties with the prospect of our new business strategies in the developing markets, as we operate in emerging and rapidly evolving industries. Our Group has been adapting to market dynamics and developing innovative new businesses during the Track Record Period. We cannot assure you that any of our existing or future business initiatives, including our marketing and promotional arrangements with e-commerce platforms and launches of our proprietary brands, will generate sustainable financial results going forward. Our ability to retain and attract business partners, expand our service offerings, increase our brand awareness, enhance monetization, improve our operating efficiency, maintain a scalable and secure technology platform and comply with the evolving regulatory environment may be challenged. Our results of operations and financial condition may be adversely affected if we fail to address these risks going forward.

We cannot assure you that we will sustain our historical growth rate for various reasons, including uncertainty of our new and services and intensified competition within the industry for online marketplaces for consumption in Chinese Mainland. Accordingly, investors should not rely on our historical results as an indication of our future financial or operating performance. In addition, we plan to expand and invest in new services, which may place significant strain on our managerial, operational, financial and human resources. Our current and planned operational infrastructure may not support our future operations. If we are not able to manage our growth or execute our strategies, our business and operation may be adversely affected.

We may not be able to conduct our marketing activities effectively, properly, or at reasonable costs.

During the Track Record Period, we entered into marketing and promotional arrangements with e-commerce platforms to increase the exposure of the products on stores operated by us. We also carry out various online marketing activities on social media platforms to develop consumer interest in brands, we operate, enhance recognition and loyalty of these brands and ultimately increase sales of products in our online stores. We expect to rely on these arrangements as significant sources of traffic to our online stores, and to enhance the value of our services to attract new brand partners. However, our brand promotion and marketing activities may not be well received and may not result in the levels of sales that we anticipate. In addition, the online retail market in Chinese Mainland has experienced rapid growth over the past years which has attracted a number of domestic and international e-commerce operation services providers. Increasing competition for online traffic may drive up our marketing and promotional expenses since marketing approaches and tools in the nutrition and health, consumer electronics, as well as beauty and personal care markets in Chinese Mainland are continually evolving, which may further require us to experiment with new marketing methods to keep pace with industry developments. We may incur incremental costs to apply innovative marketing and promoting methods, such as live streaming media and KOL endorsements, to capture online traffic, which could have an adverse effect on our overall profitability if such marketing efforts were not as effective as expected. Failure to refine our existing marketing approaches or to introduce new marketing approaches in a cost-effective manner, may materially and adversely affect our financial condition and results of operations.

We may fail to effectively expand our overseas business.

We will continue to expand our overseas e-commerce operations. See "Business — Our Strategies — Further Expand Our Overseas Business to Help Chinese Brands Go Global." Our expansion plan may cause our business to be susceptible to international business risks and challenges. International operations are subject to many special risks and challenges that could adversely affect our business, such as compliance with international legal and regulatory requirements and managing fluctuations in currency exchange rates. We cannot assure you that our various international expansion efforts will be completed as planned or achieve the intended results. Any negative impact from our international business efforts could also negatively impact our business, operating results and financial conditions as a whole. In addition, we may face additional competition from local companies in countries other than Chinese Mainland. Local companies may have a substantial competitive advantage because of their greater understanding of, and focus on, local customers.

Recent increases in U.S. tariffs and heightened global trade tensions may adversely affect our international expansion and business performance.

In line with our strategy to expand into international markets and diversify our revenue base, we are increasingly exposed to evolving global trade policies. Currently, our products are primarily marketed in the PRC. However, our overseas e-commerce operations, which commenced in 2025 have quickly gained traction, generating revenue of RMB350.9 million and accounting for approximately 21.8% of our total revenue in 2025. In light of the fast development of this segment and as we seek to further expand our overseas operations, we may become subject to heightened risks stemming from international trade frictions. For details, see "Business — Our Strategies — Further Expand Our Overseas Business to Help Chinese Brands Go Global."

The global trade environment continues to evolve rapidly. Since 2018, the United States government imposed several rounds of tariffs on Chinese products. Between February and April 2025, the U.S. government further announced several rounds of new tariffs on imports from China. Meanwhile, China has implemented, and may further implement, measures in response to the heightened tariffs against Chinese products initiated by the U.S. government. While the United States and China reached a joint agreement to ease tensions by cancelling and suspending certain tariffs in May 2025, the tariff landscape has continued to evolve. Subsequent legal and executive developments, including judicial rulings on the scope of presidential tariff authority (which may affect the legal basis of certain tariffs previously imposed) and the imposition of new tariffs under alternative legal authorities, have introduced additional uncertainty. These developments underscore continued volatility and unpredictability in U.S. trade policy and the broader trade environment.

Apart from tariffs, the United States government has implemented, and continues to consider, measures that restrict or prohibit trade in certain goods and technologies originating from the PRC. Such measures include, but are not limited to, entity listing, import bans, and other trade controls targeting specific products or suppliers. To the extent that any products we source, or any of our suppliers, become subject to such restrictions, we may be required to modify or discontinue certain product offerings, forfeit business opportunities, or seek alternative supply arrangements, which may not be available on comparable terms or at all. In addition, compliance with evolving trade restrictions may impose significant administrative burdens and costs on our operations, and any failure or perceived failure to comply could expose us to legal, regulatory, or reputational consequences. These risks may be further heightened as we expand our overseas operations and increase our exposure to cross-border trade compliance requirements.

We cannot predict how these geopolitical factors will evolve, but continued tariffs, trade restrictions, or retaliatory measures may undermine our competitiveness, affect pricing strategies, and disrupt our logistics and market entry efforts. As we expand our international operations, these trade challenges may influence our strategic plans, including potential shifts in consumer demand or relationships with foreign business partners. Moreover, sustained trade conflicts may dampen consumer sentiment or discretionary spending in certain jurisdictions, particularly for non-essential or consumer-preference-driven categories. These developments could also discourage foreign brands or business partners from engaging with Chinese service providers, or lead to a reassessment of our international expansion plans. If adverse import conditions, higher tariffs or broader trade restrictions are imposed, extended or re-imposed, our efforts to enhance collaboration with foreign brands, expand our international operations, or secure global partnerships may be disrupted or curtailed. Any of the foregoing events or developments could materially and adversely affect our business, financial condition, and results of operations.

Changes in global economic, political or social conditions may adversely affect our operations.

Our business is influenced by macroeconomic conditions and consumer sentiment, both in the PRC and internationally. Recent global developments including prolonged economic uncertainty, slower GDP growth, international trade tensions, and geopolitical instability have increased volatility in consumer markets and disrupted global supply chains. In particular, escalating trade frictions, protectionist policies, tariff adjustments and regional conflicts may weaken international cooperation, constrain market access, and affect the flow of goods, materials and capital. These developments may also impact global consumer confidence and reduce discretionary spending, especially in non-essential categories such as consumer electronics and beauty products. As our business performance is closely linked to consumer discretionary spending, any decline in disposable income or spending willingness may adversely affect sales, inventory turnover and profitability. Although our primary market is the PRC, global economic and political shifts may influence our upstream supply environment and downstream distribution strategies, as well as our prospects of our overseas expansion efforts which commenced in 2025. We cannot guarantee that we will be able to fully mitigate or respond to evolving macroeconomic and geopolitical risks. Any significant deterioration in the broader environment may negatively affect our financial condition, operational stability and future growth.

Our efforts in incubating and developing proprietary brands may not be successful.

Brand development entails high uncertainty and requires substantial upfront investment in positioning, design, marketing and supply chain coordination. The success of a new brand depends on a range of factors, including regulatory approvals, market demand, pricing strategy, and consumer acceptance, many of which are beyond our control. Moreover, new brand launches may stretch our operational resources, or generate lower-than-expected returns. Even when successfully launched, new brands may take time to gain traction and may not achieve anticipated market recognition or scale. Any failure to develop and commercialize new brands effectively may limit our ability to diversify revenue sources and capture long-term growth, and could materially and adversely affect our business, financial condition and results of operations.

We may face supply chain risks, including interruptions of receiving requisite product or services due to reliance on a limited number of suppliers

Our suppliers primarily include brand partners or their authorized agents, e-commerce platforms, logistics and warehousing service providers and other suppliers necessary for our operations. We rely on a limited number of suppliers for a large portion of our total purchases. In 2023, 2024 and 2025, our total purchase from our five largest suppliers in each year of the Track Record Period accounted for approximately 47.7%, 57.8% and 51.4% of our total purchase, respectively. We cannot assure you that we will be able to manage the concentration of our supplier base at any particular level. For example, we currently expect our total purchase from Supplier G, namely Beijing Yilingchenfei, to increase over the three years ending December 31, 2028. For details, see "Connected Transactions — Partially-exempt continuing connected transaction."

The stability of operations and business strategies of our suppliers are beyond our control, and we cannot assure you that we will be able to maintain stable relationships with such suppliers. These suppliers may become unable to perform their services on a timely or cost-effective basis, in sufficient volumes, or at all, and finding and qualifying alternate or additional suppliers is often a lengthy process that can lead to fulfilment delays, interruptions to product availability, or additional costs, with such alternatives sometimes not available at all. In addition, the operations of our suppliers may be subject to business interruptions due to natural disasters, infectious diseases, or other catastrophic events, whether or not foreseeable or within their control. In any such circumstances, we may face a shortage of products for sale, an increase in our cost of purchase, or material shortages or delays in the sourcing and availability of products and services. If we are unable to retain our current major suppliers or engage new suppliers on terms acceptable to us in a timely manner, our business, financial condition, and results of operations could be materially and adversely affected.

Moreover, changes to, or stakeholder expectations regarding, applicable laws, regulations, and trade policies throughout our supply chain could increase our compliance costs or result in adverse publicity affecting our reputation. We could be subject to legal, administrative, financial, or reputational risks as a result of our suppliers' conduct or circumstances beyond our control, such as labor disputes, regulatory non-compliance, or cybersecurity breaches. To the extent that any legal, administrative, or regulatory scrutiny or adverse developments affect a supplier's ability to conduct business, or give rise to concerns about our association with such suppliers, we may face disruption to our supply arrangements, increased compliance obligations, or reputational harm. To the extent we are unable to manage these risks, our ability to timely source and offer competitive products will be harmed, our costs will increase, and our business, results of operations, and financial condition would be adversely affected.

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

Our business requires us to maintain a certain level of inventory and to manage it effectively to ensure timely deliveries upon receiving orders from e-commerce platforms and/or distributors. As of December 31, 2023, 2024 and 2025, our inventories and contract costs were RMB205.0 million, RMB280.4 million and RMB351.0 million, respectively. We decide the procurement amount of product from suppliers, and the level of inventory, in accordance with the demand forecasts made in reference to our sales statistics in the past.

Demand forecasts, however, are inherently uncertain due to a number of factors, such as seasonality, launch of new products, pricing, changes in consumer spending patterns, evolving preferences and tastes of consumers and changes to policies of e-commerce platforms or other channels we utilize, each of which may affect the accuracy of any forecast. When we begin selling a new product, it may be difficult to predict the demand in the market due to lack of experience. We normally do not have the right to return unsold products to our brand partners, other than in a limited range of circumstances as set out in our supply agreements such as product defects. In addition, with respect to our business under the B2B channel, e-commerce platforms are typically allowed to return products purchased from us, without a cap on the return amount and a limitation to a period of return, usually triggered by the circumstance of high inventory stocks not resolved in a timely manner, which would increase the difficulties in our inventory management.

If we, or our third-party warehousing service providers, fail to manage our increasing inventory effectively, we may experience a decline in inventory values and significant inventory write-downs or write-offs due to short product shelf life and poor inventory management. We recorded write-downs of inventories and contract costs of RMB4.8 million, RMB3.7 million and RMB6.7 million as of December 31, 2023, 2024 and 2025, respectively.

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

If we are unable to provide high-quality customer service, our business and results of operations may be materially and adversely affected.

We depend on our online customer service representatives in our customer service center to provide live assistance to online shoppers. If our online customer service representatives fail to satisfy the individual needs of consumers, our brand partners' sales could be negatively affected, and we may lose potential or existing brand partners, which could have a material adverse effect on our business, financial condition and results of operations. In addition, in the normal course of our business, we generate and process a large amount of data, and the improper use or disclosure of such data could harm our reputation as well as have a material adverse effect on our business and prospects.

Any deficiencies in telecommunication infrastructure in Chinese Mainland could impair our ability to provide e-commerce services to our brand partners and materially and adversely affect our results of operations.

Our business relies, to a greater extent, on the performance and reliability of the telecommunication infrastructure in Chinese Mainland. The availability of our technology platform depends on telecommunications carriers and other third-party providers for communications and storage capacity, including bandwidth and server storage. Most internet and mobile network is maintained by state-owned telecommunication carriers under administrative control, and we rely on these carriers and service providers to connect our internet platform to consumers. Service interruptions prevent brand partners from utilizing our technology platform. Frequent or extended interruptions could frustrate consumers, discouraging them from placing orders. This could cause us and our brand partners to lose consumers and adversely affect our results of operations.

We are subject to payment processing related risks.

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

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

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

We may not be able to adequately protect our intellectual property rights. We may also be subject to intellectual property infringement lawsuits, which could be expensive to defend and may result in our payment of substantial damages or licensing fees and reputational harm.

We rely on local laws in Chinese Mainland and other jurisdictions, as well as contractual provisions, to protect our intellectual property rights. The level of intellectual property protection in Chinese Mainland and other countries in which we operate varies, which entails uncertainties. In addition, policing any unauthorized use of our intellectual property is difficult, time-consuming and costly, and the measures we have taken may be inadequate to prevent the misappropriation of our intellectual property. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

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

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

We have experienced and expect to continue to experience seasonal fluctuations in our revenue. These seasonal patterns have caused and will continue to cause fluctuations in our operating results. Our results of operations historically are subject to seasonal fluctuations. For example, our revenue is relatively higher during major promotion periods such as the Double 11 Shopping Festival and the 618 Shopping Festival, when consumers tend to do more shopping. We also expect to be more exposed to overseas shopping events including Black Friday, given the expansion of our overseas e-commerce operations.

In anticipation of increased sales activity during peak seasons, we increase our inventory levels and incur additional expenses. If our seasonal revenue falls below expectations, our operating results could be below the expectations of securities analysts and investors. Due to the nature of our business, it is challenging to predict the impact of this seasonality on our business and financial results. In the future, our seasonal sales patterns may become more pronounced, potentially straining our personnel, customer service operations, fulfilment operations and shipment activities. This could lead to a shortfall in revenue compared to expenses in a given period. As a result, the [**REDACTED**] of our H Shares may fluctuate from time to time due to seasonality.

In addition, if too many consumers access the brand partners' authorized flagship stores and other brand stores operated by us within a short period of time due to increased promotions or other demand surges, we may experience system interruptions that make such authorized flagship stores and other brand stores unavailable or prevent us from transmitting orders to our fulfilment operations. Such interruptions may reduce the volume of transactions in the stores that we operate as well as the attractiveness of such authorized flagship stores and other brand stores to consumers.

In anticipation of increased sales activity during peak seasons, both we and our brand partners increase our inventory levels. If we and our brand partners fail to increase inventory levels for popular products in sufficient amounts or we become unable to restock popular products in a timely manner, we and our brand partners may fail to meet customer demand which could reduce the attractiveness of brand partners' authorized flagship stores and other brand stores operated by us. Alternatively, if we overstock products, we may need to implement significant inventory markdowns or write-offs, which could reduce profits. Either of the aforesaid scenario could lead our brand partners to reduce their engagement with us.

We experienced decreases in gross profit and gross profit margin during the Track Record Period.

Our gross profit decreased from RMB341.5 million in 2023 to RMB269.2 million in 2024, and our overall gross profit margins decreased from 21.4% to 19.5% for the same years. See "Financial Information — Period to Period Comparison of Results of Operations — Gross Profit for further details regarding the changes in our gross profit and gross profit margin during the Track Record Period. There can be no assurance that our gross profit margin will not be lower than the levels recorded during the Track Record Period or our gross profit and/or gross profit margin will not continue to further fluctuate in the future. Our gross profit and/or gross profit margin may decline for reasons beyond our control, such as decreasing needs by brand partners, increasing competition and changes in government policies or general economic conditions.

Accordingly, we cannot guarantee that our gross profit and/or gross profit margin will not fluctuate from time to time. If there is any decline in our gross profit and/or gross profit margin in the future, our profitability and financial condition may be materially and adversely affected.

We recorded net operating cash outflows historically and there can be no assurance that we will not encounter net operating cash outflows in the future.

We recorded net cash flows used in operating activities of RMB141.0 million in 2025. For a more comprehensive discussion of our liquidity and capital resources, see "Financial Information — Liquidity and Capital Resources." We cannot guarantee that prospective business activities of our Group and other matters beyond our control — such as market competition and changes to the macroeconomic environment — will not adversely affect our operating cash flows and lead to net operating cash outflows in the future. Changes to regulatory capital requirements may negatively affect our cash flow positions. If we encounter long-term and continuous net operating cash outflows in the future, we may not have sufficient working capital to cover our operating costs, and our business, financial position and results of operations may be materially and adversely affected.

We may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs.

Our ability to obtain additional capital in the future is subject to a number of uncertainties, including those relating to our future business development, financial condition, and results of operations, general market conditions for financing activities by companies in our industry, and macro-economic and other conditions regionally and globally. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies or even sustain our business operations, and our business, financial condition, results of operations, and prospects may be materially and adversely affected.

Regulatory requirements regarding data protection and information security are constantly evolving, the changes of which or any data protection and information security incidents may have a material and adverse effect on our business and results of operations.

Our business operations involve the collection, use, storage, and entrusted processing of personal information of consumers and contact persons. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we did not experience any cybersecurity or data security incidents, nor were we subject to any administrative penalties or involved in any litigation for violations of the PRC Cybersecurity Law, Data Security Law or Personal Information Protection Law and, as of the Latest Practicable Date, we are in compliance with the applicable PRC cybersecurity, data security and personal information protection regulations. We are subject to a variety of laws and regulations relating to data security and personal information protection, including restrictions on the collection, use, storage, entrusted processing and other processing of data. See "Regulatory Overview — Regulations on Cyber Security and Data Security."

While we strive to comply with our internal data compliance rules as well as all applicable data protection and cybersecurity laws and regulations, any failure or perceived failure to comply with laws and regulations with respect to personal information protection, data security and cybersecurity could subject us to potential liabilities, reputational damage and loss of customer loyalty. In addition, the regulatory landscape for data compliance and cybersecurity is complex and evolving, which could increase our compliance costs and operational complexity. Any failure to closely monitor the relevant regulatory evolvements could subject us to potential liabilities, further materially and adversely affecting our business, financial condition and results of operations.

We need various approvals, licenses and permits to operate our business and the loss or failure to obtain or renew any or all of these approvals, licenses and permits could materially and adversely affect our results of operations and business prospects.

We primarily operate our business in Chinese Mainland. In accordance with the laws and regulations of the PRC, we are required to maintain various approvals, licenses and permits to operate business in the PRC, which are subject to examinations, verifications, accreditation, renewal or reassessment by competent authorities, and the standards of the foregoing processes may change. We may experience difficulties, delays or failures in obtaining the necessary approvals, licenses and permits for new brands or products and there can be no assurance that we will be able to obtain or renew all of the approvals, licenses and permits required for existing business operations promptly or at all. Furthermore, if the interpretation or implementation of existing laws and regulations changes, or new regulations come into effect requiring us to obtain any additional approvals, licenses, permits, or certificates that were previously not required to operate our existing business, there is no assurance that we will successfully obtain such approvals, permits, licenses or certificates. If any of these occurs, our ongoing business could be interrupted, and our expansion plan may be delayed.

Complying with government regulations may require substantial expenses, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expenses and divert substantial management time and resources to resolve any deficiencies. We may also experience negative publicity arising from such deficiencies, which may materially and adversely affect our business, financial condition and results of operations.

Any future litigation, legal disputes, claims or administrative proceedings against us, including product liabilities, could be costly and time-consuming to defend.

We may become subject, from time to time, to legal proceedings and claims that arise in the ordinary course of business or pursuant to governmental or regulatory enforcement activities. While we do not believe that the resolution of any lawsuits against us will, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations, litigation to which we subsequently become a party may result in substantial costs, and divert our management's attention and other resources from day-to-day business operation. In addition, we may initiate legal actions to protect our intellectual property rights, enforce contractual obligations, or defend our commercial interests. However, such actions may provoke counterclaims or retaliatory litigation from the opposing parties, which could expose us to additional legal risks and liabilities. Furthermore, any litigations, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us due to a variety of factors, such as the circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved.

Failure to comply with E-Commerce Law may have a material adverse impact on our business, financial conditions and results of operations.

As the e-commerce markets are still evolving in Chinese Mainland, new laws and regulations may be adopted to address new issues that arise from time to time. For example, in August 2018, the Standing Committee of the National People's Congress promulgated the E-Commerce Law (中華人民共和國電子商務法) (the "**E-Commerce Law**"), which became effective on 1 January, 2019. The E-Commerce Law generally provides that e-commerce operators must obtain administrative licenses if business activities conducted by the e-commerce operators are subject to administrative licensing requirements under applicable laws and regulations. In addition, the E-commerce Law imposes a number of obligations on e-commerce operators, including the obligations, to disclose information about commodities or services in a comprehensive, faithful, accurate and timely manner; while displaying search results of commodities or services to consumers according to their interests, preferences, consumption habits and other personal characteristics, to provide consumers with options irrelevant to their personal characteristics; when to offer tie-in commodities or services, to warn consumers about the tie-in sale in a prominent position and not to set the tie-in commodities or services as the default option; and when charging consumers guarantee deposits as agreed thereby, to explicitly indicate how and under what procedures consumers may have the guarantee deposits refunded, and not to impose any unjustifiable conditions on the refund of guarantee deposits. Failure to comply with the relatively new regulatory requirements may have a material adverse impact on our business and results of operations. As no detailed interpretation and implementation rules have been promulgated, it remains uncertain how the newly adopted E-Commerce Law will be interpreted and implemented. We cannot assure you that our current business operations satisfy the obligations provided under the E-Commerce Law in all respects. If the PRC governmental authorities determine that we are not in compliance with all the requirements proposed under the E-Commerce Law, we may be subject to fines and/or other sanctions.

We are subject to consumer protection laws and regulations that could require us to modify our current business practices and incur increased costs.

Our business is subject to numerous PRC laws and regulations that regulate retailers generally or govern online retailers specifically, such as the Law on Protection of Consumers' Rights and Interests of the PRC (《中華人民共和國消費者權益保護法》) (the "**PRC Consumer Protection Law**"). If these regulations were to change or if we or our business partners were to violate them, the costs of certain goods or services could increase, or we could be subject to fines or penalties or suffer reputational harm, which could reduce demand for the goods or services promoted on our apps and hurt our business and results of operations. For example, the amended PRC Consumer Protection Law, which became effective in March 2014, strengthens the protection of consumers and imposes more stringent requirements and obligations on business operators, with a particular focus on businesses that operate via the internet. Pursuant to the PRC Consumer Protection Law, except for the categories of goods specified in the PRC Consumer Protection Law or goods that are not suitable for return according to their nature and confirmed by the consumer at the time of purchase, consumers are entitled to return goods purchased within seven days upon receipt without giving any reasons if the purchases are made through the internet. Consumers whose interests have been harmed due to their purchase of goods or acceptance of services on platforms may claim damages from sellers or service providers. Laws and regulations regarding consumer protection, particularly those involving transactions conducted over the internet, may change. We are therefore unable to predict the ultimate cost of compliance with the relevant laws or regulations or their effect on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

Our risk management and internal control systems may not be adequate or effective.

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations and we seek to continue to improve these systems. See "Business — Risk Management and Internal Control." However, due to the inherent limitations in the design and implementation of risk management and internal control systems, including the identification and evaluation of risks, internal control variables and the communication of information, we cannot assure you that such systems will be able to identify, mitigate and manage all our exposure to risks.

Our risk management and internal controls also depend on the proficiency of and implementation by our Directors, management and employees. Our internal control systems may not always be possible to prevent, detect or deter all instances of misconduct and improper activities committed by our Directors, management and employees, including fraud, bribery, non-compliance with regulatory standards and requirements and insider trading. Any misconduct and improper activities committed against our interests, whether previously undetected or occurring in the future, could have a material adverse effect on our business, financial performance, and reputation.

We may be subject to risks relating to our failure to complete lease registration for our leased properties.

Pursuant to applicable PRC laws and regulations, for property lease agreements, lease registration must be completed with the local housing or urban-rural development authorities in the PRC. As of December 31, 2025, four lease agreements of our Group were not registered with the appropriate government authorities, primarily due to the restriction on registering lease agreements for certain registration places and the difficulty of procuring some lessors' cooperation to register such leases.

The relevant government authorities may order us to complete the lease registration for such lease agreements within a prescribed period, failing which we may be subject to a fine from RMB1,000 to RMB10,000 for each non-registered lease. We cannot assure you that we will be able to complete the lease registration on a timely basis or at all in such cases, and we may be subject to penalties arising from the failure to complete the lease registration filing of lease agreements and any disputes arising from our leased properties in the future. See "Business — Properties" for details.

Our business, financial condition and results of operations may be materially and adversely affected by political events, war, terrorism, public health issues, adverse weather conditions, natural disasters and other catastrophes.

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreaks of widespread health epidemics, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. Outbreaks of contagious diseases and other adverse public health developments in which we operate and conduct business could severely damage our supply chain operation, or impair the works of our workforce. The outbreak of any severe epidemic disease, such as avian flu, H1N1 flu, SARS or the COVID-19, may disrupt our business operations such as offline sales channels, which could negatively affect our financial condition, results of operations, supply chain management and future prospects.

RISKS RELATED TO DOING BUSINESS IN JURISDICTIONS WE OPERATE

Changes in global or regional political and economic policies could have an adverse effect on our business, financial condition and results of operations.

Our business, financial condition and results of operations are subject to the economic, political, social and legal environments of the countries and regions in which we operate. Any adverse developments in these areas could materially and adversely affect our operations and prospects. Governments around the world have implemented, and may continue to implement, various policies and regulatory measures to promote economic growth, manage industrial development and guide resource allocation. In addition, regional or global economic downturns or shifts in government priorities, could lead to decrease in consumer discretional spending, customer marketing and branding investment and demand for our offerings. These factors may adversely affect our revenue growth, profitability and ability to maintain a competitive position in the global market. As a result, our business, financial condition and results of operations could be materially and adversely affected.

The legal systems of certain geographic markets where we operate vary significantly and could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Civil law systems comparatively may give limited precedential value to prior court decisions, while recent laws or regulations may be subject to reinterpretation. As a result, legal advice and risk assessment in one jurisdiction may not accurately predict outcomes in another. For example, enforcement of contractual obligations or intellectual property rights may be delayed, denied, or require additional compliance procedures. These legal uncertainties could complicate decision-making, expose us to unforeseen liabilities, or impede the timely execution of commercial agreements, materially and adversely affecting our operations, financial condition, results of operations, and prospects.

We are subject to filing procedures of the CSRC, and may be subject to other requirements of the CSRC or other PRC government authorities, in connection with this [REDACTED] and our future capital raising activities.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures"), and the relevant five guidelines, which took effect on March 31, 2023. The Overseas Listing Trial Measures require PRC domestic enterprises that directly or indirectly offer or list their securities in an overseas market to file with the CSRC within three business days after submitting their listing application documents to the relevant regulator in the place of intended listing. Failure to complete such filing may subject a PRC domestic enterprise to an order of rectification, a warning or a fine between RMB1 million and RMB10 million, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. Pursuant to these regulations, a domestic enterprise applying for listing abroad shall, among others, complete record filing procedures and report relevant information to the securities regulatory authority as required. For details, see "Regulatory Overview — Regulations on Overseas Securities Offering and Listing and Full Circulation." Our PRC Legal Advisor has advised us that this [**REDACTED**] is considered as a direct overseas securities offering and listing under the Overseas Listing Trial Measures, and we are subject to the filing requirements of the CSRC in connection with this [**REDACTED**]. We are in the process of completing the required filing procedures. However, there is no assurance that we can complete the filing procedures on a timely basis, or at all.

We may also be subject to filing requirements with the CSRC under the Overseas Listing Trial Measures with respect to our future offerings, listings or any other capital raising activities. We cannot assure you that we could meet the filing requirements for our future capital raising activities in a timely manner or at all. Such failure may subject us to fines, penalties or other sanctions which may have a material adverse effect on our business and financial condition. In addition, we cannot guarantee that new rules or regulations promulgated in the future pursuant to the Overseas Listing Trial Measures and any other related PRC rules and regulations will not impose any additional requirement on us. If it is determined that we are subject to any additional CSRC approval, filing, other governmental authorization or requirements for future capital raising activities, we may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial conditions.

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

The PRC government imposes laws and regulations on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of Renminbi into and out of Chinese Mainland. Under the existing PRC foreign exchange regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements and conduct such transactions at designated foreign exchange banks within Chinese Mainland that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we do not meet the procedural approvals in respect of the foreign exchange administration, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

Fluctuations in exchange rates of Renminbi against Hong Kong dollar, U.S. dollar or other foreign currencies could affect our business, results of operations, financial condition, and the value of your [REDACTED].

Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by, among other things, the changes in Chinese Mainland's and international political and economic conditions. The [**REDACTED**] from the [**REDACTED**] will be denominated in Hong Kong dollars. As a result, any appreciation of Renminbi against U.S. dollar, Hong Kong dollar or any other foreign currencies may result in a decrease in the value of our foreign currency-denominated assets and our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of Renminbi may adversely affect the value of, and any dividends payable on our H Shares in foreign currencies. We have not utilized, and may not in the future utilize, any instrument to reduce our foreign currency risk exposure. All of these factors could affect our business, results of operations, financial condition and prospects, and could affect the value of, and dividends payable on, our H Shares in foreign currency terms.

Our operations are subject to, and may be affected by, the tax laws and regulations in the PRC. Changes in tax laws and regulations in the PRC where we operate such as increase in applicable tax rates may materially and negatively affect our profitability level and business performance.

The Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the "**EIT Law**") imposes a tax rate of 25% on business enterprises. Some of our subsidiaries are entitled to preferential tax treatment. To the extent there are any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added and other taxes. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to PRC tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations.

Dividends payable to our foreign investors and gains on the sale of our H Shares by our foreign investors may become subject to PRC tax law.

Under the EIT Law and its implementation regulations issued by the State Council, a 10% PRC withholding tax is applicable to dividends payable to investors that are non-resident enterprises, which do not have an establishment or place of business in the PRC or which have such establishment or place of business but the dividends are not effectively connected with such establishment or place of business, to the extent such dividends are derived from sources within the PRC. Similarly, any gain realized on the transfer of our H Shares by such investors is also subject to PRC tax at a current rate of 10%, subject to any reduction or exemption set out in applicable tax treaties or under applicable tax arrangements between jurisdictions, if such gain is regarded as income derived from sources within the PRC. If we are deemed a PRC resident enterprise, dividends paid on our H Share, and any gain realized from the transfer of our H Share, would be treated as income derived from sources within the PRC and would as a result be subject to PRC taxation. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to individual investors who are non-PRC residents and any gain realized on the transfer of H Shares by such investors may be subject to PRC tax at a current rate of 20%, subject to any reduction or exemption set out in applicable tax treaties or under applicable tax arrangements between jurisdictions. It is unclear whether if we or any of our subsidiaries established outside Chinese Mainland are considered a PRC resident enterprise, holders of our H Shares would be able to claim the benefit of income tax treaties or agreements entered into between Chinese Mainland and other countries or areas. If dividends payable to our non-PRC investors, or gains from the transfer of our H Shares by such investors are subject to PRC tax, the value of your [**REDACTED**] in our H Shares may decline significantly.

It may be difficult to effect service of process, enforce foreign judgments or bring original actions against us, our Directors and senior management.

We are a company incorporated under the PRC laws and a majority of our assets and subsidiaries are located in China. The majority of our Directors, Supervisors and senior management reside within China. The assets of these Directors, Supervisors and senior management also may be located within China. As a result, it may be complex and difficult to effect service of process upon or to enforce judgements against us, most our Directors, Supervisors and senior management outside China.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for the Shares, an active [REDACTED] for the Shares may not develop following the [REDACTED] and the [REDACTED] of our H Shares may be volatile.

Prior to the [**REDACTED**], there was no [**REDACTED**] for our H Shares. We cannot assure you that a [**REDACTED**] for our H Shares with adequate [**REDACTED**] will develop and be sustained following the completion of the [**REDACTED**]. The [**REDACTED**] range for our H Shares was the result of negotiations between us and the [**REDACTED**] on behalf of the [**REDACTED**], and the [**REDACTED**] may differ significantly from the [**REDACTED**] for our H Shares following the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] of our H Shares could be materially and adversely affected. The [**REDACTED**] of our H Shares may be highly volatile. Several factors, some of which are beyond our control, such as variations in our prospects, changes in our pricing policy, the emergence of new technologies, strategic alliances or acquisitions, the addition or departure of key personnel, changes in profit forecast or recommendations by financial analysts, changes in ratings by credit rating agencies, litigation or the removal of the restrictions on share transactions, could cause large and sudden changes to the [**REDACTED**] at which our H Shares will [**REDACTED**]. In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume volatility that is not related to the operating performance of any particular company.

You may incur immediate dilution and may experience further dilution in the future.

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

Our Single Largest Group of Shareholders has significant influence, and its interests may not be aligned with the interests of our other Shareholders.

Our Single Largest Group of Shareholders is able to exercise significant influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations, sales of all or substantially all of our assets, the election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive our other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might adversely affect the [**REDACTED**] of our H Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Single Largest Group of Shareholders may differ from those of our other Shareholders. It is possible that our Single Largest Group of Shareholders may exercise its significant influence to cause us to enter into transactions or take, or fail to take, actions or make decisions that may not be in the best interests of our other Shareholders.

There may be dilution because of issuance of new Shares or equity securities of our Company.

We may require additional funds due to changes in business conditions or other future developments relating to, inter alia, our existing operations or any future expansions. The amount and timing of such additional financing needs will vary depending on the timing of investments in, and/or acquisitions of, new businesses from third parties, and the amount of cash flow from our operations. If our resources are insufficient to satisfy our cash requirements, we may seek additional financing or debt securities, or to obtain a credit facility through selling additional equity. The sale of additional equity securities could result in additional dilution to our Shareholders. If additional funds are raised by way of issuance of new shares, or equity linked securities other than on a pro rata basis, to existing shareholders, then the percentage of ownership by our existing shareholders in our Company, their earnings per share, and the net asset value per share, may be reduced.

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

A significant portion of the [**REDACTED**] of this [**REDACTED**] is allocated for general corporate purposes, including diversifying our brand portfolios, expanding sales network, and strengthening supply chain management. See "Future Plans and [**REDACTED**]". Our management will have considerable discretion in the application of the [**REDACTED**] received by us. You will not have the opportunity, as part of your [**REDACTED**] decision, to assess whether [**REDACTED**] are being used appropriately. The [**REDACTED**] may be used for corporate purposes that do not achieve or maintain profitability or increase our share [**REDACTED**]. The [**REDACTED**] from this [**REDACTED**] may be placed in investments that do not produce income, or that lose value.

We cannot assure you when, whether and in what form or size we will pay dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distribution of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depends on various factors, including but not limited to our prospects, cash flows and financial position, operating and capital expenditure requirements, distributable profits, our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable PRC laws and regulations, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy. See "Financial Information — Dividend Policy."

We cannot assure you of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various independent third-party sources, including the industry expert reports, contained in this document.

This document, particularly the sections headed "Business" and "Industry Overview," contains information and statistics relating to the brand e-commerce services, nutrition and health, consumer electronics, as well as beauty and personal care markets. Such information and statistics have been derived from a third-party report commissioned by us and publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information has not been independently verified by us, the Sole Sponsor, the [**REDACTED**] or any other party involved in the [**REDACTED**], and no representation is given by us as to its accuracy. The e-commerce business industry represents relatively new economic trends in Chinese Mainland, and, therefore, any information, statistics or forecasts from third-party or other publicly available sources on this industry might not be as accurate, reliable or trustworthy as those on other more traditional industries. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, and, as a result, the statistics included in this document may be inaccurate and not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. You should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this document, there has been press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.