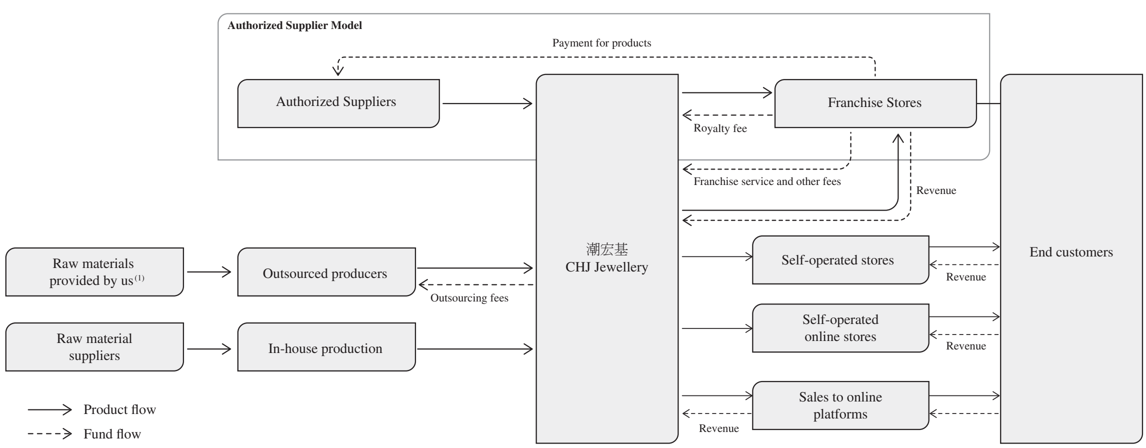
This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to ***[REDACTED]*** *in the* ***[REDACTED]****. There are risks associated with any* ***[REDACTED]****. Some of the risks involved in* ***[REDACTED]*** *in the* ***[REDACTED]*** *are set out in the "Risk Factors" section of this document. You should read that section carefully before you decide to* ***[REDACTED]*** *in the* ***[REDACTED]****. There are unique challenges, risks and uncertainties associated with investing in companies like ours. Your* ***[REDACTED]*** *decision should be made in light of these considerations.*

OVERVIEW

We are a multi-brand jewellery company in the PRC founded in 1996. At the heart of our business is our flagship jewellery brand 潮宏基 CHJ Jewellery. In 2023, we were recognised by Forbes as "Guochao Innovation Brands" (國潮創新品牌), being the only fashion jewellery brand in China receiving this honour.

We have two main businesses: (i) jewellery and (ii) handbags. For each business, we operate on a similar business model that encompasses product development and design, procurement, production and sales through franchise and self-operated stores. Set forth below is an overview of our business model:



Note:

(i) We engage external manufacturers to carry out certain production processes and we provide them semi-finished products for their processing.

We are recognised as China's 500 Most Valuable Brands (中國500最具價值品牌) for 21 consecutive years and "The Asia's 500 Most Influential Brands" (亞洲品牌500強) since 2023. We ranked the first in 2024 among all Chinese Mainland-based jewellery companies in fashion jewellery market, in terms of revenue with a market share of 1.4% according to Frost & Sullivan. Targeting the middle and upper classes customers. We were also an established jewellery brand in the overall jewellery market and classic gold jewellery market in China that we ranked 9th among all jewellery companies in China in terms of revenue with a market share of 0.8% and ranked 8th among all Chinese Mainland-based jewellery companies in terms of revenue in the classic gold jewellery market with a market share of 0.6%.

For each year during the Track Record Period, our jewellery business has been our core business, representing about 90% of total revenue. Complementary to our jewellery products, in 2014, we acquired FION which offers fashion handbags targeting young consumers.

SALES NETWORK

The table below sets forth the breakdown of our revenue by sales channel during the Track Record Period:

	Year ended 31 December					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Jewellery						
Self-operated stores	1,880,659	32.2	1,798,619	27.9	1,943,096	21.0
Franchise network	2,397,561	41.1	3,224,179	50.0	5,796,212	62.7
Online sales channels	1,022,391	17.5	941,746	14.6	966,275	10.5
Others *(Note 1)*	134,565	2.4	190,137	2.9	265,717	3.0
Subtotal	5,435,176	93.2	6,154,681	95.4	8,971,300	97.2
Handbags						
Self-operated stores	118,480	2.0	92,714	1.5	83,021	0.9
Franchise network	83,666	1.4	60,109	0.9	44,153	0.5
Online sales channels	169,537	3.0	117,235	1.8	93,420	1.0
Subtotal	371,683	6.4	270,058	4.2	220,594	2.4
Others *(Note 2)*	29,599	0.4	27,702	0.4	45,971	0.4
Total/Overall	5,836,458	100.0	6,452,441	100.0	9,237,865	100.0

Notes:

1. Others refer to the tailor-made products sold to corporate customers.
2. Other revenue mainly includes sale of properties, rental income and income generated from material processing services.

Revenue by geographical regions

The table below sets forth the breakdown of our revenue by geographical regions during the Track Record Period:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	5,817,283	6,426,039	9,069,563
Hong Kong	7,966	7,031	142,780
Other countries/regions	11,209	19,371	25,522
Total revenue	5,836,458	6,452,441	9,237,865

Notes:

1. The revenue information above is based on the locations of the subsidiaries. Accordingly, in relation to overseas operation, other countries/regions included Singapore and Malaysia only as we had not established subsidiaries in Thailand and Cambodia (although we had franchised jewellery stores in Thailand and Cambodia during the Track Record Period). Since franchisees of the franchise stores in Thailand and Cambodia made their purchase with our subsidiary in Hong Kong, such revenue has been included in revenue generated from Hong Kong.

KEY OPERATING DATA

The table below set out certain key operating data of our Group:

	Year ended 31 December		
	2023	**2024**	**2025**
Jewellery			
Total number of franchisees as at end of the year	**737**	**814**	**943**
Direct franchisees	529	594	708
Sub-franchisees	195	205	220
Regional franchisees	13	15	15
Total number of franchise stores as at end of the year	**1,125**	**1,272**	**1,486**
operated by direct franchisees	840	968	1,177
operated by sub-franchisees	217	236	247
operated by regional franchisees	68	68	62
Total number of self-operated stores as at end of the year	**274**	**239**	**184**
Number of online sales platforms as at end of the year	15	16	14
Optimal production capacity (kg) for the year	3,420	3,744	4,140
Utilisation rate for the year or period	113.9%	110.9%	140.6%
Handbag			
Total number of franchisees	31	28	32
Total number of self operated and franchise stores	314	251	195
Number of online sales platforms	12	11	12

	Year ended 31 December			
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Jewellery				
Average same-store sales in terms of GMV of				
franchise stores	6,882	7,852	8,114	10,941
self-operated stores	9,340	9,479	11,426	14,946
Hangbag				
Average same-store sales in terms of GMV	1,296	1,014	1,141	985

Sales of Jewellery

As at 31 December 2025, we had a total of 1,670 offline jewellery stores in China and overseas. In particular, our sales network comprises 183 self-operated jewellery stores and 1,476 jewellery franchise stores covering 200 cities in China, a majority of which are located in tier-1, emerging tier-1 and tier-2 cities. In addition, as at 31 December 2025, we had 11 overseas stores comprising one self-operated store in Malaysia, one franchise store in Singapore, two franchise stores in Malaysia, four franchise stores in Thailand and three franchise stores in Cambodia. We employ a dual approach of self-operation and franchising to establish our points of sale. We believe this hybrid model contributes to our growth, as it allows us to leverage the advantages of both operational strategies, by combining the control and consistency of self-operated outlets with the scalability of franchised locations.

Franchise stores of jewellery

We adopt a two-tier franchise model to expand our franchise network effectively that in addition to procuring franchisees who are directly procured and supervised by us ("direct franchisees"), we also have regional franchisees ("regional franchisees") who, in addition to operate franchise stores, are also responsible for the key objective of procuring sub-franchisees ("sub-franchisees") in designated provinces leveraging their local connections and cultural affinity. While regional franchisees also participate in the supervision of sub-franchisees, we retain direct control and supervision by entering franchise agreements directly with sub-franchisees procured by regional franchisees and sub-franchisees procure products directly from the Group. For our jewellery business, generally, sales to our franchisees (including direct franchisees, regional franchisees and sub-franchisees) are buyout sales. The table below sets forth the breakdown of revenue by types of franchisees during the Track Record Period:

	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Direct franchsiees	1,928,411	80.4	2,572,908	79.8	4,535,822	78.3
Regional franchisees	121,595	5.1	164,745	5.1	336,396	5.8
Sub-franchisees	347,555	14.5	486,526	15.1	923,994	15.9
Total	**2,397,561**	**100.0**	**3,224,179**	**100.0**	**5,796,212**	**100.0**

Sales of Handbags under FION

During the Track Record Period, we sell our handbags under the brand of FION. As at 31 December 2025, we had a total of 195 FION stores, comprising 86 self-operated stores and 109 franchise stores. Among our 195 FION stores, there are 21 stores located in Hong Kong, Macao and Singapore and the remaining are located in China. Unlike our jewellery business, the franchise model of FION is single-tiered that there is only direct franchisee and consignment franchisees procured and supervised directly by us and there is no regional franchisee. For details of the franchise model of FION, see "Business — Sales Network — Offline Sales of Handbags under FION".

OUR CUSTOMERS AND SUPPLIERS

Our customers are our franchisees at different levels, the online platforms, end consumers and corporate customers who place orders for tailor-made products. Revenue from our five largest customers in each year during the Track Record Period accounted for 8.4%, 7.7% and 6.6% of our total revenue for the respective years.

During the Track Record Period, our major suppliers were all gold suppliers and commercial banks who provided gold loans to us. Our five largest suppliers in each year during the Track Record Period accounted for approximately 77.9%, 83.0% and 75.8% of our total purchase for the respective years; and our largest supplier in each year during the Track Record Period accounted for approximately 61.6%, 65.3% and 55.4% of our total purchase for the respective years.

OUR PRODUCTION

For jewellery, we established the Pujiang Production Base with an aggregate site area of approximately 14,439.7 sq.m. in 2011. As at 31 December 2023, 2024 and 2025, 70% of our labour for jewellery production are experienced craftsmen. For FY2023, FY2024, and FY2025, the utilisation rate of the Pujiang Production Base was 113.9%, 110.9% and 140.6%, respectivly. For details, please see "Business — Our Production". For handbags, we have established a production base in Guangdong province with an aggregate site area of 12,567 sq.m.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit or Loss

The following table summarises the consolidated statements of profit or loss during the Track Record Period, details of which are set out in Appendix I to this document.

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
REVENUE	5,836,458	6,452,441	9,237,865
Cost of sales	(4,362,336)	(4,994,861)	(7,268,777)
Gross profit	1,474,122	1,457,580	1,969,088
Other income and gains	57,291	30,840	36,692
Selling and distribution expenses	(827,894)	(761,740)	(792,344)
Administrative expenses	(160,027)	(170,475)	(221,860)
Research and development costs	(62,687)	(68,092)	(93,769)
Reversal of impairment losses/(impairment losses) on financial assets, net	7,381	(449)	(2,990)
Impairment of goodwill	(39,433)	(176,814)	(171,186)
Impairment of investment in an associate	—	(12,233)	(25,811)
Impairment of investment properties	—	(8,812)	(1,772)
Other expenses	(1,404)	(6,155)	(6,214)
Finance costs	(45,880)	(41,098)	(38,754)
Share of profits and losses of associates	1,189	(6,730)	(12,777)
PROFIT BEFORE TAX	402,658	235,822	638,303
Income tax expense	(72,630)	(66,651)	(166,763)
PROFIT FOR THE YEAR	330,028	169,171	471,540
Attributable to:			
Owners of the parent	333,349	193,648	497,011
Non-controlling interests	(3,321)	(24,477)	(25,471)
	330,028	169,171	471,540

Non-HKFRS Financial Measure

To supplement our historical financial information, which is presented in accordance with HKFRS Accounting Standards, we also use adjusted net profit (non-HKFRS measure) as additional financial measures, which are not required by, nor presented in accordance with, HKFRS Accounting Standards. We believe that these non-HKFRS measures facilitate comparisons of operating performance from period to period and company to company by adjusting for potential impacts of certain items. We believe that these measures provide useful information to **[REDACTED]** and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management.

Our adjusted net profit (non-HKFRS measure) may not be comparable to similarly titled measures of another company because it does not have a standardised meaning and all companies may not calculate adjusted net profit (non-HKFRS measure) in the same manner. We define adjusted net profit (non-HKFRS measure) for the year as profit for the year adjusted for **[REDACTED]** and equity-settled share award expense. We define adjusted net margin (a non-HKFRS measure) as adjusted net profit (non-HKFRS measure) for the year as a percentage of our total revenue. The following table presents a reconciliation of adjusted net profit (non-HKFRS measure) for each of the years indicated:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Profit for the year	330,028	169,171	471,540
Add:			
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Equity-settled share award expense	12,288	13,405	41,332
Adjusted net profit (non-HKFRS measure) for the year	342,316	182,576	514,609
Adjusted net profit margin (non-HKFRS measures)	5.9%	2.8%	5.6%

The inclusion of equity-settled share award expense in the adjusted net profit (non-HKFRS measure) for the year is due to its non-cash nature.

For FY2023, FY2024 and FY2025, we recorded adjusted net profit (non-HKFRS measures) of RMB342.3 million, RMB182.6 million, and RMB514.6 million, respectively. We recorded an increase of adjusted net profit (non-HKFRS measures) in FY2025, primarily attributable to (i) increase in revenue generated from sales of jewellery through our franchise stores, mainly due to expansion of our franchise network, and (ii) the release of new generations of jewellery collections. The decrease in adjusted net profit in FY2024 was primarily attributable to impairment of goodwill of RMB176.8 million.

Our net profit amounted to RMB330.0 million, RMB169.2 million and RMB471.5 million for FY2023, FY2024 and FY2025, respectively. Our net profit decreased from RMB330.0 million for FY2023 to RMB169.2 million for FY2024, which was primarily due to increase in impairment of goodwill by RMB137.4 million, as business development of FION fell short of expectation. Our net profit increased to RMB471.5 million for FY2025, primarily due to increase in revenue during the same year.

Revenue

The following table sets forth the breakdown of our revenue by types of goods or services during the Track Record Period:

	Year ended 31 December					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Jewellery						
Sale of products						
— Fashion jewellery *(Note 1)*	2,955,420	50.7	2,943,765	45.6	5,068,073	54.9
— Classic gold jewellery *(Note 2)*	2,237,950	38.3	2,915,720	45.2	3,570,290	38.6
— Others *(Note 3)*	28,112	0.5	32,190	0.5	41,379	0.5
Provision of franchising and related sales services	213,694	3.7	263,006	4.1	291,558	3.2
Subtotal	5,435,176	93.2	6,154,681	95.4	8,971,300	97.2
Handbags						
Sale of products	371,224	6.4	269,598	4.2	220,007	2.4
Provision of franchising and related sales services	459	0.0	460	0.0	587	0.0
Subtotal	371,683	6.4	270,058	4.2	220,594	2.4
Others *(Note 4)*	29,599	0.4	27,702	0.4	45,971	0.4
Total/Overall	5,836,458	100.0	6,452,441	100.0	9,237,865	100.0

Notes:

1. Our fashion jewellery refers to jewellery which are designed with higher level of overall artistry, design exclusivity, and brand value. Accordingly, prices of fashion jewellery are determined not only with reference to its material cost and craftsmanship fee but also its perceived design and brand value; and therefore they are fixed priced.
2. Our classic gold jewellery refers to jewellery made of pure gold (i.e. fine gold with gold content of 99.0% or above, according to the PRC National Standard No. GB11887). Given they are primarily made of pure gold, prices of classic gold jewellery float and determined mainly with reference to product weight and craftsmanship fee similar to traditional gold jewellery in the market.
3. Other products of jewellery mainly include sale of jewellery component materials and packaging materials to franchisees.
4. Other revenue mainly includes sale of properties, rental income and income generated from material processing services.

Revenue

The revenue of our Group increased by 10.6% or RMB615.9 million from RMB5,836.5 million for FY2023 to RMB6,452.4 million for FY2024, primarily due to (i) the increase in revenue generated from sales of jewellery through our franchise network, mainly due to an expansion of our franchise network, from 1,125 stores as at 31 December 2023 to 1,272 stores as at 31 December 2024; and (ii) increased customer recognition of our fixed price gold jewellery and classic gold jewellery.

In FY2025 we experienced growth is sales across all our sales channels. The revenue of our Group increased by 43.2% or RMB2,785.4 million from RMB6,452.4 million for FY2024 to RMB9,237.9 million for FY2025, primarily attributable to increase in sales of our fashioned jewellery and classic gold jewellery by RMB2,124.3 million and RMB654.6 million, respectively, due to (i) expansion of franchise network, with our franchise jewellery stores increased from 1,272 stores as at 31 December 2024 to 1,486 stores as at 31 December 2025; and (ii) the release of new generation of jewellery collections, which received recognition from customers in FY2025.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by types of goods or services for the years indicated:

	Year ended 31 December					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Sale of products						
Jewellery						
— Fashion jewellery	883,313	29.9	811,119	27.6	1,158,322	22.9
— Classic gold jewellery	170,864	7.6	234,836	8.1	418,915	11.7
— Others *(Note 1)*	1,258	4.5	5,716	17.8	8,844	21.4
Subtotal	1,055,435	20.2	1,051,671	17.9	1,586,081	18.3
Handbags	234,817	63.3	164,585	61.0	112,846	51.3
Provision of franchising and related sales services	178,027	83.1	231,537	87.9	247,368	84.7
Others *(Note 2)*	5,843	19.7	9,787	35.3	22,793	49.6
Total/Overall	1,474,122	25.3	1,457,580	22.6	1,969,088	21.3

Notes:

1. Other products of jewellery mainly include sale of jewellery component materials and packaging materials to franchisees.
2. Other revenue mainly includes sale of properties, rental income and income generated from our material processing services.

The following table sets forth a breakdown of our gross profit and gross profit margin by sales channels for the years indicated:

	Year ended 31 December					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Jewellery						
Self-operated stores	625,634	33.3	598,986	33.3	638,734	32.9
Franchise network	452,341	18.9	534,933	16.6	1,014,858	17.5
Online sales channels	145,540	14.2	140,528	14.9	163,209	16.9
Others *(Note 1)*	9,488	7.1	8,301	4.4	16,061	6.0
Subtotal	1,233,003	22.7	1,282,748	20.8	1,832,862	20.4
Handbags						
Self-operated stores	82,152	69.3	62,790	67.7	52,496	63.2
Franchise network	38,897	46.5	25,566	42.5	6,835	15.5
Online sales channels	114,227	67.4	76,689	65.4	54,102	57.9
Subtotal	235,276	63.3	165,045	61.1	113,433	51.4
Others *(Note 2)*	5,843	19.7	9,787	35.3	22,793	49.6
Total/Overall	1,474,122	25.3	1,457,580	22.6	1,969,088	21.3

Notes:

1. Other jewellery refers to the tailor-made products sold to corporate customers.
2. Other revenue mainly includes sale of properties, rental income and income generated from pure gold processing services.

Gross Profit Margin

The decrease in our overall gross profit margin from 25.3% for FY2023 to 22.6% for FY2024 was primarily due to decrease in gross profit margin for fashion jewellery from 29.9% for FY2023 to 27.6% for FY2024, primarily due to a decline in the proportion of revenue generated from our sales through self-operated channels, which have relatively high gross profit margins. The proportion of revenue generated from sales of our jewellery through self-operated channels dropped from 32.2% for FY2023 to 27.9% for FY2024.

Our overall gross profit margin for FY2025 remained stable at 21.3% as compared to that for FY2024 which was 22.6%.

Summary of Consolidated Statements of Financial Position

The following consolidated statement of financial position as at the dates indicated, respectively is extracted from the accountants' report set out in Appendix I to this document:

	As at 31 December			As at 28 February
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
CURRENT ASSETS				
Inventories	2,243,710	2,602,979	4,301,532	4,589,409
Completed properties for sale	404,253	290,628	232,852	232,082
Trade receivables	286,284	363,712	669,931	852,159
Prepayments, other receivables and other assets	373,100	431,523	412,648	412,025
Financial assets at fair value through profit or loss	70,191	100,565	—	—
Cash and cash balances	643,412	378,895	564,135	584,819
Total current assets	4,020,950	4,168,302	6,181,098	6,670,494
NON-CURRENT ASSETS				
Total non-current assets	1,716,539	1,576,427	1,380,309	1,386,548
CURRENT LIABILITIES				
Trade payables	115,559	202,523	403,936	330,137
Other payables and accruals	448,966	423,967	623,547	574,017
Interest-bearing bank borrowings	398,855	349,592	960,900	1,035,394
Gold loans	652,618	939,527	1,558,138	1,799,366
Lease liabilities	34,269	30,745	31,663	28,913
Tax payable	43,691	61,886	76,916	113,042
Total current liabilities	1,693,958	2,008,240	3,655,100	3,880,869
NON-CURRENT LIABILITIES				
Total non-current liabilities	226,013	66,575	87,669	140,969
NET CURRENT ASSETS	2,326,992	2,160,062	2,525,998	2,789,625
NET ASSETS	3,817,518	3,669,914	3,818,638	4,035,204

For further details, please see "Financial Information — Selected items of consolidated statements of financial position".

Our net assets amounted to RMB3,817.5 million, RMB3,669.9 million and RMB3,818.6 million for FY2023, FY2024 and FY2025, respectively. Our net assets decreased from RMB3,817.5 million for FY2023 to RMB3,669.9 million for FY2024, primarily attributable to final 2023 dividend and interim dividend declared of RMB311.0 million, partially offset by profit for the year of RMB169.2 million. Our net assets increased from RMB3,669.9 million for FY2024 to RMB3,818.6 million for FY2025, primarily attributable to profit for the year of RMB471.5 million, partially offset by final 2024 dividend and 2025 interim dividend declared of RMB311.0 million.

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows information for the years indicated:

	For the year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows from/(used in) operating activities	615,197	435,415	(66,458)
Net cash flows from/(used in) investing activities	(218,564)	(26,647)	62,294
Net cash flows from/(used in) financing activities	(369,186)	(629,007)	188,343
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	27,447	(220,239)	184,179
Cash and cash equivalents at end of year	576,283	356,097	536,935

For further details, please see "Financial Information — Cash flows".

Key Financial Ratios

The following table sets forth our key financial ratios for the years as at the dates indicated:

	For the year ended/as at 31 December		
	2023	2024	2025
Return on equity	8.9%	4.5%	12.6%
Return on total assets	5.8%	2.9%	7.1%
Current ratio	2.4 times	2.1 times	1.7 times
Quick ratio	1.0 times	0.8 times	0.5 times
Gearing ratio	34.4%	37.7%	69.0%
Debt to equity ratio	19.3%	28.0%	55.0%

For the calculation of these financial ratios and further details, please see "Financial Information — Key financial ratios".

GOLD LOANS

We make procurement through gold loans while gold loans also serve as our designated hedging instruments.

Gold loans refer to financial transactions in which we (as lessee) borrow gold from commercial bank (the lessor) for a specified period of time. During the process, we receive physical gold through the membership service system of the Shanghai Gold Exchange (上海黃金交易所的會員服務系統) and we pay the commercial banks an interest on the leased gold. At the end of the loan period, we return the borrowed gold to the commercial banks by delivering contracts of fully paid gold that we purchase from the Shanghai Gold Exchange. While we use gold loans as a procurement method, given the time gap between the borrowing date and return date during which fluctuations in gold prices may occur, gold loans allow us to manage its exposure to fluctuations in gold prices and therefore serve as our hedging instrument. Accordingly, we applied accounting treatment applicable to hedging accounting during the Track Record Period. The effect of gold loans is it helps stablise our gross profit margin of our product sales. During the Track Record Period, the fair value changes of the gold loans were RMB89.1 million, RMB223.3 million and RMB567.9 million, which has been offset against fair value changes of hedged inventories. For details of the mechanism of gold loans, please see "Business — Procurement — Jewellery — Gold loans".

RISK FACTORS

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial conditions and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in the section headed "Risk Factors". Some of the major risks we face include, but are not limited to:

- If we are unable to maintain our competitiveness in the highly competitive fashion consumer goods industry, our sales, profits and future growth could be materially and adversely affected

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

- We may be subject to the risk of litigation, claims and disputes, which may cause us to incur significant costs

- We rely on the brand influence of 潮宏基CHJ Jewellery and our other brands. If we are unable to maintain our brand influence, it could have an material and adverse effect on our sales, profits and future growth

- Fluctuations in prices or availability of the raw materials we use may materially and adversely affect our business, results of operations and financial conditions

- If we cannot maintain or further develop our collaborations with our franchisees, or if we cannot manage our franchise network effectively, we may face the risk of channel stuffing and other risks that may adversely affect that may adversely affect our business, financial conditions and results of operations

LEGAL PROCEEDINGS

During the Track Record Period, we were involved in two intellectual property infringement related litigation claims (the "Infringement Litigations") initiated by Bulgari S.P.A. (the "Bulgari Case") and Richemont International SA (the "Richemont Case"), respectively. The claim amount of Bulgari Case and Richemont Case is RMB5.0 million and RMB5.5 million, respectively. For the Bulgari Case, on 30 December 2025, the court had determined that we are liable for a damages of RMB1.1 million and had made an public declaration order; and as at the Latest Practicable Date, we had filed an appeal. For the Richemont Case, it had been separated into two proceedings subsequently for (i) the infringement of trademarks and (ii) unfair competition. For the unfair competition allegation, on July 2025, Suzhou Intermediate People's Court (江蘇省蘇州市中級人民法院) held our Group liable and ordered a damages of RMB1 million with a declaration on one of our Group's subsidiaries to be jointly and severally liable for RMB0.4 million of such damages. As at the Latest Practicable Date, we were making an appeal for the judgement by the court in July 2025 in relation to unfair competition and we were waiting for the judgement of first instance in relation to the alleged infringement of trademarks. As a result, we had made a provision in FY2024 and FY2025 of RMB3.0 million. Our Directors confirmed that they were not aware of any other potential claims arising from the Infringement Litigations or products of the Company as at the Latest Practicable Date.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Since 31 December 2025 and up to the Latest Practicable date, gold prices has demonstrated volatility, with a historic surge in early 2026, peaking at around 1,240 RMB/g, followed by a sharp correction in March 2026. As at the Latest Practicable Date, closing gold price of Au9999 quoted on the Shanghai Gold Exchange was RMB980.0/g. Such volatility in gold prices may influence consumer sentiment and affect our gross profit margin in short term.

Despite fluctuations in gold prices, we have continued to develop our business at a steady pace as we continue to launch new products with openings of new stores.

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since 31 December 2025 and there has been no event since 31 December 2025 which would materially affect the information shown in the accountants' report set out in Appendix I to this document.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since 2010, our Company has been listed on the Shenzhen Stock Exchange (stock code: 002345.SZ). During the Track Record Period and up to the Latest Practicable Date, our Company had not received any notice from the Shenzhen Stock Exchange alleging any material non-compliance incidents on the part of our Company. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, our Group (i) had no instances of non-compliance with the applicable listing rules of the Shenzhen Stock Exchange; and (ii) had complied with all applicable securities laws and regulations in all material respects. To the best knowledge of our Directors after having made all reasonable inquiries, during the Track Record Period and up to the Latest Practicable Date, there is no material matter that should be brought to the attention of the investors and the Hong Kong Stock Exchange in relation to our compliance record on the Shenzhen Stock Exchange.

[REDACTED] STATISTICS

	Based on the [REDACTED] of HK$[REDACTED] per H Share
[REDACTED] of our Shares immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** not exercised) [(1)]	HK$**[REDACTED]**
[REDACTED] of our H Shares immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** not exercised) [(2)]	HK$**[REDACTED]**
[REDACTED] adjusted net tangible assets per Share[(3)]	HK$**[REDACTED]**

Notes:

(1) The calculation of **[REDACTED]** of our Shares immediately after completion of the **[REDACTED]** is based on the assumption that 888,512,707 A Shares are in issue (excluding treasury Shares) with an average closing price for the five trading days immediately prior to the Latest Practicable Date of RMB10.1 (equivalent to approximately HK$11.48) per A Share and that **[REDACTED]** H Shares are expected to be in issue immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** are not exercised), representing in aggregate **[REDACTED]** Shares expected to be in issue immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** are not exercised). For details, see "Share Capital — Upon Completion of the **[REDACTED]**" in this document.

(2) The calculation of **[REDACTED]** is based on the assumption that **[REDACTED]** H Shares are expected to be in issue immediately after completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised).

(3) The **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share are calculated after the adjustments referred to in "Appendix II — **[REDACTED]** Financial Information" to this document and on the basis that **[REDACTED]** Shares were in issue assuming that the **[REDACTED]** had been completed on 31 December 2025 and without taking into account any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

(4) No adjustment has been made to reflect any trading results or open transactions of the Group entered into subsequent to 31 December 2025.

[REDACTED]

We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below.

Use	Amount		% of the [REDACTED]
	HK$'million	*RMB'million*	*%*
Overseas expansion	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Increase in-house capacity with a new production base	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Opening three flagship stores under 臻 ZHEN	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Marketing and brand building	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Working capital and general corporate purposes	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**

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

[REDACTED] EXPENSES

Assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share and assuming the **[REDACTED]** is not exercised, the total estimated **[REDACTED]** in connection with the **[REDACTED]** (including **[REDACTED]** commission) was RMB**[REDACTED]** (equivalent to approximately HK$**[REDACTED]**). The estimated total **[REDACTED]** consist of (i) **[REDACTED]** expenses (including but not limited to commissions and fees) of approximately RMB**[REDACTED]**, and (ii) **[REDACTED]** expenses of approximately RMB**[REDACTED]**, which consist of fees and expenses paid to legal advisers and Reporting Accountants of approximately RMB**[REDACTED]**, and other fees and expenses of approximately RMB**[REDACTED]**, representing approximately **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**. Approximately RMB**[REDACTED]** of our **[REDACTED]** was charged to our consolidated statements of profit or loss for the year ended 31 December 2025, with an additional RMB**[REDACTED]** to be charged thereafter, and approximately RMB**[REDACTED]** is expected to be deducted from equity upon **[REDACTED]**.

For FY2023, FY2024 and FY2025, **[REDACTED]** charged to our consolidated statements of profit or loss and other comprehensive income amounted to **[REDACTED]**, **[REDACTED]** and RMB**[REDACTED]** respectively.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As at the Latest Practicable Date, Shantou CHJ Investment was interested in approximately 28.55% of the issued share capital of our Company, which was ultimately owned as to approximately 51.5996% by Mr. Liao Muzhi, 9.1653% by Mr. Lin Junping, and 8.2042% by Mr. Liao Chuangbin, who were Concert Parties. In addition, each of Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping was directly interested in approximately 3.04%, 0.07% and 0.01% of the issued share capital of our Company, respectively as at the Latest Practicable Date. Mr. Liao Muzhi is the father of Mr. Liao Chuangbin, and the father-in law of Mr. Lin Junping. Mr. Zhong Mutian has not entered into any acting-in-concert arrangements with the Concert Parties, nor does he have any family relationships with them. His shareholding in Shantou CHJ Investment is solely that of an early-stage investor. Mr. Liao Muzhi, Mr. Lin Junping and Mr. Liao Chuangbin (i.e. the Concert Parties) have acknowledged and confirmed their acting-in concert relationship in the management and operation of our Group. Accordingly, the Concert Parties were interested in a total of approximately 31.67% of the total issued shares of our Company.

Immediately following the completion of the **[REDACTED]** and assuming that no new Shares were issued under the **[REDACTED]**, and no other changes were made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, Shantou CHJ Investment will hold approximately **[REDACTED]**% of the issued share capital of our Company. Further, each of Mr. Liao

Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping will directly hold approximately **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**% of the issued share capital of our Company, respectively. Accordingly, Shantou CHJ Investment, Mr. Liao Chuangbin, Mr. Liao Muzhi and Mr. Lin Junping will be our Single Largest Group of Shareholders immediately upon completion of the **[REDACTED]**.

For details, please see "Relationship with Our Single Largest Group Shareholders".

DIVIDEND AND DIVIDEND POLICY

The dividend declared by our Group to the shareholders was RMB177.7 million, RMB311.0 million and RMB311.0 million for FY2023, FY2024 and FY2025, respectively. During FY2025, we declared dividends totaling RMB311.0 million, comprising the 2024 final dividend of RMB222.1 million and the 2025 interim dividend of RMB88.9 million, which have been fully paid by us as at the Latest Practicable Date.

Subject to our constitutional documents and the Company Law, we adopted a three-year dividend policy in April 2024, according to which we may declare dividend by way of cash dividends, stock dividends, or a combination of cash and stock dividends. The accumulated profit distributed in cash in any year shall not be less than 10% of the annual distributable profit realised in the same year. For further details of our dividend and dividend policy, please refer to "Financial Information — Dividend and dividend policy".

OUR COMPETITIVE STRENGTHS

We believe that the following strengths have set us apart from our competitors: (i) we are an established jewellery brand in the PRC that blends oriental heritage and modern designs; (ii) effective product development and new product launch system; (iii) extensive sales network and omni-channel presence that has driven market penetration; (iv) integrated digitalised management system that enables operational efficiency and supports future scalability; (v) our supply chain system that optimises each stage of the entire supply chain; and (vi) entrepreneurial, experienced and cohesive management team.

OUR STRATEGIES

We plan to implement the following strategies to capture growing market opportunities and further solidify our market position: (i) implement our "1+N" brand strategy to enhance brand recognition and influence; (ii) continue to expand our sales network domestically and internationally; (iii) continue our digitalisation to optimise our sales network management; and (iv) further expand our production capacity to strengthen our core competitiveness.

COMPETITIVE LANDSCAPE

Jewellery

From 2020 to 2024, the market size of jewellery market in the PRC expanded from RMB610.0 billion to RMB728.0 billion, registering a CAGR of 4.5%. By 2029, the market size is projected to reach RMB937.0 billion, with an accelerated CAGR of 5.2% from 2024 to 2029. Growing interest from young demographic who has increasing purchasing power is a key market drivers for both classic gold jewellery market and fashion jewellery market.

Handbag

The market size of handbag market in the PRC has maintained a steady growth trajectory, increasing from RMB58.6 billion in 2020 to RMB80.5 billion in 2024, with a CAGR of 8.3%, fueled by rising consumer demand for high-quality, fashionable, and functional accessories. Looking ahead, the market size of handbag market in the PRC is expected to continue its upward trajectory, reaching RMB117.2 billion by 2029, representing a CAGR of 7.8% from 2024 to 2029.

For further details, please see "Industry Overview".