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

OVERVIEW

Who We Are

Ruoyuchen is a consumer-centric emerging consumer brand company, committed to delivering high-quality, differentiated products that address consumer needs in functionality, emotional value, immersive experiences, and self-expression.

Leveraging our omnichannel capabilities and deep industry insights, we build, scale, and partner with brands that are embedded in the lives of China's new consumers, particularly established middle class, young white collars and modern moms, addressing their unmet needs, resonating with their values and engaging with them across their preferred touchpoints. Our business is structured around three segments:

- *Proprietary Brand Development*. We incubate and operate proprietary brands in China, focusing on consumer goods tailored to address evolving consumer preferences and demands. With extensive operational experience and market insights accumulated through our e-commerce operation and brand management businesses, we are able to efficiently build proprietary brands with strong product-market fit. Our proprietary brand portfolio mainly includes household care brand LYCOCELLE and nutritional supplement brands FineNutri and NuiBay, each addressing different aspects of our consumers' demands. We manage the full brand development lifecycle, from setting brand strategy and developing products, to sourcing raw materials and working with third-party manufacturers, and finally to selling products to distributors and consumers. This approach allows us to deliver high-quality offerings that satisfy consumer demands.

- *Brand Management Business*. We empower brand partners to achieve sustainable growth. Acting as the exclusive operator for brand partners' online business, we are responsible for brand operations, such as marketing, pricing decision, product sales and inventory management. In connection with these arrangements, we procure products from our brand partners and resell them to distributors and consumers. Beyond daily operations, we work closely with brand partners to develop tailored brand strategies, refine positioning and plan product portfolios that resonate with target consumers. By providing comprehensive operational capabilities and strategic guidance, we enable our brand partners to navigate the evolving complexities of the Chinese market and capture new growth opportunities.

- *E-commerce Operation Business*. We provide integrated digital operation solutions to third-party consumer good brands, enabling them to grow their online presence and perform better across sales channels. By managing online stores, supporting product sales, and carrying out brand marketing, we help our brand partners enhance sales conversion and boost brand visibility across major online platforms. Depending on the cooperation model, we either source products from our brand partners and resell them to distributors and consumers, or provide e-commerce operation services directly to our brand partners.

Leveraging core capabilities in identifying specific consumer segments and usage scenarios, optimizing content-driven sales strategies, and rapidly converting consumer insights into popular products, we have successfully launched three main proprietary brands, LYCOCELLE, FineNutri and NuiBay:

- ***LYCOCELLE (綻家):*** Focused on premium household care products, LYCOCELLE addresses self-care cleaning scenarios through concepts such as "dedicated care for specific garments" (專衣專護) and "fragrance-infused cleaning" (香氛清潔). In developing LYCOCELLE products, we use refined fragrance essences to elevate both the sensory appeal and functional quality of our offerings, reinforcing LYCOCELLE's focus on long-lasting, premium fragrance. For the year ended December 31, 2025, LYCOCELLE ranked 3 and 4 in terms of GMV among flagship stores in the fabric care category on Tmall and Douyin, respectively, according to Frost & Sullivan.

- ***FineNutri (斐萃):*** FineNutri is our premium nutricosmetics brand, created for ingredient-conscious consumers seeking visible anti-aging results. Its products feature compound, multi-ingredient formulations that calibrate and combine multiple active functional ingredients, such as ergothioneine and Calanus oil, to deliver complementary benefits across different skin-related and wellness needs. According to Frost & Sullivan, as of the Latest Practicable Date, FineNutri was the fastest beauty-focused nutritional supplement brand to surpass RMB500 million in retail sales in China since its inception.

- ***NuiBay (紐益倍):*** NuiBay is designed for the mass market, addressing consumers who values simplicity, affordability and everyday effectiveness. Launched in June 2025, NuiBay focuses on single-ingredient formulations, which simplify consumer decision-making. Its signature ergothioneine product is priced at RMB99 per 30 capsules, delivering an accessible daily supplementation option. The brand gained market attention since its launch, with cumulative GMV exceeding RMB160.0 million as of the Latest Practicable Date.

How We Deliver

Under the leadership of our founder and CEO, Mr. WANG Yu (王玉), we have successfully evolved from a digital partner empowering global brands into a consumer-centric brand platform with a full spectrum of capabilities to create, incubate and scale proprietary brands. This transformation has been driven by our deep understanding of the evolving needs of Chinese consumers, who increasingly value not only product efficacy, but also alignment with their personal preferences, aesthetic expectations and lifestyle contexts. Drawing on years of experience in our e-commerce operation services business, we have built a replicable brand-building system supported by a multi-disciplinary team with expertise across multiple consumer categories. This system combines cross-category consumer insight with integrated capabilities spanning trend identification, product creation, content development and channel integration, enabling us to efficiently build and scale brands such as LYCOCELLE and FineNutri.

We are capitalizing on the rise of content-driven e-commerce and the restructuring of channel dynamics to build a new paradigm for brands, centered on omnichannel resonance and content-led engagement. On the channel front, we have built an integrated ecosystem with Douyin at its core, using its traffic reach, communication efficiency and recommendation mechanism to drive product discovery, conversion and brand building, while extending brand influence across other channels such as Tmall, JD.com, Xiaohongshu and offline retail. In 2025, GMV from our proprietary brands through Douyin reached RMB1,728.2 million, representing approximately 66.0% of the total GMV generated from our proprietary brands. Tmall has also remained a core channel for us since our early development and supports brand building, sales conversion and lifecycle user management across our brand portfolio.

On the content front, we leverage our in-house capabilities and external content resources to develop visually distinctive and emotionally resonant content assets that enhance consumer engagement and strengthen brand recognition across platforms. This approach has supported stronger traffic conversion, improved operating efficiency and accelerated brand scaling. LYCOCELLE and FineNutri had accumulated substantial brand audience assets on Douyin, enabling LYCOCELLE's GMV to double year-over-year in 2025 and FineNutri to record GMV of RMB1,159.1 million in 2025.

Our Track Record

As a consumer-centric emerging consumer brand company, we have achieved rapid growth throughout the Track Record Period. Our total revenue increased from RMB1,366.1 million in 2023 to RMB1,765.8 million in 2024, and further to RMB3,431.8 million in 2025, representing a CAGR of 58.5% from 2023 to 2025. Additionally, our net profit has continued to improve, rising from RMB54.3 million in 2023 to RMB105.6 million in 2024, and further to RMB194.4 million in 2025, with a CAGR of 89.2% over the same period. Our significant growth in both revenue and net profit during the Track Record Period is testimony to our strong capabilities in brand creation, incubation and scale-up, and builds a solid foundation for our leadership in our industry.

OUR STRENGTHS

Our strengths include: (i) proven capabilities in building widely recognized brands and differentiated products; (ii) omnichannel resonance with Douyin at core; (iii) content-driven brand building capabilities; (iv) AI-enabled smart mid-end module and supply chain quality control system; and (v) a young, driven management team with strategic vision and deep talent reserves.

OUR STRATEGIES

Our strategies include: (i) strengthen brand development to build a consumer-centric brand matrix; (ii) continue to explore and utilize new technologies and ingredients; (iii) expand global growth through the internationalization of proprietary brands; (iv) pursue strategic M&A and empower high-quality overseas brands to drive local growth; (v) build a distinctive AI-driven mid-end module to support scalable operations; and (vi) strengthen our talent pool to enhance global management capabilities.

REVENUE MODEL

During the Track Record Period, we mainly generated revenue from proprietary brands, brand management business and e-commerce operation business. For proprietary brands, we procure raw materials and manufacturing services from suppliers and generate revenue from sales of products developed under our proprietary brands to distributors and consumers. Under brand management business, we maintain inventory of brand partners' products and generate revenue from the resale of products procured from our brand partners to distributors and consumers. We are authorized to use our brand partners' trademarks free of charge in delivering brand management solutions and have no revenue-sharing arrangements with them. For e-commerce operation business, depending on the cooperation model and services provided, our revenue is generated either from the resale of products sourced from brand partners to distributors and consumers under the distribution model, or from service fees charged to brand partners for our e-commerce operation services under the service fee model. We only maintain inventory of brand partners' products under the distribution model.

The following table sets forth the breakdown of our revenue by business segments for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Proprietary brands	263,278	19.3	500,958	28.4	1,813,163	52.8
LYCOCELLE	254,733	18.7	484,218	27.4	1,069,177	31.2
FineNutri	–	–	12,122	0.7	696,483	20.3
Others	8,545	0.6	4,618	0.3	47,503	1.3
Brand management	160,486	11.7	501,107	28.4	895,116	26.1
E-commerce operation	942,327	69.0	763,711	43.2	723,497	21.1
Distribution model	750,325	54.9	581,948	32.9	558,721	16.3
Service fee model	192,002	14.1	181,763	10.3	164,776	4.8
Total	**1,366,091**	**100.0**	**1,765,776**	**100.0**	**3,431,776**	**100.0**

OMNICHANNEL SALES AND DISTRIBUTION NETWORK

We sell products through an omnichannel sales network that integrates (i) direct-to-consumer sales through self-operated stores on major e-commerce platforms to end consumers, and (ii) distributor-based sales, which refer to sales through third-party intermediaries that do not involve direct transactions with end consumers. These distributors fall into three categories: (i) e-commerce platforms, (ii) retailers, and (iii) key accounts. E-commerce platforms sell our products solely through online channels, while retailers mainly operate online channels and key accounts enable us to maintain a strategic presence in offline grocery retail channels. The following table sets forth the breakdown of our revenue generated from sales of products by sales channels for the years indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
	(RMB in thousands, except for percentages)					
Direct-to-consumers						
Self-operated stores	619,580	52.8	1,007,500	63.6	2,479,386	75.9
Distributors						
E-commerce platforms	299,872	25.5	325,900	20.6	373,134	11.4
Retailers	238,181	20.3	192,383	12.1	332,308	10.2
Key accounts	16,456	1.4	58,230	3.7	82,172	2.5
Subtotal	554,509	47.2	576,513	36.4	787,614	24.1
Total	**1,174,089**	**100.0**	**1,584,013**	**100.0**	**3,267,000**	**100.0**

OUR CUSTOMERS AND SUPPLIERS

In 2023, 2024 and 2025, our aggregate revenue from the five largest customers in each year during the Track Record Period was RMB396.2 million, RMB432.3 million and RMB523.2 million, respectively, accounting for 29.1%, 24.4% and 15.2% of our total revenue, respectively. In the same years, our revenue from the single largest customer in each year during the Track Record Period was RMB176.9 million, RMB156.1 million and RMB162.1 million, accounting for 13.0%, 8.8% and 4.7% of our total revenue, respectively.

Our major suppliers are brand partners, warehousing and logistics service providers, raw material providers, OEMs and e-commerce platforms providing promotional services. In 2023, 2024 and 2025, our procurement from the five largest suppliers in each year during the Track Record Period was RMB519.0 million, RMB598.8 million and RMB1,472.6 million, respectively, accounting for 44.4%, 47.7% and 50.8% of our total purchase, respectively. In the same years, our procurement from the single largest supplier in each year during the Track Record Period was RMB141.9 million, RMB227.9 million and RMB674.3 million, accounting for 12.1%, 18.2% and 23.2% of our total purchase, respectively.

MARKET OPPORTUNITIES AND COMPETITION

We focus our proprietary brands on household care and nutritional supplements, two categories undergoing structural transformation driven by accelerating online penetration, refined consumer segmentation and increasingly diversified usage scenarios. The household care industry in China is highly competitive and relatively fragmented, with numerous market participants. According to Frost & Sullivan, the market size of China's household care industry, in terms of retail sales, grew from RMB117.2 billion in 2019 to RMB150.1 billion in 2024, and is expected to reach RMB217.3 billion in 2029, at a CAGR of 7.7% from 2024 to 2029. In 2024, the top five brands accounted for approximately 34.6% of the household care market in terms of retail sales. In terms of retail sales, the market size of China's premium liquid detergent industry, defined as those priced at RMB50 or above per 1,000ml, reached RMB8.3 billion in 2024, and is expected to grow at a CAGR of 13.7% from 2024 to 2029 and reach RMB15.7 billion by 2029. Our LYCOCELLE brand ranked fifth in China's premium liquid detergent segment, in terms of retail sales in 2024.

China's nutritional supplements market features a large number of participants and remains relatively fragmented, with the top five brands, in terms of retail sales, accounting for approximately 25.0% of the market in 2024. Among these emerging players, our FineNutri brand is the fastest-growing beauty-focused nutritional supplement brand to surpass RMB500 million in retail sales in China since its inception, as of the Latest Practicable Date. In 2024, we ranked fourth in China's e-commerce solution industry in terms of GMV generated from the health & wellness category. Leveraging our robust product development capabilities, expansive sales network, and advanced digitalization tools that boost operational efficiency, we believe we are well-prepared to excel in industry competition and maintain a leading presence across the industries in which we operate. See "Industry Overview."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Summary of Consolidated Statements of Profit

The following table sets forth a summary of our consolidated statements of profit for the years indicated:

	For the Year Ended December 31,		
	2023	**2024**	**2025**
	(RMB in thousands)		
Revenue	1,366,091	1,765,776	3,431,776
Cost of sales	(817,700)	(977,613)	(1,380,611)
Gross profit	**548,391**	**788,163**	**2,051,165**

	For the Year Ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
General and administrative expenses	(97,408)	(117,266)	(127,377)
Selling and marketing expenses	(380,026)	(525,850)	(1,647,487)
Research and development expenses	(24,040)	(25,735)	(32,637)
Net impairment (losses)/reversals on financial assets	(4,980)	(6,284)	4,163
Other income	1,621	7,620	5,383
Other gains/(losses), net	7,900	(1,278)	(23,949)
Operating profit	**51,458**	**119,370**	**229,261**
Finance income	7,160	12,103	11,173
Finance costs	(2,189)	(4,612)	(15,266)
Finance income/(costs), net	**4,971**	**7,491**	**(4,093)**
Share of profit of interest in associates	276	1,218	621
Profit before income tax	**56,705**	**128,079**	**225,789**
Income tax expense	(2,415)	(22,443)	(31,388)
Profit for the year	**54,290**	**105,636**	**194,401**

Our net profit increased from RMB54.3 million in 2023 to RMB105.6 million in 2024, and further to RMB194.4 million in 2025, primarily due to (i) the rapid growth of our proprietary brands, particularly LYCOCELLE and FineNutri, and (ii) the growth of our brand management business, primarily driven by the strong sales performance of brand partners across personal care and maternal & infant care industries, as a result of our brand building and successful sales strategies.

Summary of the Consolidated Statements of Financial Position

The following table sets forth a summary of our consolidated statements of financial position as of the dates indicated. For details, see consolidated statements of financial position included in the Accountants' Report set out in Appendix I to this document.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Total non-current assets	306,214	362,228	359,686
Total current assets	1,039,484	1,188,623	1,823,924
Total assets	**1,345,698**	**1,550,851**	**2,183,610**
Total non-current liabilities	5,231	40,081	355,543
Total current liabilities	243,372	406,578	1,108,907
Total liabilities	**248,603**	**446,659**	**1,464,450**
Net current assets	**796,112**	**782,045**	**715,017**
Total equity	**1,097,095**	**1,104,192**	**719,160**

Our net current assets decreased from RMB796.1 million as of December 31, 2023 to RMB782.0 million as of December 31, 2024, and further to RMB715.0 million as of December 31, 2025, primarily due to (i) an increase in borrowings from RMB170.9 million as of December 31, 2023 to RMB274.5 million as of December 31, 2024, and further to RMB699.9 million as of December 31, 2025, to support our business growth, and (ii) an increase in trade payables from RMB20.0 million as of December 31, 2023 to RMB47.0 million as of December 31, 2024, and further to RMB175.9 million as of December 31, 2025, in line with our growing business scale.

Our net assets increased from RMB1,097.1 million as of December 31, 2023, to RMB1,104.2 million as of December 31, 2024, primarily due to net profit recorded, exercise of share schemes reserves, and share-based payment reserves in 2024, partially offset by the dividends declared and repurchase of shares during the same year. Our net assets decreased from RMB1,104.2 million as of December 31, 2024, to RMB719.2 million as of December 31, 2025, primarily due to the dividends declared and repurchase of shares for the year ended December 31, 2025, partially offset by net profit recorded during the same year.

Summary of the Consolidated Statements of Cash Flows

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

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash (used in)/generated from operating activities	(91,790)	333,706	151,796
Net cash (used in)/generated from investing activities	(14,818)	(54,827)	16,839
Net cash generated from/(used in) financing activities	66,176	(25,472)	112,312
Net (decrease)/increase in cash and cash equivalents	**(40,432)**	**253,407**	**280,947**
Cash and cash equivalents at beginning of the year	368,575	336,326	600,138
Effects of exchange rate changes on cash and cash equivalents	8,183	10,405	(25,103)
Cash and cash equivalents at the end of the year	**336,326**	**600,138**	**855,982**

For the year ended December 31, 2025, our net cash generated from operating activities was RMB151.8 million, mainly due to our profit before income tax of RMB225.8 million, adjusted by (i) certain non-cash items, including interest income of RMB11.2 million, and (ii) changes in working capital, which primarily included an increase in inventories of RMB237.1 million and an increase in receivables of RMB121.9 million. Such adjustments were partially offset by increase in payables of RMB241.4 million.

For the year ended December 31, 2024, our net cash generated from operating activities was RMB333.7 million, mainly due to our profit before income tax of RMB128.1 million, adjusted by (i) certain non-cash items, including depreciation and amortization of non-current assets of RMB22.9 million and share-based compensation expenses of RMB10.1 million, and (ii) changes in working capital, which primarily included a decrease in inventories of RMB94.0 million, an increase in payables of RMB47.6 million and a decrease in receivables of RMB17.0 million. Such adjustments were partially offset by interest income of RMB12.1 million.

For the year ended December 31, 2023, our net cash used in operating activities was RMB91.8 million, mainly due to (i) changes in working capital, which primarily included an increase in inventories of RMB126.4 million and an increase in receivables of RMB66.8 million, and (ii) certain non-cash items, including net foreign exchange gains of RMB8.1 million and interest income of RMB7.2 million.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratio as of the dates and for the years indicated:

	As of/For the Year Ended December 31,		
	2023	2024	2025
Revenue growth	12.3%	29.3%	94.3%
Gross margin(1)	40.1%	44.6%	59.8%
Net profit margin(2)	4.0%	6.0%	5.7%
Current ratio(3)	4.3	2.9	1.6
Quick ratio(4)	3.0	2.4	1.2
Return on equity(5)	4.9%	9.6%	27.0%

Notes:

(1) Calculated by dividing gross profit by revenue for a specific year.

(2) Calculated by dividing profit for the year by revenue for such year.

(3) Calculated by dividing total current assets by total current liabilities as of the dates indicated.

(4) Calculated by dividing total current assets (excluding inventories) by total current liabilities as of the dates indicated.

(5) Calculated by dividing profit for the year by total equity as of the closing date of such year.

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks, including risks relating to (i) our business and industry, (ii) conducting business in China, and (iii) the [**REDACTED**], which are set out in the section headed "Risk Factors" in this document. Some of the major risks we face include, but are not limited to: (i) 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; (ii) we operate in highly competitive markets. The intensifying competition in the markets could materially and adversely impact our market share and result of operations if we fail to compete effectively; (iii) our business depends heavily on the strength and reputation of brand equity, especially for our brand partners' brands; (iv) we may be unable to effectively scale, manage, and optimize our digitally powered sales and marketing capabilities; (v) if we fail to provide cost-effective e-commerce solutions with broad channel coverage, our growth prospects and competitive position may be materially and adversely affected; (vi) if we are unable to manage our growth or execute our strategies effectively, our business, financial condition and results of operations may be materially and adversely affected; (vii) we rely heavily on a limited number of online platforms for a substantial portion of our revenue during the Track Record Period. If such platforms' services or operations are interrupted or if our relationships with such platforms terminate or deteriorate, our business, financial condition and results of operations may be materially and adversely affected; (viii) we depend on brand partners to grow our business. If we fail to attract and retain major brand partners, or if our business relationships with major brand partners are disintermediated, our business, financial condition and operating results could be adversely affected; (ix) our business success is dependent on our ability to continuously expand product portfolio and launch new brands; and (x) we are subject to the risks in relation to our distributors.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was owned as to approximately 30.18% by Mr. Wang, approximately 4.29% by Ms. Wang and approximately 8.47% by Tianjin Yayi, respectively. Tianjin Yayi is a limited partnership established in the PRC, the general partner of which is Ms. Wang, holding 1% partnership interest in Tianjin Yayi. The only limited partner in Tianjin Yayi as of the Latest Practicable Date is Mr. Wang, holding 99% partnership interest in Tianjin Yayi. Mr. Wang and Ms. Wang are spouses. By virtue of aforementioned relationship, Mr. Wang and Ms. Wang and Tianjin Yayi are considered to be a group of Controlling Shareholders, collectively holding approximately 42.93% as of the Latest Practicable Date.

Upon completion of the [**REDACTED**] (assuming that [**REDACTED**] is not exercised and no new Shares are issued under the 2022 Equity Incentive Plan), Mr. Wang, Ms. Wang and Tianjin Yayi will be collectively interested in and control an aggregate of approximately [**REDACTED**]% of the total issued share capital of our Company. Accordingly, Mr. Wang, Ms. Wang and Tianjin Yayi remain as a group of Controlling Shareholders of our Company immediately upon the completion of the [**REDACTED**] (assuming that [**REDACTED**] is not exercised and no new Shares are issued under the 2022 Equity Incentive Plan).

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Our A Shares have been listed on the Shenzhen Stock Exchange (stock code: 003010.SZ) since September 2020. Our Directors have confirmed that our Company has no instance of non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respect since the A Share Listing, and, to the best knowledge of our Directors after having made all reasonable enquiries, there is no material matter that should be brought to [**REDACTED**] attention in relation to our compliance record on the Shenzhen Stock Exchange. Based on the filings on the website of the Shenzhen Stock Exchange and the information available in the public domain, our PRC Legal Advisor is of the view that the Company had complied with all applicable securities laws and regulations in the PRC in relation to its listing on the Shenzhen Stock Exchange in all material respects during the Track Record Period, and up to the date of submission of its [**REDACTED**] to the Hong Kong Stock Exchange.

Based on the independent due diligence conducted by the Joint Sponsors and our PRC Legal Advisor's view as set out above, nothing has come to the Joint Sponsors' attention that would cause them to have reasonable doubt about our Directors' confirmation with regard to the compliance record of the Company on the Shenzhen Stock Exchange in any material respect.

DIVIDENDS

We declared and paid dividends in 2023, 2024 and 2025, respectively. A dividend of RMB3.00 per 10 shares was also approved by the annual general meeting of our Company held in April 2026. However, we cannot assure that we will pay any cash dividends in the foreseeable future. [**REDACTED**] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. According to applicable laws in mainland China and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations: recovery of the losses incurred in the previous year; allocations to the statutory reserve equivalent to 10% of our profit after tax; and allocations to a discretionary common reserve of certain percentage of our profit after tax that are approved by Shareholders' general meeting. Pursuant to the Articles, in the absence of any significant investment plans or major cash expenditures, we shall distribute not less than 10% of our annual distributable profits in cash each year. The dividend payout ratio may vary depending on our investment plans or cash expenditure requirements.

[**REDACTED**]

[**REDACTED**] consist of professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We expect to incur [**REDACTED**] of approximately HK$[**REDACTED**], comprising: (i) [**REDACTED**] fees of HK$[**REDACTED**]; and (ii) non [**REDACTED**]-related expenses of HK$[**REDACTED**], which are further categorized into: (a) fees and expenses of legal advisors and accountants of HK$[**REDACTED**]; and (b) other fees and expenses of HK$[**REDACTED**], assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**]), approximately HK$[**REDACTED**] of which is expected to be charged to our consolidated statements of profit or loss, and approximately HK$[**REDACTED**] of which is expected to be deducted from equity upon completion of the [**REDACTED**]. The [**REDACTED**] are expected to represent approximately [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**]) and that the [**REDACTED**] is not exercised. For the year ended December 31, 2025, we have incurred approximately HK$[**REDACTED**] [**REDACTED**] in relation to the [**REDACTED**], of which approximately HK$[**REDACTED**] is expected to be deducted from equity upon completion of the [**REDACTED**], and the remaining amount of approximately HK$[**REDACTED**] was recognized in our profit or loss. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. We do not expect such expenses to have a material adverse impact on our results of operations in 2026.

[**REDACTED**]

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting estimated [**REDACTED**], fees and expenses payable by us in connection with the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share, and assuming the [**REDACTED**] is not exercised.

We currently intend to apply (i) approximately [**REDACTED**]% of the [**REDACTED**] (HK$[**REDACTED**]) for brand building, including (a) enhancing the consumer awareness of our proprietary brands, including LYCOCELLE, FineNutri, and Nuibay, and expanding our sales network in China; and (b) expanding our brand management business; (ii) approximately [**REDACTED**]% of the net [**REDACTED**] (HK$[**REDACTED**]) to establishing research and development (R&D) capabilities, with a focus on advanced technologies and high-value ingredients to enhance product functionality, user experience, and differentiation; (iii) approximately [**REDACTED**]% of the net [**REDACTED**] (HK$[**REDACTED**]) to supporting the overseas expansion of our proprietary brands; (iv) approximately [**REDACTED**]% of the net [**REDACTED**] (HK$[**REDACTED**]) to acquiring or investing in overseas brands, with a focus on premium natural and eco-friendly consumer brands with differentiated positions and health & wellness brands that possess strong local market presence but remain in the early stages of development in China; (v) approximately [**REDACTED**]% of the net [**REDACTED**] (HK$[**REDACTED**]) to building digital and AI capabilities; and (vi) approximately [**REDACTED**]% of the net [**REDACTED**] (HK$[**REDACTED**]) to working capital and general corporate purposes.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Acquisitions

In April 2026, Ruoyuchen International Limited (若羽臣國際有限公司) ("Ruoyuchen International"), our indirectly wholly-owned subsidiary incorporated in the British Virgin Islands, entered into share purchase agreements with Bespoke Global LP ("Bespoke Global"), a Cayman Islands exempted limited partnership, to acquire its equity interests in Bespoke Holding Corporation, a company incorporated in Delaware, the United States, and Erno Laszlo Group Ltd, a company incorporated in the United Kingdom, for a total consideration of approximately US$43.8 million. The consideration was determined with reference to a valuation report prepared by an independent valuer and based on arm's length negotiations between the parties. The two acquired entities principally engaged in the research and development and sale of skincare products under the brand "Erno Laszlo" (奥倫納素). The acquisition has been closed on April 13, 2026, after which, Ruoyuchen International holds 100% of the equity interests in Bespoke Holding Corporation and Erno Laszlo Group Ltd and, as a result, indirectly holds 100% of the equity interests in their respective wholly-owned subsidiaries, Erno Laszlo, Inc., a company incorporated in Delaware, the United States, and Aoluonasi Commercial (Shanghai) Co., Ltd. (奧洛納斯商業(上海)有限公司), a company incorporated in the PRC. The acquisition is expected to generate synergies with our existing business, including enhancing our brand portfolio, strengthening our product development capabilities and expanding our market presence.

No Material Adverse Change

Our Directors confirm that, there has been no material adverse change in our financial or trading position prospects since December 31, 2025 and up to the date of this document and there is no event since December 31, 2025, which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set out in Appendix I to this document.